

| 2022 Budget



August 26, 2021

Mary Albert
Budget Manager
Community Transit
7100 Hardeson Road
Everett, WA 98203-5834

Dear Ms. Albert:

We are pleased to inform you, based on the examination of your budget by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next annual budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. Information about how to submit an application for the Distinguished Budget Program application is posted on GFOA's website.

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

Budget Team

Continuing participants will receive a brass medallion that will be mailed separately. First-time recipients will receive an award plaque within eight to ten weeks. Enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. The following standardized text should be used:

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **Community Transit, Washington**, for its Annual Budget for the fiscal year beginning **January 01, 2021**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine
Director, Technical Services Center

Enclosure



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Community Transit
Washington**

For the Fiscal Year Beginning

January 01, 2021

Christopher P. Morill

Executive Director



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION

to

**Budget Team
Community Transit, Washington**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards

Executive Director

Christopher P. Morill

Date: **August 26, 2021**

RESOLUTION NO. 11-21

A RESOLUTION of the Board of Directors of the Snohomish County Public Transportation Benefit Area Corporation (SCPTBAC, hereafter referred to as Community Transit) adopting the budget and other budget-related items for the fiscal year 2022.

WHEREAS, the Chief Executive Officer and Budget Manager presented the proposed 2022 budget to the Board of Directors on October 28, 2021; and

WHEREAS, the Board of Directors of Community Transit met in regular session on Thursday, November 4, 2021, at 3:00 p.m. in a remote meeting format via a Zoom online meeting, for the purpose of hearing all matters and all persons in connection with the adoption of the 2022 Community Transit budget; and

WHEREAS, notice of such hearing was published as required by Resolution No. 22-98;

NOW, THEREFORE, BE IT RESOLVED,

1. That the 2022 budget attached hereto and incorporated herein in summary form as Exhibit A, Totals of Estimated Revenues, and Exhibit B, Expenditures for Each Separate Fund, is hereby adopted; and
2. That, except as otherwise provided, approval by the Board of Directors shall be required before funds can be transferred from one fund in Exhibit B to another; and
3. That staff positions shall be approved for hire by Community Transit's Chief Executive Officer, so long as all expenditures associated with all staff positions hired during the year fall within the 2022 budget as adopted or amended by the Board of Directors by resolution; and
4. That all salary bands that are in effect on December 31, 2021, for all exempt and nonexempt administrative employees will be increased by 2.5 percent effective January 1, 2022, as set forth in Exhibit C of this resolution; and
5. That unexpended capital project budgets that have been previously approved by the Board of Directors, including all projects budgeted in Replacement Reserve Fund 41, Infrastructure Preservation Fund 42, State Capital Projects Fund 44, FTA Capital Projects Fund 45, Local Capital Projects Fund 46, Bond Capital Projects Fund 47, and Facilities and Technology Fund 48, will be reappropriated as of January 1, 2022, with the budget balances remaining as of December 31, 2021, plus any new amounts included in the adopted 2022 budget unless the project has been completed and no additional funding is required.

APPROVED AND PASSED THIS 2nd day of December 2021.

Kim Daughtry

Council Member Kim Daughtry, Board Chair

ATTEST

APPROVED AS TO FORM

Jan Schuette

Council Member Jan Schuette, Secretary

Allen J. Hendricks

Allen J. Hendricks, Attorney

**Community Transit 2022 Budget
Totals of Estimated Revenues
Resolution No. 11-21 Exhibit A**

Fund	Fund Description	Beginning Cash	Revenues	Interfund Transfers	Total
40	General Fund	\$ 191,461,390	\$ 263,066,969	\$ -	\$ 454,528,359
41	Replacement Reserve Fund	\$ 44,224,480	\$ 507,663	\$ 1,560,000	\$ 46,292,143
42	Infrastructure Preservation	\$ 12,901,672	\$ -	\$ 19,750,000	\$ 32,651,672
43	Workers' Compensation Fund	\$ 5,173,359	\$ 50,000	\$ 3,000,000	\$ 8,223,359
44	State Capital Projects Fund	\$ -	\$ 3,780,000	\$ 2,945,000	\$ 6,725,000
45	FTA Capital Projects Fund	\$ 2,185,135	\$ 63,601,709	\$ 14,119,277	\$ 79,906,121
46	Local Capital Projects Fund	\$ 13,453,766	\$ 101,450	\$ 14,594,534	\$ 28,149,750
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 54,821,944	\$ -	\$ 111,771,363	\$ 166,593,307
50	Bond Debt Service Fund	\$ 597,431	\$ -	\$ 1,431,292	\$ 2,028,723
	Total Budget	324,819,177	331,107,791	169,171,466	825,098,434

**Community Transit 2022 Budget
Expenditures for Each Separate Fund
Resolution No. 11-21 Exhibit B**

Fund	Fund Description	Expenditures	Interfund Transfers	Ending Cash	Total
40	General Fund	\$ 171,860,886	\$ 169,171,466	\$ 113,496,007	\$ 454,528,359
41	Replacement Reserve Fund	\$ 3,947,895	\$ -	\$ 42,344,248	\$ 46,292,143
42	Infrastructure Preservation	\$ 5,651,444	\$ -	\$ 27,000,228	\$ 32,651,672
43	Workers' Compensation Fund	\$ 2,895,097	\$ -	\$ 5,328,262	\$ 8,223,359
44	State Capital Projects Fund	\$ 6,725,000	\$ -	\$ -	\$ 6,725,000
45	FTA Capital Projects Fund	\$ 79,906,121	\$ -	\$ -	\$ 79,906,121
46	Local Capital Projects Fund	\$ 28,149,750	\$ -	\$ -	\$ 28,149,750
47	Bond Capital Projects Fund	\$ -	\$ -	\$ -	\$ -
48	Facilities and Technology Fund	\$ 66,858,935	\$ -	\$ 99,734,372	\$ 166,593,307
50	Bond Debt Service Fund	\$ 1,432,750	\$ -	\$ 595,973	\$ 2,028,723
	Total Budget	367,427,878	169,171,466	288,499,090	825,098,434

Exhibit C to Resolution No. 11-21
Effective January 1, 2022
2022 Table of Bands/Ranges

Band/Grade	Minimum	Midpoint	Maximum
A11	44,667	51,367	58,067
A12	47,940	55,131	62,322
A13	51,211	58,893	66,574
B21	53,333	62,667	72,000
B22	56,536	66,430	76,323
B23	59,739	70,192	80,646
B24/31	62,421	74,905	87,389
B25/32	67,131	80,557	93,983
C41	76,922	92,306	107,691
C42	82,396	98,876	115,355
C43	87,873	105,446	123,020
C44/51	94,727	113,672	132,617
C45/52	102,948	123,538	144,127
D61	105,411	131,763	158,116
D62	110,667	138,333	165,999
D63	115,921	144,902	173,883
D64/71	122,504	153,129	183,755
D65/72	130,395	162,994	195,592
D66/73	137,567	171,959	206,350
E8	145,503	189,155	232,806
E9	154,670	201,071	247,473
TRN	23.36 per hour		

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Board of Directors

Goals:

Improve ridership.

Demonstrate good stewardship of public funds.

Be a positive force in our communities.

Board of Directors as of December 31, 2021

Board Members

Kim Daughtry, Board Chair

Joe Marine, Vice-Chair

Jan Schuette, Secretary

Jared Mead

Tom Merrill

Jon Nehring

Lance Norton

Sid Roberts

Nicola Smith

Stephanie Wright

Board Alternates

Mike Gallagher

Kristiana Johnson

Kyoko Matsumoto Wright

James McNeal

Nate Nehring

Title

Council Member, City of Lake Stevens

Council Member, City of Mukilteo

Council Member, City of Arlington

Council Member, Snohomish County

Council Member, City of Snohomish

Mayor, City of Marysville

Labor Representative

Council Member, City of Stanwood

Mayor, City of Lynnwood

Council Member, Snohomish County

Council Member, City of Brier

Council Member, City of Edmonds

Mayor, City of Mountlake Terrace

Council Member, City of Bothell

Council Member, Snohomish County



CEO Budget Message

2022 Adopted Budget

I am pleased to present a balanced budget that expresses Community Transit’s bold embrace of the opportunities and challenges that lie ahead in 2022. Fresh off providing customers their first-ever connection to regional light rail, and battle-tested after nearly two years of fighting the global pandemic, Community Transit is poised to bring a spirit of confidence, innovation, and service to improving mobility for Snohomish County for the year ahead and beyond.

The 2022 budget shows how Community Transit will deliver on its mission, vision, and values in the new year. With a consistent focus on getting people from where they are to where they want to be, we will:

- Make strategic, new investments like the *Swift Orange Line*, so we can grow along with the communities we serve
- Re-shape the transit network for 2024, taking advantage of light rail coming to improve local service within Snohomish County
- Engage the public in visioning the future of transit in 2050 as we update our Long Range Plan
- Begin looking at bringing zero emission vehicles into our fleet
- Innovate with new service concepts to make transit easier than ever for riders to choose
- Engage our whole community in Community Transit’s work with a new and reinvigorated focus on inclusive public engagement

And we’ll do these things while staying committed to providing a safe and positive experience for customers and employees alike. I am optimistic about the year ahead. 2022 presents opportunities to turn the corner on the pandemic, welcome riders back to the agency’s services and chart an exciting new course for improving mobility in the future throughout Snohomish County.

2021 Highlights and Accomplishments

2021 marked a second year of responding to COVID-19, while maintaining safe, quality, reliable service each day. We followed safety protocols including mask wearing, social distancing, and disinfecting vehicles. We did our part to support the community fight against the virus, providing free rides to vaccinations as well as partnering with the Snohomish Health District to host on-site COVID-19 vaccination and testing at the Ash Way Park and Ride in Lynnwood.

Through it all, we stayed resilient, never missing a day of service, and always maintaining the safety of customers and employees.

Community Transit was able to make progress on several key initiatives during 2021, even while sustaining our response to the pandemic:

- **Ridership and Service Recovery.** With the resumption of economic activity, we were able to bring service back up to 90% of pre-pandemic levels and experience a slow but steady increase in ridership, particularly in services to downtown Seattle and the University of Washington.
- **Regional Integration/First Connection with Light Rail.** In October, Community Transit made its first connection to light rail at the new Sound Transit Link light rail station at Northgate, providing new travel options for Snohomish County riders to destinations like the University of Washington, downtown Seattle and Sea-Tac Airport. Bus-light rail integration enabled us to increase frequency with 48 new daily trips between the two counties.
- **Swift Bus Rapid Transit (BRT) Network Expansion.** The *Swift* BRT network is the agency's most highly utilized service, providing fast, frequent daily service. In 2021, we made major progress toward *Swift* expansion, securing \$43.5 million in federal grants to construct the new Orange Line, while advancing planning and design for extensions to both our Blue and Green lines.
- **Base Expansion Program to Support Service Growth.** We continued preparations for responding to the county's growing needs, breaking ground in July on expansion and renovation of the Merrill Creek Operations Base to provide maintenance and storage capacity to support the future *Swift* Orange line and further service expansion. This came in addition to reaching near-completion of the Kasch Park/Casino Road administration building renovation on schedule and budget. We also advanced design of our transportation headquarters renovation and acquired property adjacent to Kasch Park for a new training facility.
- **More Innovation, better service.** Opening Lynnwood Link light rail in 2024 gives Community Transit the opportunity to take a fresh look at the agency's products and services within Snohomish County, and this work took off in earnest during 2021. With light rail serving downtown travelers, we will be able higher service levels within the county. Planning for the new, more robust, 2024 network begin this year. We also began a deep dive into innovating new products and services to make transit an easier, more convenient choice for riders. We developed new, on-demand service concepts for Lynnwood this year that will kick off in 2022.

- **Environmental Stewardship & Sustainability.** Community Transit strengthened its commitment to environmental stewardship and innovation by kicking off a study of integrating zero emissions vehicles and infrastructure into our system. The study is looking at changes in the composition of our fleet and the ability to scale our vehicles to efficiently meet demand within the county.
- **Equitable Service and Accessibility.** This year, Community Transit created a Diversity, Equity and Inclusion (DEI) program. The program aligns the agency's policies, practices, and resources to provide equitable opportunities in Community Transit's workforce and in the transportation services the agency offers. Community Transit is also focused on ensuring we are providing equitable access to services for riders and potential riders, by expanding public engagement and customer research programs. This year we continued this work by broadening relationships with underrepresented communities, in order to ensure we are incorporating feedback from populations that have traditionally not had a strong voice in Community Transit public input.

2021 was overwhelmingly focused on maintaining a strong, effective response to the pandemic. The agency was able to sustain safe, stable operations, while advancing progress on agency priorities. We will finish the year in strong financial condition; with prudent financial management and a productive federal partnership, we are well positioned to take advantage of the opportunities that lie ahead to continue improving mobility and quality of life in Snohomish County.

2022 Budget and Agency Priorities

Community Transit's 2022 budget is balanced and sustainable. It ensures the agency is prepared to support the evolving needs of customers and a growing county through innovation, system expansion, and environmental stewardship.

The 2022 budget also provides financial security for the agency for the future, by using lessons learned during the pandemic and establishing new reserves that support the agency's key strategic priorities:

Ongoing COVID-19 Response

We have a steadfast commitment to providing a safe and healthy environment for customers and employees and encouraging additional return of riders to transit. We will continue to implement COVID-19 safety measures such as mandating masks for employees and customers, extra cleaning and disinfection of all offices, facilities and vehicles, and supporting remote working for employees as appropriate. We will also invest in new, air-purifying technology on buses to provide an even higher level of confidence in the safety of transit for our customers.

We have also implemented a COVID-19 vaccination requirement for employees. Effective January 1, 2022, all Community Transit employees will be required to provide proof of full vaccination against COVID-19 as a condition of employment, unless granted an accommodation for medical or religious reasons. In the interim, we have implemented a weekly testing requirement to help mitigate potential exposure in the workplace.

Planning for the Future

Light rail coming in 2024 means big changes – and big opportunities – for Community Transit riders. In 2022, we will go all-in on planning an improved transit network for 2024, including the reinvestment of thousands of service hours to provide even more connections within the agency’s service territory. We will proactively engage the public, whose feedback will be critical in determining where to expand access in order to ensure the agency meets customer needs and adds service in an equitable manner. Agency staff will work through iterations and refinements over the course of the year and present a proposed final plan for Board adoption at the end of 2022, giving us well over a year to prepare for implementation.

Looking further ahead, we will sustain engagement with the public and the board in updating Community Transit’s Long Range Plan. This will be an opportunity to re-imagine transit for the next generation with a 2050 horizon year, in alignment with Puget Sound Regional Council’s Vision 2050, to guide the development of the multimodal transportation network in Snohomish County and within the Puget Sound region. The plan will be presented to the Board for adoption in 2023.

Swift Bus Rapid Transit (BRT) Network Expansion

Next year, the agency will break ground on its third *Swift* BRT project, the Orange Line. We look forward to celebrating this with community and local dignitaries. In addition, later in the year, construction will begin on the expansion of the *Swift* Blue Line. Both are scheduled to be completed in 2024, in line with the Link light rail stations opening in Northgate and Shoreline in 2024.

Planning work around the *Swift* Green Line extension into Bothell will continue, and we will initiate planning for the fourth *Swift* line, the Gold Line which will serve the Cascade Industrial Center vicinity.

Service Innovation

Service innovation will be a major area of focus for Community Transit next year and the years ahead, as we explore ways to provide new options for making transit even more convenient for people. The agency expects to launch its first pilot program providing alternative services in Lynnwood during 2022. This marks a novel approach to developing mobility options based on user-centered feedback. We plan to learn what works best for riders, and attempt to scale what we learn in other local markets.

In 2022, Community Transit will upgrade the transit user experience for nearly all riders. In concert with regional partners, we will launch the new myORCA mobile app and website, making it easier and faster to pay for rides on any regional service. We will support the next generation of ORCA with an upgraded agency website, providing a better customer experience through improved navigation, streamlined content, and a more mobile-friendly design.

We will bring the spirit of innovation to the fleet in 2022, as we take a deep dive into the zero-emission study we began this year. The goal will be updating fleet plans with an eye toward refining service and addressing the changing climate with cleaner, quieter vehicles.

Base Expansion Program to Support Service Growth

2022 will have an exciting start, as we open the new administration building, Cascade Center. Moving into the new building will clear the way to expand other facilities to support service future service growth. Once this transition is complete, construction will begin to convert the Merrill Creek Administration Building into a Transportation operations center with updated equipment, expanded facilities and amenities for employees. The renovated transportation building will accommodate the anticipated 30% growth over the next 20 years, including staff to operate the *Swift* Orange Line and other new services.

Construction will continue on the expansion and renovation of the Merrill Creek Operations Base, and design will begin on office renovation at this facility. We will also begin construction on a new vehicle storage and training facility at the newly acquired property on Casino Road, and continue design for expansion and renovation of the Ridestore at the Lynnwood Transit Center, scheduled to be completed in time for the Lynnwood link light rail station opening in 2024.

2022: A Brighter Future

Community Transit has navigated the pandemic with success by focusing on safety for employees and customers and taking a prudent approach to managing agency finances and resources. As we begin to focus on emerging from the stress of the past two years, it's clear we are landing in a strong financial and strategic position to embrace the opportunities ahead of us and provide even better mobility services.

The 2022 budget plants the seeds for Community Transit to grow vibrantly alongside a dynamic set of communities, to evolve the network to provide better connections for people, and to bring the spirit of innovation to finding ways to make transit an easier choice for anyone who needs to go somewhere.

While we will keep our eyes firmly on public health until we reach a turning point on COVID-19, I am excited about the many changes ahead. Public transportation in the region is going to evolve quickly in the next few years, and we have the skilled, dedicated staff to leverage those shifts

into opportunities to improve peoples' lives. From expanded regional connections, to new alternative options, to vehicles that help reduce emissions into our environment, we are eager to continue our part in this work and look forward to the year ahead.

Addendum: Significant changes from the 2021 priorities described in the CEO Message, compared with the new 2022 priorities:

- In the 2021 budget, the agency's COVID-19 pandemic response is highlighted at the forefront of the CEO Message. The 2022 CEO Message does not start out with the pandemic response but instead includes it in a section with four other agency priorities described on pages 3 to 5. The 2022 CEO Message begins with list of goals Community Transit aims to achieve. These are initiatives targeted at reshaping transit in Snohomish County, including reshaping the transit network, planning for zero emissions vehicles, growing the bus rapid transit network, and innovating with new services.
- The vision, mission, core values, and agency priorities graphic is not included in the 2022 CEO Message because it is included on the back cover as its own page. Also, the 2021 CEO Message included a summary of the business planning and budgeting processes. This has been omitted for 2022 because these processes are described at length in the Budget Process section that starts on page 204.
- The Highlights and Accomplishments section in the 2021 CEO Message spotlights Community Transit's COVID-19 response as well, especially the safety measures taken, communications, employee support, collaboration with partners, service level adjustments, customer feedback and stimulus funds received. The 2022 CEO Message, in its Accomplishments section, also starts with the agency's COVID-19 response, but then highlights activities that show Community Transit moving forward from the pandemic response into ridership and service recovery, as well as critical projects and initiatives that are supportive of agency growth and expansion, and a focus on reinventing transit services in Snohomish County.
- The 2021 priorities and initiatives described were access to safe transportation, ensuring a positive employee experience, innovating to meet customer needs, continuing to expand the *Swift* rapid transit network, and collaborating with regional partners. The 2022 priorities and initiatives include continuing the Covid-19 response, planning for the future, expanding the *Swift* rapid transit network, service innovation, and expanding Community Transit's bases to support service growth. The 2021 message ends with the outgoing CEO's departing farewell and statement of optimism. The 2022 message also concludes with optimism toward a bright future for the agency, in terms of financial strength, innovation, and the opportunities we have for expansion.

Executive Summary

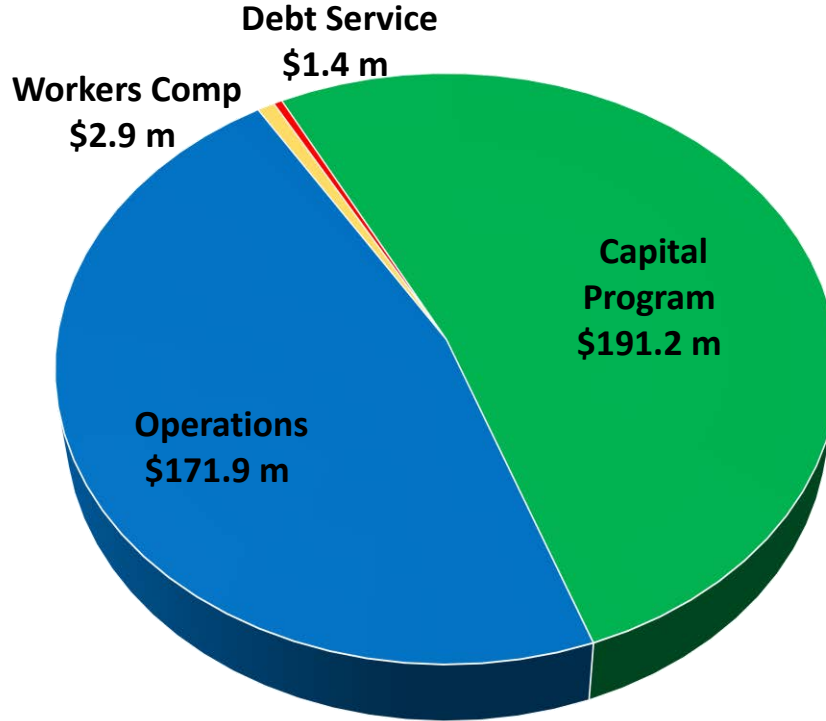
The 2022 budget represents a pivotal year for Community Transit. In this budget, the agency sets the stage for future growth and expansion. The projects and initiatives planned for 2022 lay groundwork for service innovation and help redefine the future of public transportation services in Snohomish County. This budget is meant to implement and carry out the directives spelled out in the Six Year Transit Development Plan (TDP).

Federal stimulus funds and a quicker than anticipated economic rebound from the COVID-19 pandemic are providing Community Transit with a unique opportunity to transform the agency and the ways the public travels from one point to another. As we emerge from the pandemic, the agency has the resources and the blueprint to move to the next level with new services, new facilities, and the ability to connect with light rail.

This executive summary consists of the following components:

- An introductory summary that provides a high-level overview of Community Transit's 2022 service plan, anticipated revenues and expenditures to support that service plan, the agency's capital program, and the agency's reserves.
- The 2022 service plan, which follows Community Transit's transit development plan. In September 2021, the Board of Directors adopted the 2021-2026 Transit Development Plan (TDP). This plan documents agency goals and strategies for the current and the following five years, as well as provides a financial plan and projection for the agency.
- Budgeted revenue and the sources of that revenue.
- Budgeted expenditures to support operational needs, including service expansion and the capital program.
- The capital program Community Transit proposes to meet the demand for current and future services in the communities we serve.
- Community Transit's reserves and general financial status.
- No changes were made to the 2022 budget between the date of proposal and the adoption of the budget.

2022 Budget Summary and Highlights



	2019 Actual	2020 Actuals	2021 Amended Budget	2022 Proposed Budget	Change 2022 vs. 2021	
Fund 40 Operating Revenue	\$ 208,326,309	\$ 231,132,479	\$ 219,955,420	\$ 263,066,969	\$ 43,111,549	19.6%
Fund 40 Operating Expense	\$ 152,355,661	\$ 153,815,537	\$ 165,463,717	\$ 171,860,886	\$ 6,397,169	3.9%
Operating Margin¹	\$ 55,970,648	\$ 77,316,942	\$ 54,491,703	\$ 91,206,083	\$ 36,714,380	67.4%
Planned Service Hours ²	681,805	455,500	545,875	596,659	\$ 50,784	9.3%
Full-Time Equivalent Employees ³ -- Operating Fund	839.5	794.5	807.5	791.7	(15.8)	-2.0%
Full-Time Equivalent Employees ³ -- Capital Program	0.0	0.0	0.0	32.3	32.3	
Other Funds						
Workers' Compensation	\$ 2,646,263	\$ 2,107,324	\$ 2,966,975	\$ 2,895,097	\$ (71,878)	-2.4%
Debt Service	\$ 1,428,000	\$ 1,432,000	\$ 1,428,500	\$ 1,432,750	\$ 4,250	0.3%
Capital Program						
Budget amounts include funds appropriated in prior years for projects that are still in progress.						
Capital Program ⁴	\$ 56,850,679	\$ 56,855,090	\$ 162,104,702	\$ 191,239,145	\$ 29,134,443	18.0%

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

² Service hours do not include Sound Transit.

³ Full-Time Equivalent (FTE) employee counts for all years, including 2019 and 2020, are authorized FTEs.

⁴ The capital program varies from year to year based on service needs, projects in progress, and available funding. Each year's capital budget includes new and carryover projects. Actuals reflect actual capital program expenditures.

Agencywide Budget and Actuals – All Funds

	2019 Actual	2020 Actuals	2021 Amended Budget	2022 Proposed Budget	Change 2022 vs. 2021	
Revenues:						
Sales Tax Revenue	\$ 151,131,313	\$ 154,443,135	\$ 138,898,070	\$ 185,065,000	\$ 46,166,930	33.2%
Fare Revenues	23,158,991	9,273,274	13,190,100	13,190,100	-	0.0%
Sound Transit Reimbursements	19,835,763	20,876,827	22,647,562	19,613,809	(3,033,753)	-13.4%
Federal Grants	37,636,570	52,244,880	49,902,419	100,176,709	50,274,290	100.7%
State Grants/Contributions	2,973,307	3,091,451	2,945,903	7,845,903	4,900,000	166.3%
Local Contributions	2,555,769	1,929,372	1,774,500	2,240,714	466,214	26.3%
Investment Income	4,809,436	2,709,963	1,598,805	1,675,657	76,852	4.8%
Miscellaneous Revenues	2,344,600	1,042,312	623,200	1,299,899	676,699	108.6%
Total Revenues	\$ 244,445,748	\$ 245,611,214	\$ 231,580,559	\$ 331,107,791	\$ 99,527,232	43.0%
Expenses:						
Personnel	\$ 94,174,339	\$ 96,487,784	\$ 98,728,159	\$ 103,238,825	\$ 4,510,666	4.6%
Services	19,646,778	18,563,559	47,458,418	61,981,600	14,523,182	30.6%
Intergovernmental Services	4,436,404	5,030,625	6,306,976	6,584,227	277,251	4.4%
Purchased Transportation	29,539,633	32,488,902	30,518,225	30,909,311	391,086	1.3%
Supplies	14,485,010	10,411,511	13,607,507	16,458,403	2,850,896	21.0%
Capital Costs	46,936,237	22,133,338	99,095,281	135,653,126	36,557,845	36.9%
Insurance	2,634,202	2,990,528	3,250,332	3,204,929	(45,403)	-1.4%
Cost Pools	-	-	6,121,136	7,964,707	1,843,571	30.1%
Debt Service	1,428,000	1,432,000	1,428,500	1,432,750	4,250	0.3%
Total Expenditures	\$ 213,280,603	\$ 189,538,247	\$ 306,514,534	\$ 367,427,878	\$ 60,913,344	19.9%

Overview

The adopted 2022 budget is a balanced budget. Operating revenues exceed operating expenditures, and all reserves are fully funded. Total 2022 budgeted operating revenues equal \$263.1 million. Total 2022 budgeted operating expenditures equal \$171.9 million. Interfund transfers of \$169.2 million fund capital projects, reserves, workers' compensation, and debt service. The 2022 capital budget totals \$191.2 million.

Service Plan

The 2022 budget reflects an additional 22,000 annual directly operated bus service hours. At the start of the pandemic in 2020, Community Transit reduced over 47,000 hours to address the impacts of the resultant recession. During 2021, Community Transit added another 8,000 hours. The upcoming year's projections follow a cautiously optimistic scenario and pivot towards a new direction for future service expansion.

The planned October 2021 service change will restructure intercounty commuter service to the University District in King County. This will give riders the opportunity to connect with Link light rail at the Northgate Station. Starting in 2022, Community Transit will make significant efforts to prepare for a larger scale restructure of its system, which will occur by 2024 as light rail extends to Mountlake Terrace and Lynnwood. Total bus hours, a primary measure of Community Transit's business activity, will increase by 22,000 annual hours for the 2022 planned budget. DART paratransit service will be restored to 81,000 annual hours during 2022. Discussion of the 2022 service plan continues in the Service Plan section.

Operating Revenues

Sales tax is Community Transit's main source of revenue. Sales tax revenue is projected to increase in 2022 by 33 percent, roughly \$46.2 million, from the 2021 amended budget and by 5 percent over 2021 current forecasted sales tax revenue. The major factors affecting sales tax revenue include continued strong consumer and business spending in Snohomish County, at least partially resultant from federal stimulus funds, as well as strong post-pandemic economic recovery.

Overall, operating revenues will increase by 19.6 percent from the current year's budget. This increase includes both the continued strong sales tax collections anticipated, as well as the impact of one-time federal American Rescue Plan Act (ARPA) funds that will be received mostly in 2022 and will not recur. Other noteworthy changes include the continuance of lower than usual fare revenues, which remain low from their peak in 2019. Fares are expected to remain flat in comparison to the 2021 budget, though increasing in 2022 by 52.8 percent from the current 2021 forecast. Advertising revenue, at \$522,000 expected for 2022, will return to its previous pre-pandemic levels, and investment income increases only slightly over the 2021 budget. The Revenues section of this notebook contains more information about revenue assumptions and sources.

Operating Expenditures

Overall operating expenditures are budgeted to increase by 3.9 percent from the 2021 budget. Salaries and wages are set to increase by about 1.2 percent as compared to the 2021 amended budget. Benefits will decrease by 2.9 percent. The overall flat personnel costs in the 2022 budget can be attributed to a move of capital-related personnel to Community Transit's capital program from operations, as well as a drop in PERS contribution rates and relatively low growth in benefits costs.

After a decline in fuel rates during 2020, Community Transit has experienced subsequent increases in diesel fuel prices, as global travel has rebounded quicker than the supply of oil. Compared with a fuel budget of \$2.07 per gallon in the amended 2021 budget, Community

Transit now anticipates that \$2.50 per gallon will be needed to accommodate 2022 diesel costs. Combined with 2022 mileage estimates, this equates to a 25.7 percent in fuel costs in the 2022 budget compared to the 2021 budget. Discussion of budgeted operating expenditures continues in the Expenses section of this document.

Other noteworthy expense changes include professional services, contract maintenance, advertising, software leases, travel and training, intergovernmental services and paratransit services. Some of the drivers include the resumption of regular business activities as the pandemic ends, responding to public requirements for increased safety, opening a new administration building, and marketing for innovative pilot services.

Capital Program

New 2022 capital projects total \$130.3 million, the largest capital budget Community Transit has ever planned. This includes funding for all new projects, plus additional funding for existing projects, various minor capital requests, and project management-related staffing. The 2022 capital budget contrasts with 2021 capital budget, which included just \$29.3 million in new



capital requests. The largest project budgets planned for 2022 include the *Swift Orange Line* projects (\$75.6 million), *Facilities Master Plan Phases 1-6* (\$56.7 million), the *Swift Blue Line Expansion* (\$11.0 million), and a 2022 order for twelve 40-foot replacement coaches (\$8.0 million). This budget also proposes funding for a Zero Emissions Vehicle feasibility study and for the first year of a \$10 million program to upgrade and enhance bus stops. Notable technology projects include \$1.2 million for IT preservation

projects and continued work on the next generation ORCA project. Discussion of the 2021 budgeted capital program continues in the Capital Program section.

Reserves and Cash Balance

The 2022 budget fully funds all reserves and provides a greater margin with which to buffer recessionary conditions and ultimately pave the way for future growth. New reserves are included for service quality, innovation and sustainability, a future Zero Emissions Vehicle project, and a multi-year enhancement program for Community Transit's existing bus stops. Community Transit's budgeted reserves follow agency policy for maintaining adequate reserves. Discussion of reserves and the anticipated cash balance continues in the Cash and Reserves section.

Expansion and Preservation Activities

A significant milestone in Community Transit’s growth over the next six years is aligning and connecting bus service with Lynnwood Link light rail in 2024. Projects as the *Swift* Orange Line and the *Swift* Blue Line Expansion will allow for improved connections between bus and light rail, as well as expand the frequency of service and address the changing transportation needs of the community. In addition to these new *Swift* programs, Community Transit will continue to restructure local routes to better serve the Lynnwood and Mountlake Terrace stations as light rail opens. Concurrently, planning activities for the *Swift* Gold Line between Smokey Point and Everett, needed to serve the growing north Snohomish County population, will begin. Community Transit staff are already starting the groundwork for new, innovative modes of transportation as well, first piloting a new mobility option in Lynnwood.



Service and fleet expansion in 2022 and beyond will stretch the capacity of maintenance bays, bus parking, and operational support space at Community Transit’s bases. A multi-phased and multi-year \$129 million base Facilities Master Plan expansion program is underway to support the agency’s expansion.

Long Range Planning

Annually, Community Transit creates a 6-year Transit Development Plan (TDP), according to agency policy and per Washington State Department of Transportation requirements. The TDP guides and prioritizes the activities of Community Transit in developing and maintaining its transit system, including service to be provided, priorities, and strategies for delivering transit services. The priorities and strategies included in Community Transit’s TDP include:

- Continue to ensure a safe and healthy environment for our customers.
- Increase ridership - ensure former riders feel comfortable returning to our services and encourage new customers to use our services.
- Provide equitable access to public transit across our service area, and expand our public engagement and customer research programs.
- Connect with Link light rail, first at Northgate in 2021, then Lynnwood, Mountlake Terrace and Shoreline (2024 planning, *Swift* network buildout).
- Expand service and innovate with new/alternative service development.
- Continue to serve and evolve as an employer of choice, providing a safe, welcoming and engaging work environment for all of our employees.

- Complete our base expansion and renovation projects.
- Begin the next phase of long-term planning to chart the agency's course beyond 2024 and out to 2050 (Long Range Plan update).

Community Transit's 2021-2026 TDP focuses on implementing these priorities and strategies while remaining flexible to respond to the impacts of the COVID-19 pandemic. The higher-level planning activities occurring in the TDP help govern budget development for the upcoming budget year. The TDP's financial model provides a blueprint for cash flow, fund balances and reserve requirements for the current year, the budget year, and the four years following. This budget that has been approved for 2022 follows the 2021-2026 TDP, which was adopted by Community Transit's Board of Directors in September 2021 (please see: <https://www.communitytransit.org/TDP>)

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

The 2022 budget fills in the details and provides the game plan to implement the blueprint contained in the TDP. With the input and buy in from departments across the agency, the budget represents an attainable and specific plan to implement the strategies and priorities outlined in the TDP.

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

General Fund -- Six Year Forecast

	2021	2022	2023	2024	2025	2026
	<i>Forecast</i>	<i>Budget</i>	<i>Transit Development Plan - Financial Plan</i>			
Sales Tax	\$176,252,662	\$185,065,000	\$190,617,000	\$198,242,000	\$206,172,000	\$214,419,000
Fares	8,632,828	13,190,100	21,672,496	24,129,426	24,787,464	25,290,086
Other Revenues	60,507,619	64,811,869	44,344,453	18,846,699	18,230,242	16,945,833
Total Revenues	245,393,109	263,066,969	256,633,949	241,218,125	249,189,706	256,654,919
Department Operating Exp ¹	158,614,892	164,144,179	182,157,931	198,717,743	212,765,542	225,743,928
Other Operating	4,430,267	4,431,292	4,761,563	4,871,554	4,985,174	5,102,545
Cost Pools	-	7,716,707	-	-	-	-
Total Expenses	163,045,159	176,292,178	186,919,494	203,589,297	217,750,716	230,846,473
Surplus	\$ 82,347,950	\$ 86,774,791	\$ 69,714,455	\$ 37,628,828	\$ 31,438,990	\$ 25,808,446
Interfund Transfers ²	37,988,240	164,740,174	42,536,728	39,816,898	42,043,150	27,227,489
Net Change to Cash Balance	44,359,710	(77,965,383)	27,177,727	(2,188,070)	(10,604,160)	(1,419,043)
Projected Ending Cash Balance before Operating Reserves	\$191,461,390	\$113,496,007	\$140,673,734	\$138,485,664	\$127,881,504	\$126,462,460

¹ Department Operating Expenses include Fuel Expense and Insurance

² Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with Transit Development Plan (TDP)
For purposes of this presentation, interfund revenues, which occur on a variable basis, have been netted against interfund expenditures

Service Plan

The final 2021-2026 Transit Development Plan (TDP) was adopted by the Board of Directors on September 2, 2021. The plan summarizes accomplishments from the past calendar year, documents agency goals and strategies for the current and following five years, identifies needed resources, and provides a financial overview and plan. The six-year TDP provides a summary of activities and accomplishments for 2020 and outlines goals and strategies for 2021-2026.

Community Transit's top priorities include:

- Ensuring a safe environment for customers.
- Increasing ridership.
- Providing equitable access to all customers.
- Preparing to connect with Link light rail in 2024.
- Expanding our service and innovating to provide new and innovative types of mobility services.
- Serving as an employer of choice who provides a welcoming and engaging environment for its employees.
- Completing the base expansion and renovation projects.
- Exploring the feasibility of zero emissions vehicles and infrastructure as a commitment to environmental stewardship and innovation.
- Continuing to plan for the long-term future.

The COVID-19 pandemic reaffirmed the importance of public transit in providing people with the mobility and access they need, and in supporting ongoing growth and economic development across communities.

During 2022, the agency expects to deliver 18,210 more hours across all modes than the previous year's budget, and 50,784 over the 2021 forecasted hours. This reflects moderate increases since it implemented pandemic-related measures in the spring of 2020. The 2022 budgeted service plan increases total directly operated hours of service by 23,253 hours over budgeted 2021 hours. This increase allows Community Transit to optimize existing service in anticipation of connecting with light rail.



Please refer to pages 40-47 of the 2021-2026 Transit Development Plan for more information:
<https://www.communitytransit.org/TDP>.

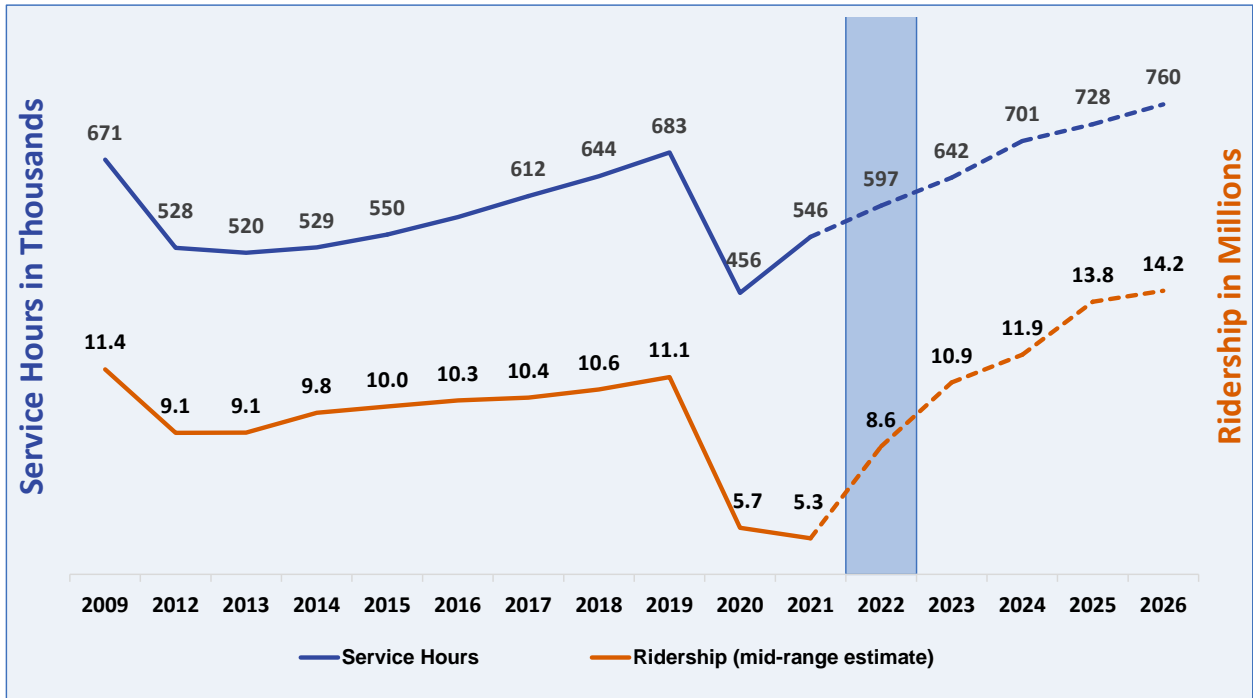
Future service expansions will redesign the express commuter bus network to serve Lynnwood City Center station and Mountlake Terrace station when Lynnwood Link light rail opens. These will also implement a new bus rapid transit line, the *Swift Orange Line*, begin the design of the *Swift Gold Line*, and expand the *Swift Blue Line*. Additionally, various routes will be restructured to better connect with the Green Line and the future Orange Line, and to continue to improve routes in east and north Snohomish County.

Summary of 2022 Service Hours by Service Mode

	2018 Actual	2019 Actual	2020 Actual	2021 Projected	2022 Budget	Change 2022 vs. 2021	
Directly Operated	362,974	398,958	328,007	372,118	390,411	18,293	4.9%
Contracted Commuter	49,390	50,255	30,685	41,274	40,715	(559)	-1.4%
Paratransit	87,522	84,937	36,270	51,975	81,000	29,025	55.8%
Subtotal	499,886	534,150	394,962	465,367	512,126	46,759	10.0%
Vanpool	144,352	148,374	60,538	80,508	84,533	4,025	5.0%
Subtotal, CT Operated	644,238	682,524	455,500	545,875	596,659	50,784	9.3%
Sound Transit	99,540	98,516	76,783	82,826	87,192	4,366	5.3%
Total	743,778	781,040	532,283	628,701	683,851	55,150	8.8%

For more information on Community Transit’s service for 2022 and beyond, please review the [2021 - 2026 Transit Development Plan](#).

2022 Service Hours and Ridership

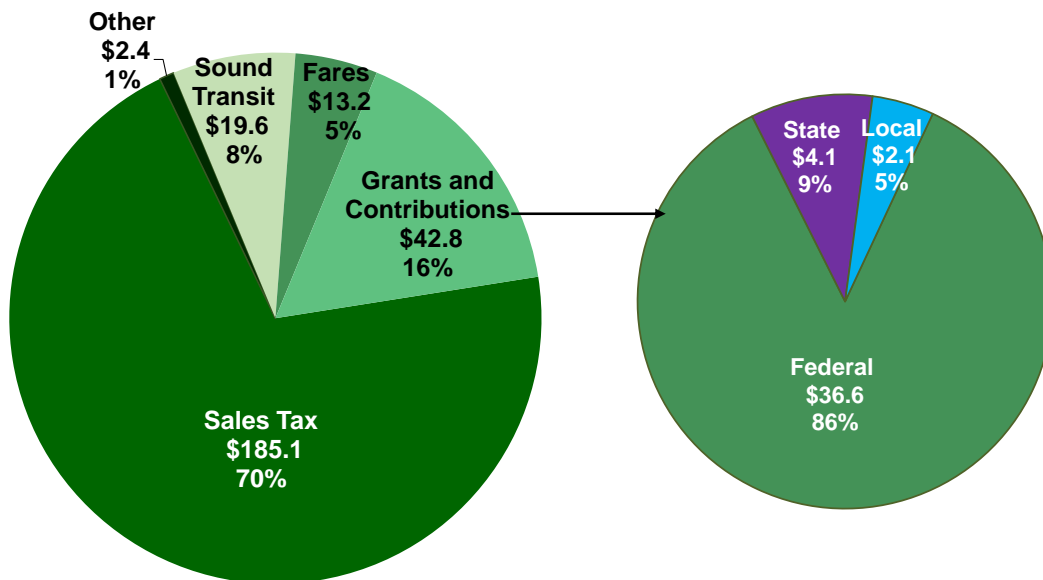


Revenues

Retail sales tax in the amount of 1.2 percent on retail sales made within Community Transit’s public transportation benefit area in Snohomish County funds the greatest share of Community Transit’s operations. Other sources of revenue include fares and contributions from federal, state, and local governmental entities. In addition, the agency receives income from a contract with Sound Transit and from miscellaneous sources such as bus advertising, sale of surplus equipment, and interest earned on investments.

Major Sources of General Fund Revenue – Operating and Non-Operating

\$263.1 (in millions)



Revenue Type by Category

Revenue Type	2019 Actual	2020 Actual	2021 Amended Budget	2022 Budget	Change 2022 vs. 2021	
					Dollars	Percent
Sales Tax	\$ 151,131,313	\$ 154,443,135	\$ 138,898,070	\$ 185,065,000	\$ 46,166,930	33.2%
Fares	23,158,991	9,273,274	13,190,100	13,190,100	-	0.0%
Sound Transit Commuter Service	19,835,763	20,876,827	22,647,562	19,613,809	(3,033,753)	-13.4%
Federal, State, and Local Grants and Contributions	7,876,179	42,982,565	43,137,683	42,825,903	(311,780)	-0.7%
Miscellaneous Revenues	6,324,063	3,556,679	2,082,005	2,372,157	290,152	13.9%
Total: Operating Revenues	\$ 208,326,309	\$ 231,132,480	\$ 219,955,420	\$ 263,066,969	\$ 43,111,549	19.6%
Interfund Transfers	4,289,925	15,258,467	10,385,613	-	(10,385,613)	-100.0%
Total Revenues	\$ 212,616,234	\$ 246,390,947	\$ 230,341,033	\$ 263,066,969	\$ 32,725,936	14.2%

Sales Tax

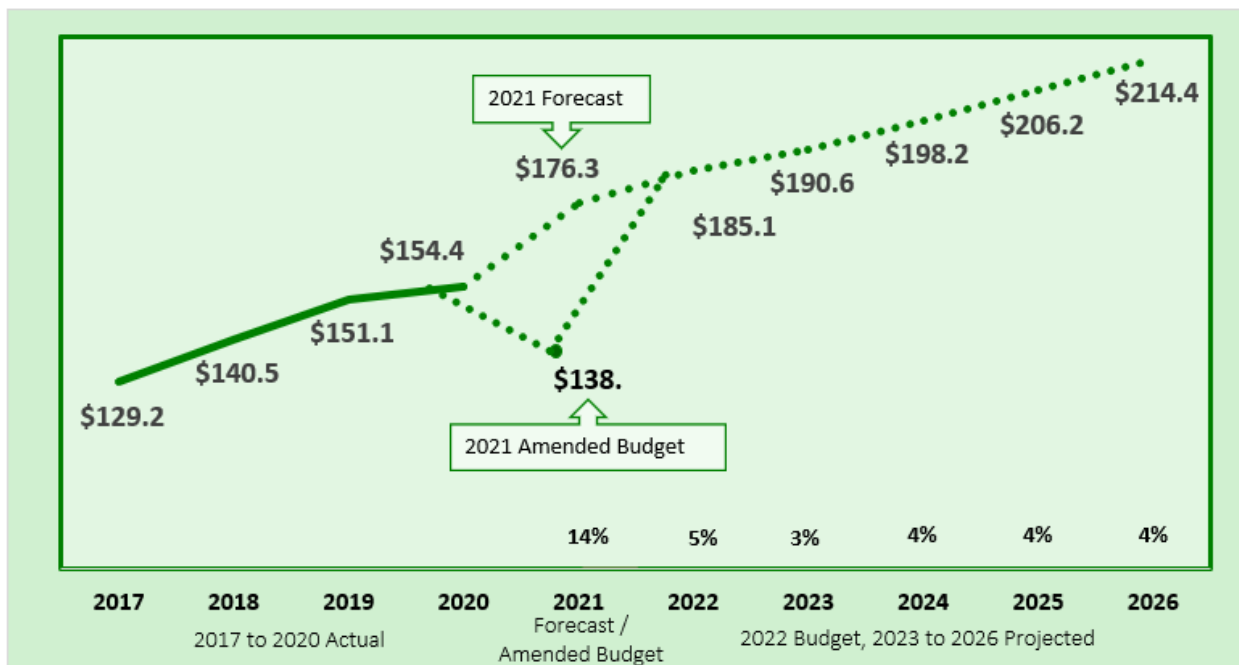
Community Transit receives the largest portion of its funding from local retail sales tax—about 70.3 percent of its total operating revenues in 2022. Sales tax makes up a lower percentage of the total revenue than in years prior to 2020. Due to the inclusion of federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds in the 2021 budget and American Rescue Plan Act (ARPA) funds in the 2022 budget, sales tax has become a slightly smaller portion of the total revenues received, though it still remains the major funding source for transit in Snohomish County and in Washington State.

Staff used cautious, recessionary assumptions when estimating sales tax collections for the original 2021 budget; collections have now far exceeded Community Transit’s original and amended budget expectations. Consumer and business spending have increased despite the pandemic and all indications point toward continued, sustained growth in retail spending. The 2022 adopted budget anticipates that sales tax will exceed the amended budget by 33.2 percent and the current forecast by 5 percent. As an aside, 2020 actual sales tax, pandemic notwithstanding, exceeded 2019 sales tax collections by 2.2 percent, and 2021 sales tax collections are on track to exceed 2020’s by 14 percent conservatively.

Consistent with prior years’ projections for future sales tax growth, Community Transit has planned to return to a growth rate of 3 percent for 2023 and 4 percent for the years 2024 through 2026.

Sales Tax: Historical Perspective and Future Forecast

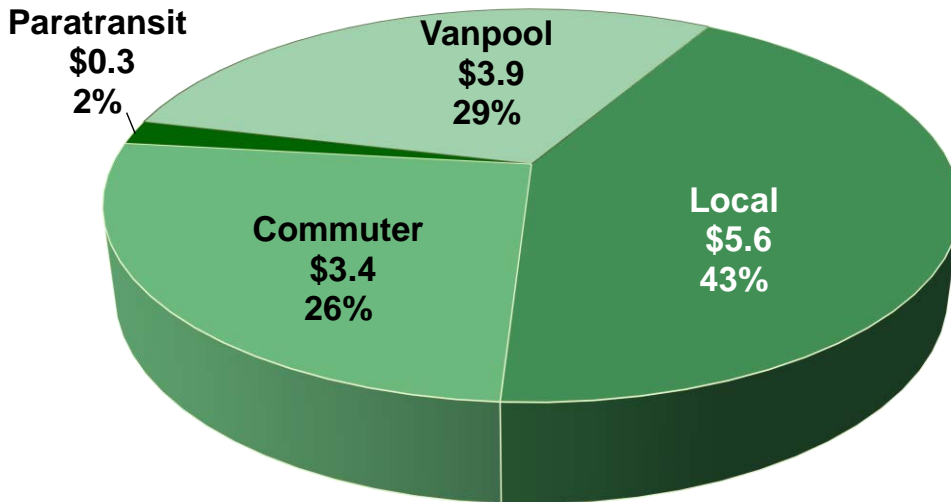
(in millions)



Fares

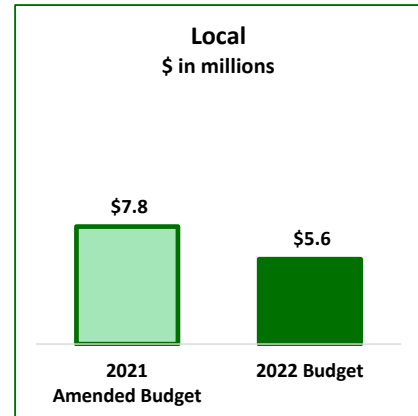
Community Transit estimates that 2022 fare revenue will total \$13.2 million. This will represent an increase from the current 2021 fare forecast of \$8.6 million. Due to pandemic-level ridership, Community Transit's 2020 fares totaled \$9.3 million. The decrease from 2020 to 2021 relates to the fact that relatively normal levels of ridership and fare collections happened in the first quarter, before the pandemic had taken hold. At this time, any fare revenue projections are subject to revision, dependent upon when the pandemic comes to a close and riders feel more comfortable traveling by public transit, as well as how Community Transit's service evolves as customers adopt light rail in 2024. Currently, Community Transit Planning staff are evaluating the impacts of future service shifts—to bus rapid transit and light rail service—on passenger fare collections.

Growth in fare revenues from the 2021 forecasted fares to the 2022 budget will result primarily from riders returning to transit as the economy opens and many employees return to their workplaces after exclusive or partial remote working. Ridership will return to previous levels only when the concerns over the pandemic subside.



Local Directly Operated Fixed-Route Fares

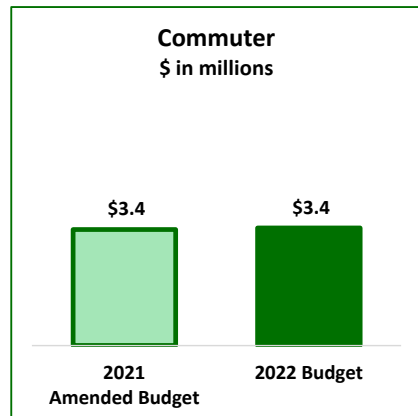
Local passenger fares remain the largest portion of Community Transit’s fare revenue, at 42.6 percent of the total. Local fares are expected to increase in 2022 commensurate with the overall passenger fare revenue increase from the low point in the 2020-2021 timeframe that correlates to the pandemic-related low ridership.



Commuter Fares

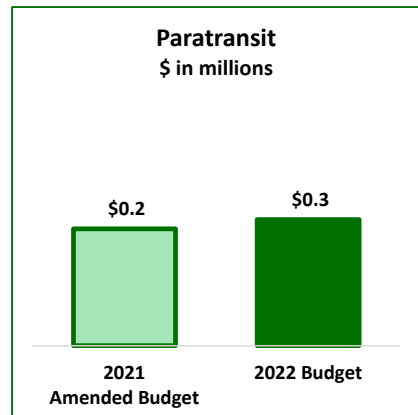
Commuter fares make up about 25.9 percent of the total passenger fare revenue. Commuter fares are also expected to increase in 2022 commensurate with the overall passenger fare revenue increase from the low point in the 2020-2021 timeframe related to the pandemic-related low ridership.

As more *Swift* lines come into service and light rail becomes an option for commuters, commuter ridership and associated fare revenues will likely decline as a percentage of total passenger fares.



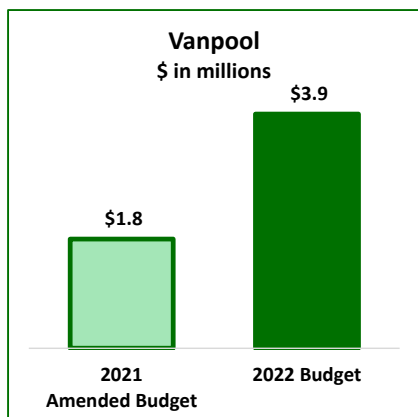
Paratransit

Paratransit fares make up about two percent of the total passenger fare revenue. These fares are also expected to increase in 2022 commensurate with the overall passenger fare revenue increase from the low point in the 2020-2021 timeframe related to the pandemic-related low ridership.



Vanpool Fares

Vanpool fares make up about 29.5 percent of passenger fares. Fare revenue is budgeted at \$3.9 million in 2022, which reflects almost 85,000 budgeted hours of vanpool service.



Sound Transit

Sound Transit contracts with Community Transit to deliver commuter services that start in Snohomish County and primarily transport commuters to their jobs in King County. Community Transit expects 2022 contracted commuter service revenues to increase from 2021 forecasted levels by \$0.5 million, or about 2.8 percent, to a total of \$19.6 million. Contract rates partially drive this increase, as well as additional revenue anticipated from billing costs to Sound Transit for transit integration and the Mountlake Terrace shuttle.

Operating Grants and Contributions

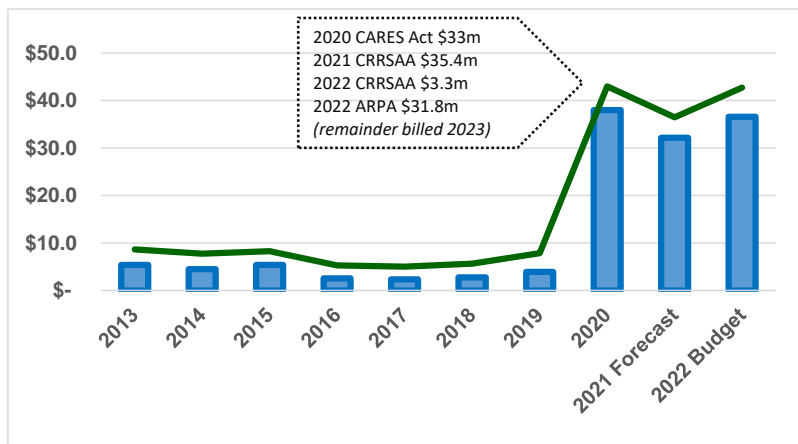
Operating grants and contributions amount to \$36.6 million and contribute 13.9 percent to operating revenues. Community Transit receives federal, state, and local operating grants and contributions.

Federal Grants

Federal Transit Administration (FTA) grant rules allow grantees to use grant funds for vehicle maintenance and paratransit service and to identify which portions of their grant funds they choose to use for such purposes. During the Great Recession, Community Transit shifted most federal grant funds into operations for use in maintenance and paratransit service to avoid further service cuts and because additional bus purchases were not necessary when service was not increasing. Once the recession ended, Community Transit began shifting its federal funds into the capital program to fund bus replacements and other needs that were delayed by the recession.

Operating revenues for 2022 include \$36.6 million in Federal Transit Administration (FTA) grants: \$1 million in Congestion Mitigation and Air Quality (CMAQ) grants; \$.5 million in federal pass-through grants

from the State of Washington; \$3.3 million in Federal CRRSAA grant funding that will not be billed until 2022; and \$31.8 million in Federal ARPA funds that are expected to be billed in 2022. Of note, a portion of Community Transit's ARPA allocation most likely will be billed in 2023. After 2022, federal grants will likely represent a smaller proportion of Community Transit's total operating revenues.



State Grants and Contributions

In 2022, Community Transit will receive a Regional Mobility grant from the State of Washington in the amount of \$3 million, to support operation of the *Swift* Green Line. In addition, Community Transit will continue to receive a special needs grant from the State of Washington in the amount of \$820,000, as well as a Commute Trip Reduction/ Transportation Demand Management grant of \$126,000. Total contributions from the state total about \$4 million and make up 1.5 percent of Community Transit's operating revenues.

Local and County Contributions

In recognition of the value the *Swift* Blue Line brings, the City of Everett signed a partnership agreement with Community Transit in December 2007 whereby Everett contributes one-half of 1 percent of Everett's retail sales tax revenue to Community Transit. The 2022 budget includes \$1.9 million from this revenue source. This is a slight increase from the projected 2021 amount, reflecting continued favorable sales tax collections countywide. In addition, Community Transit will receive funds from the City of Everett to handle Everett Transit's information phone calls and paratransit eligibility checks. Snohomish County transportation demand management funding will be \$200,000 in 2022, up 40.8 percent from the 2021 forecast (but down 10.9 percent from the 2021 budget).

Miscellaneous Revenues

Interest Income

Community Transit invests the portion of its funds not needed immediately for operations or cash flow in the Washington State Treasurer's Local Government Investment Pool (LGIP). The LGIP is a voluntary investment vehicle operated by the State Treasurer. The pool was started in 1986 to provide safe, liquid, and competitive investment options for local governments pursuant to RCW 43.250. The LGIP allows local governments to use the state Treasurer's program to safely invest their funds while utilizing the economies of scale. For fiscal year 2021, the average balance in the LGIP's portfolio is estimated to be \$21.8 billion (<https://www.tre.wa.gov/partners/for-local-governments/local-government-investment-pool-lgip/average-daily-balance-lgip-by-fy/>), maintained by over 500 county, city, education, and other public participants.

While the LGIP is a very safe, very liquid way to invest, the rate of return for funds invested in the LGIP has historically been quite low. As the Federal Reserve has lowered rates during 2020 and maintained a 0-.25 percent rate, the pool's yield has decreased from an average of 2.3 percent during the year 2019 all the way down to .17 percent in 2021.

During 2016, Community Transit staff completed an extensive update of the agency's internal investment policy. In late 2016, staff implemented a new program to allow for a modest amount of safe investing outside the LGIP as allowed by RCW 39.59 and RCW 43.84.

As a result of both the new investment program and higher interest rates earned on conservative, shorter-term investments, Community Transit has seen a significant increase in investment interest over the past few years. Investment income is now forecasted to fall short of the 2021 budget by 7.2 percent, or \$110,000. The 2022 budget projects interest income of about \$1.63 million, reflecting continued low interest rates.

Advertising

Community Transit expects to receive about \$522,000 in advertising revenues for 2022. Although the amended budget called for \$90,000 in advertising revenues, the Marketing division has predicted revenues of \$234,000 for 2021. This reflects the return to bus-based advertising since the recession.

Miscellaneous

The 2022 budget for other miscellaneous revenues totals \$224,000 and includes the sale of ORCA fare cards, warranty claims from bus manufacturers, annual RideStore sales of passenger amenities, bike locker fees, purchase card rebates, surplus equipment sales, and insurance recoveries. This is roughly similar to the forecasted miscellaneous revenue for 2021 of \$228,000. Some of the variables in this category include insurance recoveries and warranty repair reimbursements, both of which fluctuate from year to year.

Interfund Transfers

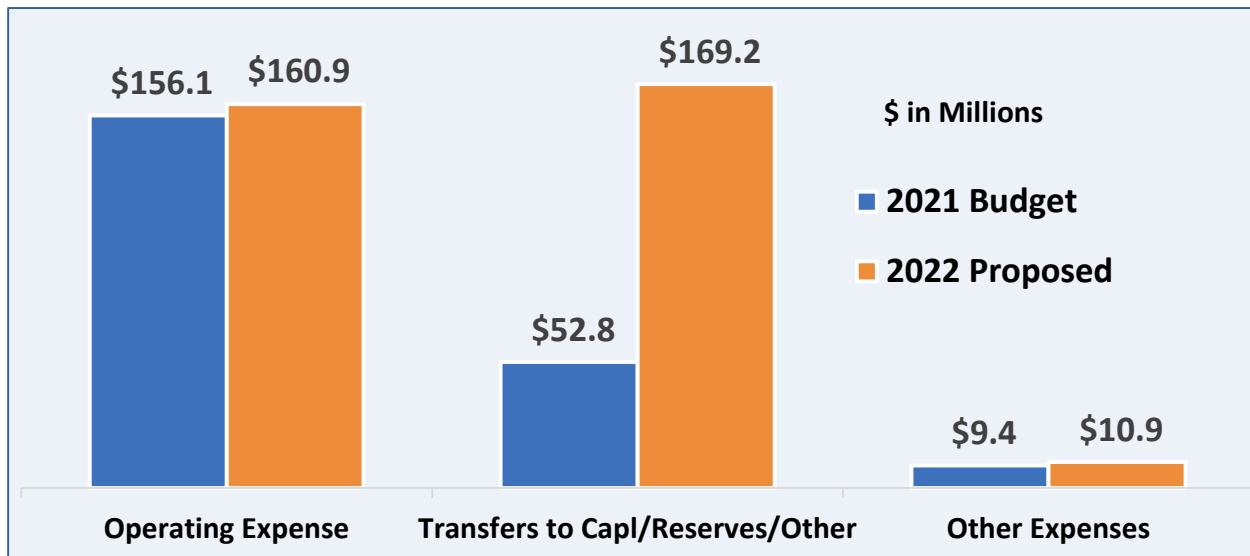
The 2022 budget does not include any interfund transfer revenue.

Expenses

The 2022 general fund budget of \$341.0 million includes both operating and transfers to other funds. Operating expenses consist of costs incurred by Community Transit departments, fuel, insurance, and cost pools for salary/wage adjustments and professional services. Cost increases between projected 2021 and budget 2022 reflect a variety of changes in the budget that address both the current economic recovery and post-pandemic reopening and innovation related to changing mobility needs in Snohomish County. These include a modest service increase, additional professional services, and contingency funds to address innovation in service design, and significantly increased reserve and capital project contributions via interfund transfers. Nonoperating expenses consist of interfund cash transfers to capital project funds, reserves, workers' compensation, and debt service.

The following chart shows 2022 proposed general fund expenses distributed by major operating cost category, with transfers and other expenses such as insurance and cost pools shown separately.

2022 General Fund Expense by Category
\$341.0 (in millions)



Operating Expenses

The proposed 2022 operating budget of \$171.9 million includes all department-related operating expenses (\$152.1 million) plus insurance costs, fuel, and the salary and professional services pools (\$19.8 million). Included in the cost pools is a new contingency for new service innovation (\$2.5 million) and a contingency for pandemic and economic response and recovery (\$.6 million). Fuel will increase by \$1.6 million, related to increased diesel per gallon rates and a

change in how paratransit fuel is procured. The 2022 budget proposal shows an increase of \$6.4 million, or 3.9 percent, as compared to operating expenses in the 2021 amended budget.

Wages and Benefits

Wages and benefits decrease by \$90,000, or .1 percent, as compared to the 2021 budget. This decrease largely results from the transition of capital project-related staffing to the capital project funds. Community Transit’s focus has shifted from a predominantly operations-focus to more emphasis on large-scale capital projects. Capital projects staffing is no longer a minor piece of the agency budget. This shift to personnel costs charged to the capital projects funds reflects the changing focus at Community Transit.

While medical benefits are increasing slightly from 2021 to 2022, PERS retirement contribution rates have decreased. Placeholders are included for possible wage increases or settlements, depending on various economic factors in 2022.

This year, Community Transit proposes a total net increase of 28.5 positions from the 2021 original budget, and 16.5 from the revised budget. Over one third of these additions occur in the Transportation Department as a result of service increases, and two in Maintenance support the opening of a new Administration Building. Approximately 32.3 FTEs have moved from the operating fund and are now being charged to various capital project funds.

Department Staffing Summary

The following table shows the FTE count in 2021 and as proposed for 2022.

<i>Staffing By Department</i>	<i>2021 Original Budgeted FTEs</i>	<i>2021 Revised FTEs Budgeted</i>	<i>2021 Original Compared to 2021 Revised</i>	<i>2022 Budget</i>	<i>Change 2022 vs. 2021 Amended</i>
Board of Directors/Executive	6.5	5.5	(1.0)	5.5	0.0
Administration	64.0	69.0	5.0	73.0	4.0
Communications and Public Affairs	9.0	9.0	0.0	9.0	0.0
Customer Experience	54.0	50.0	(4.0)	52.5	2.5
Employee Engagement	16.0	17.0	1.0	18.0	1.0
Information Technology	34.0	36.0	2.0	37.0	1.0
Maintenance	122.0	123.0	1.0	125.0	2.0
Planning and Development	38.0	40.0	2.0	41.0	1.0
Transportation	452.0	458.0	6.0	463.0	5.0
Staffing Total	795.5	807.5	12.0	824.0	16.5

The department section includes the detail of which positions were eliminated, transferred, or added in 2021, as well as what positions are proposed for 2022.

As a recipient of federal grant funds, Community Transit reports FTEs according to job content, as defined in the Federal Transit Administration’s National Transit Database (NTD). The NTD report includes four job categories: operations, vehicle maintenance, facility maintenance, and administrative. This table shows Community Transit’s job distribution according to NTD classification.

NTD Classification 2022 Budget	10-Year Average	5-Year Average	Current Year Ratio
Operations	64%	64%	63%
Vehicle Maintenance	13%	13%	12%
Facility Maintenance	3%	3%	3%
Administration	20%	21%	22%

Benefits Increase

The Washington State Public Employees Benefits Board employee medical insurance rates for 2022 have increased by about 4.4 percent, based on current enrollment. Rates for the IAM Benefit Trust are anticipated to increase by 7 percent in mid-2022 (half year impact only). Agencywide medical, vision, and dental costs will increase by about 3.4 percent.

Public Employees' Retirement System Retirement Contribution

The Public Employees' Retirement System (PERS) retirement contribution costs will decrease about 6.1 percent in the 2022 budget, related to a significant rate decrease that will occur July 2021 (from an average 2021 rate of 11.61 percent to 10.25 percent in 2022). The PERS cost decrease is moderated slightly by an increase in budgeted FTEs.

Purchased Transportation

Community Transit contracts with other service providers—Transdev and First Transit—to provide paratransit services and a significant portion of Community Transit’s commuter bus service. The total purchased transportation costs will increase by about 1.3 percent in 2022 as compared to the 2021 amended budget, when netting an increase in paratransit with a decrease in contracted commuter services.

Paratransit costs will increase significantly as the provision of service returns to normal levels—81,000 annual service hours—from pandemic levels. This is a 55.8 percent increase from the anticipated paratransit hours that will be delivered in 2021. One modest mitigation is the switch to in-house fueling by Transdev’s paratransit vehicles. Instead of fueling at retail stations, in 2022 Transdev vehicles will fuel at Community Transit’s bases, utilizing Community Transit’s state contract fuel rates and saving in excess of \$100,000 annually.

Contract commuter services costs, on the other hand, will decrease by almost \$1.1 million, or 4.6 percent, in the 2022 budget. During the pandemic, additional costs were incurred for contract commuter services. These include premium pay and Service Recovery Operator (SRO)

bus costs¹. These costs are not expected to be repeated during 2022, and thus more than offset any 2022 contract rate increases for First Transit.

Services

Overall, Community Transit's expenses for services, including intergovernmental services, will increase by 15.1 percent in 2022 as compared to the 2021 amended budget. The major categories of increase include contract maintenance, professional services, advertising, travel, training and registrations, software leases, and intergovernmental services.

The Professional Services category, which is increasing by 37.1 percent overall, contains a variety of new initiatives. These include a federal lobbyist, transit integration consulting, development of an updated long-range plan, targeted research studies, and a capital assets review. Advertising will increase by 24.1 percent in 2022, resulting from increased coach operator recruiting, greater ridership campaign efforts, and the Lynnwood pilot program.

Contract maintenance includes increases for janitorial and landscape maintenance when the renovated Administration building opens at Kasch Park Casino Road in early 2022, as well as increases in IT software maintenance contracts. This category is increasing by 9.7 percent, or \$358,000. IT Software leases are also increasing in 2022 (26.9 percent) as the result of new, cloud-based applications managed by the Information Technology Department.

As travel has resumed at some level, Community Transit staff may be able to attend some conferences and training on a limited basis in 2022. Travel, training, and registrations are up 74 percent (\$259,000) in the 2022 budget compared to the 2021 amended budget, though these costs will not be incurred at the level that they were in 2019, pre-pandemic.

The other noteworthy services category is intergovernmental services. Transit Security, which Community Transit obtains via contract with the Snohomish County Sheriff, will increase by \$850,000 for expanded coverage. This is being done in response to customer requests for enhanced safety and security. In addition, Community Transit anticipates procuring social work services from the county to help address the needs and challenges of nondestination transit riders. This will cost \$200,000.

Supplies

In the operating fund, supplies, excluding diesel fuel and gasoline, will increase by about 6.1%, or \$372,000. Notable areas where increases are occurring include predominantly maintenance-oriented supplies such as parts (\$134,000), oil and lubricants (\$72,000), and maintenance supplies (\$115,000). Budgets for gasoline for vanpool and support vehicles will decrease by \$1.8

¹ Extra buses were assigned to routes to accommodate customer distancing requirements due to the pandemic.

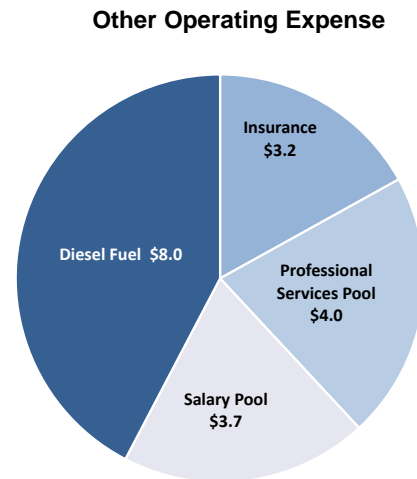
million, related to adjustments for much higher prices and post-pandemic-related increases in fuel utilization. Paratransit fuel costs of \$450,000 are included in the increase. Transdev will now fuel its paratransit vehicle at Community Transit fueling stations to take advantage of state contract fuel rates, instead of fueling at private gas stations in the area. Although this change represents an increase to the fuel budget, a greater decrease has occurred in the contract paratransit services budget, saving Community Transit over \$100,000.

Other Operating Expense

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

Insurance

Community Transit’s insurance, purchased through the Washington State Transit Insurance Pool, provides general liability coverage for the agency’s vehicles and property, pollution liability, crime and fidelity, and other related coverages. Vehicle mileage, directly related to the number of service hours operated, drives the allocation of the Washington State Transit Insurance pool costs amongst its members.



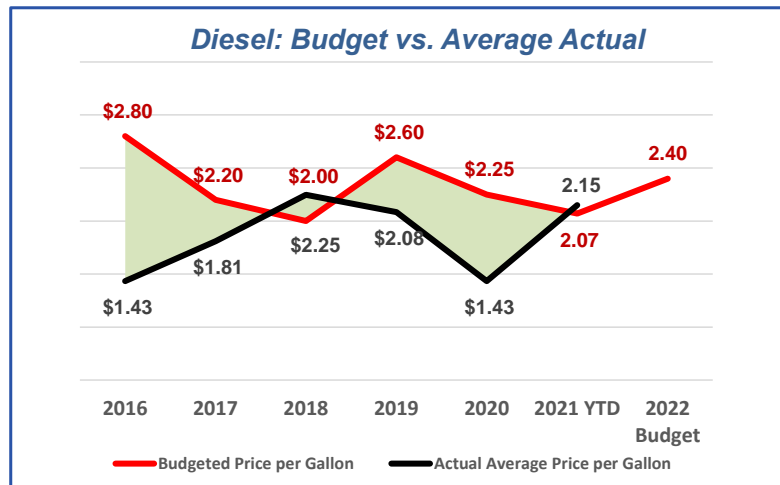
The 2022 insurance budget of \$3.2 million represents a decrease of less than \$50,000 or 1.4 percent from the 2021 budget. Community Transit anticipated a significant increase in annual premiums in the 2021 budget. While there was an increase from 2020 actual insurance cost to the 2021 forecast, the predicted 2021 insurance expense has risen at a lower-than-expected rate and will end up about 10 percent below budget. Increases in transportation assets are one component. Given that insurance is purchased from a pool, low growth in FTEs and miles driven also drive this more modest insurance cost growth.

Diesel Fuel

The 2022 proposed budget for diesel fuel for coaches and other vehicles will increase by 25.7 percent (\$1.8 million) as compared to the 2021 amended budget. Service hours are increasing by 4.9 percent from the 2021 projected hours. This means that slightly more gallons of fuel are projected to be purchased. Additionally, fuel prices have rebounded from the historic low prices during April and May of 2020, when rates averaged \$1.00 per gallon, with pandemic lock downs limiting travel. By the end of August 2021, the average year-to-date diesel rate was just below \$2.15 per gallon. The 2022 budget anticipates a diesel cost per gallon of \$2.40, up from an estimate of \$1.75 per gallon in 2021 original budget, and \$2.07 in the

amended budget. The fuel reserve in the general fund has been boosted to \$5.5 million, up from \$5 million in the 2021 amended budget, and provides a buffer for fluctuations in fuel prices.

Employees in both Finance and Maintenance track the economy and the market for fuel, both locally and internationally. The supply of crude oil has tightened, and prices have risen since global travel has resumed at some level, and transportation companies and others are purchasing fuel faster than the supply has increased.



The increase in budgeted fuel costs from 2021 to 2022 also reflects the cost of fueling paratransit vehicles inhouse, rather than reimbursing Community Transit’s paratransit contractor to fuel at retail stations. This equaled an additional \$450,000 addition to the 2022 fuel budget. However, the paratransit contract will also decrease. The net savings related to this change is about \$100,000 or \$.60 per gallon.

Salary Pool

The salary pool funds anticipated employee salary adjustments, including increases to the administrative employee pay plan and any union contract settlements pending during the year, as well as associated payroll taxes, Public Employees' Retirement System, and other benefits. The salary pool also funds the voluntary paid time-off payout program for all employees.

The 2022 salary pool budget includes modest amounts for various labor contract settlements that may occur during the year.

Professional Services Cost Pool

Community Transit maintains a professional services cost pool as a contingency for unanticipated professional and other services needed during the year that could not be identified at the time the budget was prepared. Examples of items previously funded from the professional services cost pool include human resources consulting, legal costs, temporary staff to cover shortages, internal audits, and various consulting tasks, including a transportation services analysis and IT professional services.

The 2022 professional services cost pool is funded in the amount of \$840,000, which is up slightly from the 2021 original professional services cost pool budget of \$655,000. This reflects an increase in new agency initiatives that may start in 2022.

Two new contingencies have been included in the 2022 budget. These are the contingency for new service innovation, which, at \$2.5 million, has been set aside to cover costs for two new pilot programs: one in Lynnwood, and a pilot program that will be defined in 2022. These programs are intended to help Community Transit develop new mobility options for customers who need to travel to Link light rail as it opens in Lynnwood and Mountlake Terrace in 2024. The second contingency is for pandemic and economic response and recovery at \$620,000.

Interfund Transfers

Interfund transfers to the Replacement Reserve, Infrastructure Preservation Reserve, and Facilities and Technology Expansion funds follow the plan for reserve balances as outlined in the 2021-2026 Transit Development Plan. During 2022, transfers of \$111.8 million have been planned to the Facilities and Technology Expansion fund for multiple initiatives. This includes \$24.9 million of additional funds for the Facilities Master Plan project and establishes \$50 million and \$25 million reserves for zero emissions vehicles and a service quality, innovation, and sustainability reserve, respectively. A contribution of \$10 million provides funding for a program to refurbish and upgrade Community Transit’s bus stops.

Contributions to the Workers’ Compensation fund, cover usual, ongoing costs including workers’ compensation claims and injury prevention efforts.

Transfers made to the State Capital Projects, FTA Capital Projects, and Local Capital Projects funds address local funding required to complete Community Transit’s approved capital projects.

Community Transit’s most recent limited sales tax general obligation bond issue occurred in June 2017. The \$1.4 million transfer to the Bond Debt Service fund covers the principal and interest payments due in 2022 associated with that bond issue.

Interfund Transfers from the General Fund to Other Funds

	2018 Actual	2019 Actual	2020 Actual	2021 Amended Budget	2022 Budget	Change 2022 vs. 2021	
Fund 41: Replacement Reserve	\$ 859,854	\$ 4,950,000	\$ 6,026,971	\$ 835,000	\$ 1,560,000	\$ 725,000	86.8%
Fund 42: Infrastructure Preservation Reserve	15,957,918	6,724,884	-	-	19,750,000	19,750,000	-
Fund 43: Workers' Compensation	2,618,000	2,400,000	2,525,000	3,000,000	3,000,000	-	0.0%
Fund 44: State Capital Projects	-	-	254,353	-	2,945,000	2,945,000	-
Fund 45: FTA Capital Projects	11,379,995	4,686,216	271,485	8,299,980	14,119,277	5,819,297	70.1%
Fund 46: Local Capital Projects	5,785,887	10,777,861	12,925,519	13,076,751	14,594,534	1,517,783	11.6%
Fund 48: Facilities and Technology Expansion	14,784,000	20,000,000	-	26,162,122	111,771,363	85,609,241	327.2%
Fund 50: Bond Debt Service	1,154,892	1,418,665	1,430,536	1,430,267	1,431,292	1,025	0.1%
Total Interfund Transfers from Fund 40, General Fund	\$ 52,540,546	\$ 50,957,626	\$ 23,433,864	\$ 52,804,120	\$ 169,171,466	\$ 116,367,346	220.4%

Fund 41—Replacement Reserve

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for support vehicles and for the locally funded match to grants for revenue vehicles.

Fund 41 Revenues

The adopted 2022 budget consists of \$507,663 in proceeds from the sale of surplus vehicles and interfund transfers from the General Fund in the amount of \$1.6 million. Under a new initiative to sell vanpool vans on the retirement list, Community Transit will begin utilizing a contracted sales broker to help sell surplus vans.

Fund 41 Expenditures

The \$3.9 million adopted 2022 budget includes a new replacement order for eleven DART paratransit vehicles and 35 vanpool vehicles. Bus replacements are accounted for in the FTA Capital Projects fund because much of the cost is covered by FTA grants. The local match for federal bus funding is accumulated in this fund and can then be transferred to the FTA Capital Projects fund when federal grants are awarded.

Fund 42—Infrastructure Preservation Reserve

Similar to the Replacement Reserve, this fund reserves a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure. New in 2022 is a \$10 million dollar reserve specifically for the preservation of software and hardware.

Fund 42 Revenues

The 2022 budget includes an interfund transfers in the amount of \$19.8 million from the General Fund. This includes increasing the reserves held for infrastructure preservation, from \$6 million, to \$17 million, based on a reserve study performed in late 2020 and early 2021 by Government Finance Officers Association consultants. The amount also covers the new technology preservation reserve of \$10 million and funds various preservation projects for 2022.

Fund 42 Expenditures

The adopted 2022 budget includes \$5.7 million in projects, \$2.8 million which are new projects and \$2.9 million carried over from prior year budgets. The carryovers include the final work on the wireless communications project and exterior painting at Kasch Park. New projects include the refresh of the Lake Stevens Park Transit Center (\$1.1 million), and various technology replacement projects, from IT equipment to security equipment replacement (\$1.3 million), plus contingency funds.

Fund 43—Workers' Compensation

This fund was established in 1998 when Community Transit became self-insured to set aside funds for future claims. This fund is comprised of workers' compensation claims, program administration, operation of the employee maintenance center, and ergonomic equipment. It also functions as a reserve to pay future workers' compensation claims and related costs.

Fund 43 Revenues

Adopted 2022 revenues include \$50,000 of investment income and a \$3 million interfund transfer from the General Fund to cover annual workers' compensation program costs.

Fund 43 Expenditures

The 2022 adopted budget of \$2.9 million represents a 2.4 percent decrease compared to the 2021 budget. Workers' compensation paid claims are anticipated to be 4.9 percent lower than what was budgeted for 2021. Other expenses are expected to increase moderately in 2022, by 2.4 percent. The 2022 workers' compensation claims budget was calculated by using estimated worker hours and the claims experience rates provided by Community Transit's actuary. After a slight upward trend for the past few years, Community Transit's claims have leveled out. This trend may be at least partly attributable to lower growth in the employee base in the years since the *Swift Green Line* opening.

State law requires that self-insured entities keep a minimum amount in reserve to pay current and future claims. Projected ending cash for the Workers' Compensation fund is \$5.3 million, exceeding the state-required minimum and covering a 90 percent confidence level as recommended by Community Transit's actuary.

Fund 44—State Capital Projects

This fund includes capital projects paid for by State of Washington grants which require that Community Transit contribute a partial match. The local match is funded with transfers from other capital reserves or the General Fund.

Fund 44 Revenues

A regional mobility grant of \$3.8 million is planned in the 2022 budget to fund a portion of the *Swift Blue Line* expansion, as well as a \$2.9 million interfund transfer from the general fund that will meet any matching fund requirements and project costs not covered by the grant.

Fund 44 Expenditures

The adopted 2022 budget has a budget of \$6.7 million, for expansion of the *Swift Blue Line*.

Fund 45—FTA Capital Projects

This fund includes capital projects paid for in part by FTA grants which require that Community Transit contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 45 Revenues

A Small Starts grant in the amount of \$37 million supporting the *Swift* Orange Line projects. Also supporting *Swift* Orange Line projects are formula grants of \$9.1 million, a CMAQ grant of \$7 million, and an ARPA capital grant of \$6.5 million. A purchase of *Swift* Blue Line buses will also be supported by federal grant funds in the amount of \$3.2 million. In typical years where there are new FTA grant-funded projects, local funds are transferred from the general fund to provide the required grant match of approximately 60-80 percent of the total cost.

Interfund transfers of \$14.1 million have been included in the 2022 budget to provide matching funds where required.

Fund 45 Expenditures

The adopted 2022 budget for FTA Capital Projects totals \$79.9 million. Most of this amount is new budget for *Swift* Orange Line projects – corridors and terminals, coaches, and other Orange Line project costs – in the amount of \$73.8 million, plus \$800,000 carried forward from design and development work budgeted in prior years. An additional \$4 million dollars is budgeted for *Swift* Blue Line bus acquisitions. Also included in the FTA Capital Projects budget is the cost of Community Transit personnel (\$1.3 million) who provide project management and support to the projects contained within the FTA Capital Projects Fund.

Fund 46—Local Capital Projects

The Local Capital Projects Fund includes capital projects paid for with locally generated funds, including minor routine capital purchases and technology implementations. Projects in this fund are primarily funded with transfers from capital reserves or the General Fund.

Fund 46 Revenues

The adopted 2022 budget includes a transfer of \$14.6 million from the General Fund to cover new and existing projects, as well as minor capital. There is a Washington State Transit Insurance Pool contribution of \$80,700 to support the DriveCam implementation, a system that provides feedback to coach operators related to driving incidents, and anticipated sales of surplus vans in the amount of \$20,700.

Fund 46 Expenditures

The adopted 2022 budget includes \$28.1 million for a new and existing projects, including \$16 million for twelve 40-foot and eight 60-foot replacement coaches, \$2 million for *Swift* replacement coaches, \$1 million for *Swift* Orange Line incidentals, \$1.3 million for minor capital equipment, various other projects, and a small local project contingency. Except for the DriveCam project, all projects in this fund are covered by agency funds. Also included in the budget is the cost of Community Transit personnel (\$2.3 million) who provide project management and support to the projects contained within the Local Capital Projects Fund.

Fund 48—Facility and Technology Expansion

This fund was established to set aside reserves for future facility and technology expansion projects. Since its inception in 2005, the largest capital investments from this fund have included the Kasch Park Operating Base maintenance expansion, *Swift* stations, transit technologies, and the Facilities Master Plan.

Fund 48 Revenues

For 2022, interfund transfers in the amount of \$111.8 million are budgeted from the General Fund to the Facilities and Technology Expansion fund. Of this amount, \$85 million creates new reserves for future projects and agency initiatives. These include reserves for zero emissions vehicles, service quality, innovation and sustainability, and the bus stop program. The remaining amount covers additions to the Facilities Master Plan efforts and other project and personnel costs.

Fund 48 Expenditures

The Facilities Master Plan project, a \$129 million multi-phased and multi-year expansion program, began in 2019. The adopted 2022 project budget totals \$56.7 million which includes new additions to the plan and amounts carried forward from prior years. The next generation ORCA project will continue into 2022 with a project budget of \$6.9 million. Other projects include a software upgrade, a feasibility study for zero emissions vehicles, and the first-year budget for the new bus stop program of \$905,000.

Also included in this fund are management reserves and project contingencies and cost of Community Transit personnel (\$1.3 million) who provide project management and support to the facilities and technology expansion projects.

Fund 50—Bond Debt Service

This fund provides annual principal and interest payments on outstanding bonds through interfund transfers from the General Fund.

Fund 50 Revenues

Adopted 2022 budget revenues include a transfer from the General Fund in the amount of \$1.4 million to cover debt service payments due on the 2017 limited sales tax general obligation bonds. Transfer amounts are prorated by month to ensure that funds are accumulated in advance of the February and August payments. Therefore, the ending cash balance of \$0.6 million is in preparation for debt service payments due in 2023.

Fund 50 Expenditures

The adopted 2022 budget includes debt service on the 2017 limited sales tax general obligation bonds. The principal and interest payments due in 2022 equal \$1.4 million.

Cash and Reserves

Community Transit defines fund balance as modified working capital, in essence, cash and cash equivalents plus accrued revenues and less accrued expenses. Each fund maintains a level of reserves that meets or exceeds Community Transit’s reserve policy (see Financial Policies section).

General Fund

The 2022 budget includes operating and nonoperating revenues of \$263.1 million which funds operating expenses of \$171.9 million for 684,000 hours of service and also contributes to the 2022 capital program. In addition, the budget fully funds the workers’ compensation program at a level that meets or exceeds actuarial recommendations for claims coverage, funds the 2022 debt service requirement, and maintains all reserve balances at levels required by the Board-adopted transit development plan, internal policy, and any other statutory or contractual requirements.

	<u>\$ in Millions</u>
Beginning Cash	\$ 191.5
Total General Fund Revenue	\$ 263.1
Total Current Expenses and Obligations	(171.9)
Operating Margin	91.2
Transfer to Capital/Other Funds	(169.2)
Transfer from Capital/Other Funds	\$ -
Ending Cash	\$ 113.5
Operating and Fuel Reserves	(83.1)
Capacity for Sustainability and Expansion	\$ 30.4

	2021 Forecast	2022 Budget
Projected Ending Cash Balance	\$ 191.5	\$ 113.5
Operating Expenses	\$ 158.6	\$ 171.9
Workers' Compensation Expense	<u>2.9</u>	<u>2.9</u>
Total Expense	161.5	174.8
Less: Sound Transit	<u>(19.1)</u>	<u>(19.6)</u>
Net Operating Expense Excluding Sound Transit	142.4	155.2
Two Months Operating Expense	(71.2)	(77.6)
Fuel Reserve	(5.0)	(5.5)
Cash/Working Capital in Excess of all Reserves	<u>\$ 115.3</u>	<u>\$ 30.4</u>

Summary of Cash Balances and Reserves by Fund

<i>Fund</i>	<i>Cash Balance \$ in Millions</i>
Operating Reserve	
Designated—Operating and Fuel Reserves ¹	\$ 83.1
Capacity for Sustainability/Expansion	30.4
Total Operating Reserve	\$ 113.5
Replacement Reserve	42.4
Infrastructure Preservation Reserve	27.0
Facilities and Technology Fund	99.7
Reserve for Future BRT Lines/Expansion	
Workers' Compensation	
Statutorily Restricted	\$ 4.8
Designated for Future Claims	0.5
Total Workers' Compensation	5.3
Bond Fund	0.6
<i>Total as of December 31, 2022</i>	
	<u>\$ 288.5</u>

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

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
40 - General Fund		
Beginning Cash Balance	\$ 191.5	
Revenues	263.1	
Interfund Transfers In	-	Return of unspent project funds and cash balance surplus for workers' compensation.
Expenditures	(171.9)	
Interfund Transfers Out	(169.2)	Funds capital projects, workers' compensation, and additions to capital reserves.
Ending Cash Balance	\$ 113.5	Decrease in ending balance relates to creation of reserves for Zero Emissions Vehicle Reserve and Service Quality, Innovation & Sustainability Reserve in Fund 48.
41—Replacement Reserve		
Beginning Cash Balance	\$ 44.2	
Revenues	0.5	
Interfund Transfers In	1.6	Funds capital projects and reserves.
Expenditures	(3.9)	
Interfund Transfers Out	-	
Ending Cash Balance	\$ 42.4	
42 - Infrastructure Preservation Reserve		
Beginning Cash Balance	\$ 12.9	
Revenues	-	
Interfund Transfers In	19.8	Funds capital projects and reserves.
Expenditures	(5.7)	Significant project costs include wireless communications and MCOB hoist repair/replacements.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 27.0	

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

<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
43 - Workers' Compensation Fund		
Beginning Cash Balance	\$ 5.2	
Revenues	-	
Interfund Transfers In	3.0	
Expenditures	(2.9)	Claims and administrative costs.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 5.3	
44 - State Capital Projects Fund		
Beginning Cash Balance	\$ 0.0	
Revenues	3.8	State grant revenue.
Interfund Transfers In	2.9	Grant match from the general fund.
Expenditures	(6.7)	Grant-supported projects.
Interfund Transfers Out	-	
Ending Cash Balance	\$ (0.0)	
45 - FTA Capital Projects Fund		
Beginning Cash Balance	\$ 2.2	
Revenues	63.6	FTA grant revenues.
Interfund Transfers In	14.1	Grant match and other funding from the general fund.
Expenditures	(79.9)	Grant-supported <i>SWIFT</i> projects
Interfund Transfers Out	-	
Ending Cash Balance	\$ (0.0)	

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

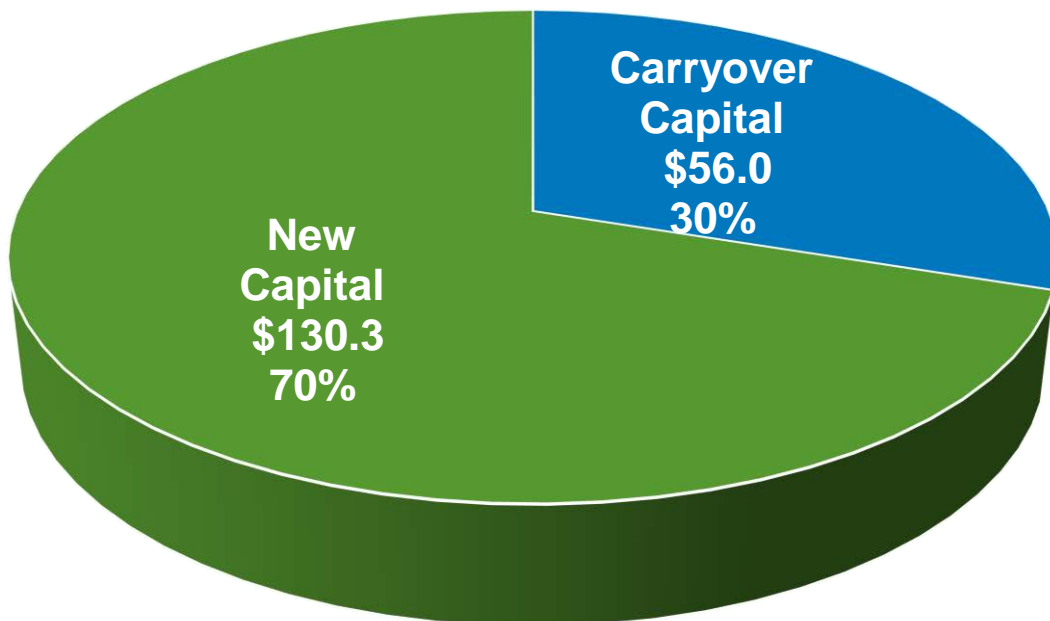
<i>Fund</i>	<i>Amount (\$ in Millions)</i>	<i>Discussion</i>
46 - Local Capital Projects Fund		
Beginning Cash Balance	\$ 13.5	
Revenues	0.1	Local grant and surplus vehicle sales
Interfund Transfers In	14.6	Funds capital projects.
Expenditures	(28.2)	Locally-funded capital projects, including minor capital.
Interfund Transfers Out	-	Remaining funds transferred to the general fund.
Ending Cash Balance	\$ 0.0	
48 - Facilities and Technology Expansion Fund		
Beginning Cash Balance	\$ 54.8	
Revenues	-	
Interfund Transfers In	111.8	
Expenditures	(66.9)	Facilities Master Plan projects, ngORCA project
Interfund Transfers Out	-	
Ending Cash Balance	\$ 99.7	Fund balance increase relates to Zero Emissions Vehicle Reserve and Service Quality, Innovation & Sustainability Reserve; Fund balance also includes Base expansion and renovations funds carried forward.
50 - Bond Debt Service Fund		
Beginning Cash Balance	\$ 0.6	
Revenues	-	
Interfund Transfers In	1.4	
Expenditures	(1.4)	Principal and interest on 2017 bond issue.
Interfund Transfers Out	-	
Ending Cash Balance	\$ 0.6	
Total at December 31, 2022	\$ 288.5	

Capital Program

Community Transit defines a capital asset as “property that is expected to generate value over a long period of time and form the productive base of an organization.” In terms of expense, agency policy categorizes purchases of single items costing \$5,000 or more per item as capital purchases. The 2022 capital program represents an investment of \$186.3 million and includes both new projects and multiyear projects started in prior years. An additional \$4.9 million in personnel costs are also included with the capital program budget in 2022.

2022 Capital Program

\$186.3* (in millions)



**\$191.2 million with personnel costs*

New and Existing Initiatives

The 2022 budget includes funding for new and ongoing initiatives that support Community Transit’s effort to roll out new service, including increases to existing service and innovations in types of service offered to riders. As the needs of commuters and other travelers in Snohomish County are evolving, Community Transit will stay ahead of the game by investing in expansion and service innovation. The agency also seeks to protect our current investments and ensure that they continue to support Community Transit’s needs into the foreseeable future. This includes facilities and physical infrastructure and extends to technology and other improvements and amenities that bring considerable value to the public. In addition,

Community Transit endeavors to set aside reserves and contingencies aimed at addressing future infrastructure needs. Highlights from the 2022 capital budget are described in the following discussion.

Swift Network Buildout

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

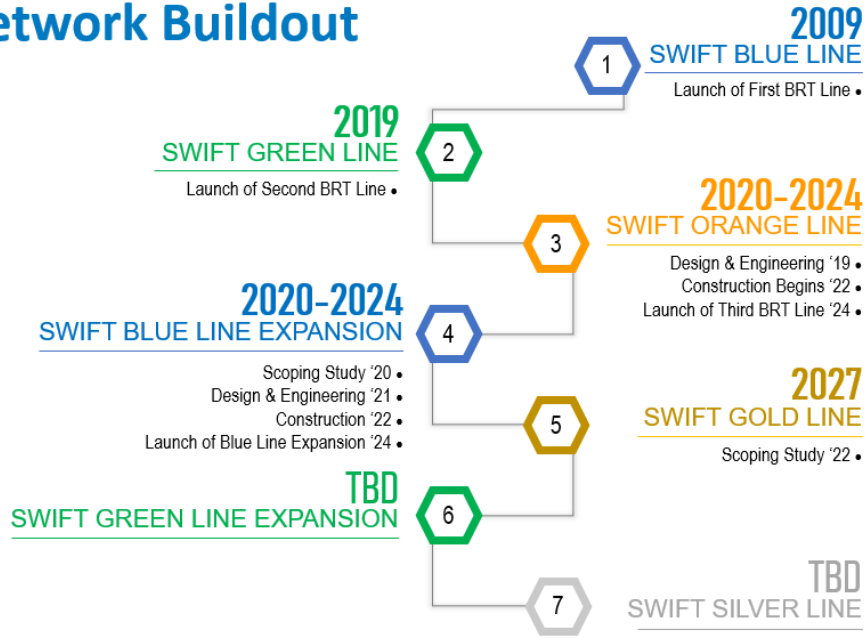
Community Transit's *Swift* network incorporates key elements of bus rapid transit design such as landmark stations, uniquely branded vehicles, off-board fare collection, real-time customer information, priority bus lanes and fast, frequent and reliable service. Longer term plans call for a network of *Swift* lines connecting destinations in urban areas throughout the county and to Sound Transit's Link light rail when it extends to Lynnwood in 2024. The *Swift* network currently consists of two lines: the Blue Line and the Green Line. The *Swift* Blue Line launched in 2009, with *Swift* Green following in 2019.

Starting in 2022, two major *Swift* network expansions have been planned: the implementation of the *Swift* Orange Line and the expansion of the *Swift* Blue Line. The 2022 budget includes \$75.6 million for the Orange Line. This covers such elements as project development, design, environmental review, construction and the purchase of up to fifteen 60-foot articulated buses. The funding for the Orange Line is a mix of federal, state and local funding, including a \$37.1 million Federal CIG Small Starts grant, \$16 million in other FTA grants, and a \$5 million Connecting Washington grant. The Orange Line will deliver 42,500 annual hours of service, and its terminals will run between Edmonds College in Lynnwood and McCollum Park near Mill Creek.

The Blue Line expansion is budgeted at \$11 million, starting in 2022. The *Swift* Blue Line expansion will extend Community Transit's first bus rapid transit line to connect with Link light rail at 185th Street in Shoreline to meet light rail in 2024. The first phase of this project includes the scoping study, project development, environmental review, construction of stations, the purchase of four 60-foot articulated buses, and implementation of speed and reliability improvements. It is funded by a combination of local and grant funding, including a \$3.7 million WSDOT Regional Mobility grant.

Also, early planning for the *Swift* Gold Line, which will connect Smokey Point with Everett, is slated to start in 2022. This will start with a scoping study.

Swift Network Buildout



Facilities Master Plan

Another continuing priority for Community Transit is modernizing and expanding its current base and other facilities to support agency growth. Service and fleet expansion beyond 2021 will stretch the capacity of maintenance bays, bus parking, and operational support space at Community Transit’s bases. Expanding and modernizing the current facilities supports employees by giving them an environment that promotes operational excellence and allows employees to perform their jobs well.

The 2021-2026 Transit Development Plan calls for a multi-phased and multi-year base expansion program of \$129 million known as the Facilities Master Plan (FMP), which is currently underway. The preliminary project schedule and highlights include:

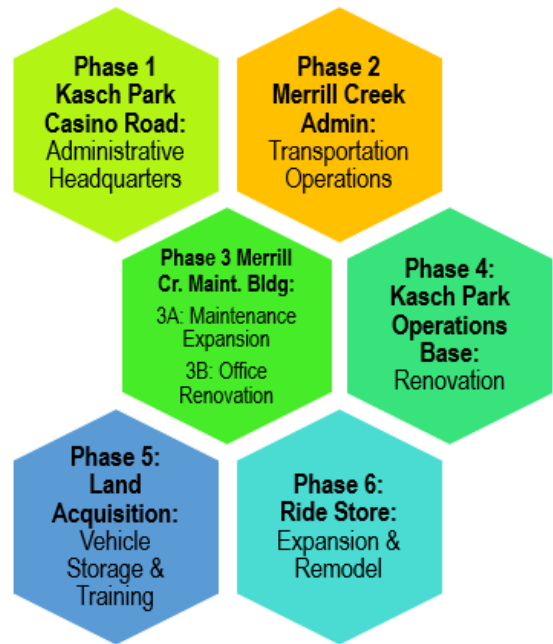
Phase 1, with a 2022 budget carryover of \$2.4 million out of its \$36.9 million total, is the design and renovation of the Kasch Park Casino Road building. When completed in 2022, most administrative personnel will move from the Merrill Creek Administration building to the renovated building.

Phase 2 of the Facilities Master Plan Project will design and renovate the Merrill Creek Administration building to house transportation employees. This phase, which is scheduled for completion in 2023, has a budget carrying over from 2021 of \$8.0 million, plus an additional

budget request of \$9.2 million, for a project total of \$19.6 million (current year budget and prior year expenditures).

Phase 3 will design and renovate the Merrill Creek Operations Base, including the addition of six maintenance bays and the replacement of hoists. It will also renovate the Transportation Operations office space. The phase 3 project total is \$41.8 million; \$26.9 million will be carried forward from the 2021 budget, and \$14.9 million is new funding requested in 2022, for a total 2022 project budget of \$28.1 million. It will be completed in 2024 and 2025.

Phases 4, 5 and 6 encompass the following: Kasch Park Operations base renovation, which does not have a project budget as of yet; land acquisition for vehicle storage and training (\$9.8 million project budget); and an expansion and facelift for the Ridestore (\$3.6 million).



Coach and Other Service Vehicle Acquisitions

Community Transit’s current fleet consists of 40-foot, 60-foot, 62-foot bus rapid transit and double-decker buses, as well as vanpool vans and paratransit vehicles. The agency makes replacement and expansion of its fleet a high priority. The average age of the fixed-route bus fleet is about seven years. Recent fleet innovations made by Community Transit include passive restraint systems for wheelchair users, on-board bicycle racks on the *Swift* bus rapid transit buses, and the agency’s first fixed-route 40-foot diesel-electric hybrid buses.

The 2022 budget adds funding for the purchase of 12 forty-foot replacement coaches (\$8 million), 35 replacement vans (\$1.4 million) and 11 DART paratransit replacement vehicles (\$1.1 million). This funding is in addition to revenue vehicle acquisitions carried over from the prior year. The total new and carryover budget for revenue vehicles in 2022 is \$20.1 million, not including *Swift* coaches accounted for in the *Swift* project budgets.

State of Good Repair Projects

Community Transit operates and maintains transit facilities consisting of administrative offices, two operating bases, the Mountlake Terrace Transit Center, *Swift* bus rapid transit stations, 29 park-and-rides and transit centers, 15 park-and-pool lots, and over 1,600 bus stops, including 66 *Swift* stations. As part of maintaining Community Transit’s assets in a state of good repair, periodic updates and refreshes occur in the regular course of the capital program. Service

expansion that has been planned for the future will stretch the agency's capacity. It is a high priority to preserve and maintain our existing assets.

In 2022, a refresh of the Lake Stevens Transit Center will take place, for \$1.1 million. Additionally, staff in the Capital Development Division of the Planning and Development Department will develop a program to update, enhance, and refresh Community Transit's bus stops. As Community Transit prepares to significantly expand bus service, the agency recognizes the importance of assessing its bus stop infrastructure and amenities to determine where improvements are needed. The adopted TDP establishes a new capital program reserve for such bus stop improvements. Funding for this program is initially set at \$10 million to cover the 2022 to 2026 timeframe. The 2022 budget includes \$905,000 to cover year one of the bus stop program.

Another new program for 2022 is Information Technology preservation. A \$10 million reserve has been established for the replacement of IT equipment and software. Based on an asset inventory and replacement schedule, these items will be replaced in the normal course of business in the capital budget. The 2022 budget includes \$777,000 for replacement of IT equipment and software.

Other state of good repair projects in the 2022 budget include, but are not limited to, disaster recovery, security cameras, farebox replacement, fire alarm replacement, exterior painting, and repairs and small facilities projects.

Innovation Projects

In 2022, the Wireless Communications and VoIP (Voice over Internet Protocol) project, which replaced the current land mobile radio system used by dispatch and coach operators, will be completed. The 2022 project budget, carried over from the previous year, is \$2.7 million.

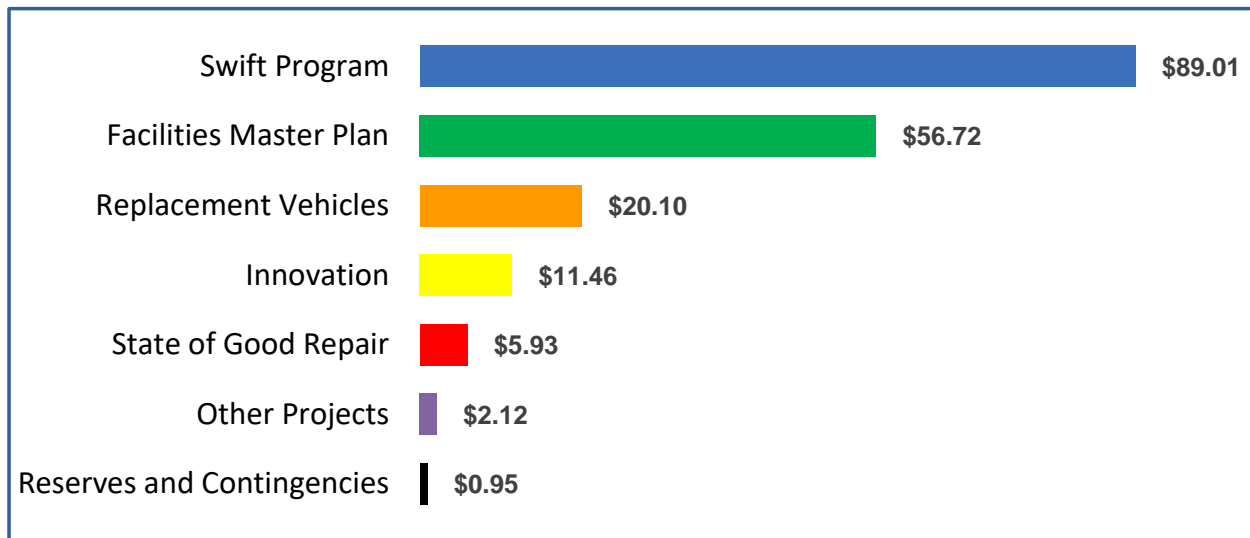
Another continuing initiative is the Next Generation ORCA electronic fare collection system project (\$6.9 million budgeted in 2021). The final system design was completed in 2021, and agencies will begin transitioning to the new system in the first quarter of 2022. Full implementation will occur by end of year 2022.

In 2019, an initiative to develop and implement a digital strategy for the customer experience was started. This project continues into 2022 with a budget of 373,000.

In 2022, the agency plans to conduct a feasibility study for a transition to a zero-emission fleet and begin the recommended implementation steps for the following years. The study will identify the economic costs, performance issues, risks, and a recommended timeline associated with the transition to a zero-emission bus fleet, as well as the financial and operational impacts of the zero-emission technologies available. The initial study and related work has been budgeted at \$510,000. A reserve of \$50 million has been established in the Facilities and Technology Fund for the future development and implementation of a zero emissions fleet.

2022 Capital Program by Type

\$186.3* (in millions)



**\$191.2 million with personnel costs*

2022 Capital Program, Including Carryover Projects

Project Category	Capital Fund	Fund Source		Total
		Grants *	CT Local	
Swift Program				
Swift Orange Line	45/46	\$ 60,376,709	\$ 15,246,119	\$ 75,622,828
Swift Blue Line expansion	44/45/46	6,980,000	3,997,912	10,977,912
Swift coaches (not included in above projects)	46	0	2,000,000	2,000,000
Swift Gold Line scoping	46	0	300,000	300,000
Swift Green Line	46	0	76,409	76,409
Swift onboard signage feasibility	46	0	29,203	29,203
Subtotal		\$ 67,356,709	\$ 21,649,643	\$ 89,006,352
Facilities Master Plan				
Facility master plan - phase 3	48	\$ 0	\$ 28,069,081	\$ 28,069,081
Facility master plan - phase 2	48	0	17,220,678	17,220,678
Facility master plan - phase 5	48	0	5,846,918	5,846,918
Facility master plan - phase 6	48	0	3,219,371	3,219,371
Facility master plan - phase 1	48	0	2,362,441	2,362,441
Subtotal		\$ 0	\$ 56,718,489	\$ 56,718,489
Replacement Vehicles				
60-Foot coaches	46	\$ 0	\$ 7,974,498	\$ 7,974,498
40-Foot coaches	46	0	7,977,600	7,977,600
DART vehicles	41	0	2,512,095	2,512,095
Vanpool replacements	41	0	1,435,800	1,435,800
Support vehicles	46	0	200,000	200,000
Subtotal		\$ 0	\$ 20,099,993	\$ 20,099,993
Innovation				
Next Generation ORCA	48	\$ 0	\$ 6,902,662	\$ 6,902,662
Wireless communications	42	0	2,662,501	2,662,501
Zero emission fleet feasibility	48	0	510,000	510,000
Revenue vehicle bipolar ionization	46	0	488,000	488,000
DriveCam	46	80,714	294,286	375,000
Digital strategy for the customer experience	46	0	373,355	373,355
On-demand bike lockers	46	0	152,878	152,878
Subtotal		\$ 80,714	\$ 11,383,682	\$ 11,464,396

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

2022 Capital Program, Including Carryover Projects (continued)

Project Category	Capital Fund	Fund Source		Total
		Grants *	CT Local	
State of Good Repair				
Lake Stevens Transit Center refresh	42	\$ 0	\$ 1,076,720	\$ 1,076,720
Bus stop program	48	0	905,000	905,000
IT equipment replacement	42/46	0	777,000	777,000
Software upgrades and replacements	42/46/48	0	765,899	765,899
Disaster recovery as a service	46	0	330,000	330,000
Farebox replacement	46	0	320,000	320,000
Kasch Park fire alarm system	46	0	305,943	305,943
Security camera equipment replacement	42	0	250,000	250,000
Repairs and small facility projects	46	0	250,000	250,000
Vehicle and facility maintenance equipment	46	0	235,300	235,300
Routine minor equipment and furniture, including items for new building	46	0	223,583	223,583
Kasch Park exterior painting	42	0	217,922	217,922
IT security and data/video storage	46	0	173,898	173,898
Physical security and infrastructure additions	46	0	100,000	100,000
Subtotal		\$ 0	\$ 5,931,265	\$ 5,931,265
Other Projects				
Electronic content management system	46	\$ 0	\$ 600,000	\$ 600,000
Budgeting and business planning system	46	0	514,960	514,960
Electronic timesheet system implementation	46	0	250,000	250,000
Web development	46	0	212,289	212,289
Hastus Geo module purchase	46	0	168,581	168,581
Capital asset consulting	46	0	100,000	100,000
Base map implementation	46	0	84,552	84,552
Procurement contract review	46	0	84,000	84,000
Human capital management system feasibility	46	0	80,000	80,000
PeopleSoft procurement improvements	46	0	30,000	30,000
Subtotal		\$ 0	\$ 2,124,382	\$ 2,124,382
Capital Program Total		\$ 67,437,423	\$ 117,907,454	\$ 185,344,877
Designated Reserves and Contingencies				
Local projects contingency	46	\$ 0	\$ 300,000	\$ 300,000
Contingency for infrastructure preservation	42	0	200,000	200,000
Contingency for technology infrastructure	42	0	200,000	200,000
Contingency for facilities and technology	48	0	200,000	200,000
Management reserve contingency	48	0	50,000	50,000
Subtotal		\$ 0	\$ 950,000	\$ 950,000
Capital Program and Designated Reserve Total		\$ 67,437,423	\$ 118,857,454	\$ 186,294,877
Personnel Costs Allocated to Capital	45/46/48	\$ 0	\$ 4,944,268	\$ 4,944,268

The following chart shows the impact of new initiatives on Community Transit's Operating Budget:

Project		2021	2022	2023	2024	2025	2026
2021 Service Restorations and New Service -- Link to Lynnwood Light Rail	Service Hour Change	8,000 Annualized Hours					
2024: Swift Blue Line Extension and new Swift Orange Line Bus Rapid Transit	New Service Hours ¹				42,500 Annualized Hours		
All Other Annual Service Changes	New Service Hours ¹		22,000 Annualized Hours	30,105 Annualized Hours	7,500 Annualized Hours (new Swift Hours shown above)	15,000 Annualized Hours	15,000 Annualized Hours
	Cumulative Cost of All New Service Added ²	\$ 1,525,767	\$ 6,787,929	\$ 15,598,428	\$ 25,787,843	\$ 33,289,843	\$ 39,541,234

¹ See pages 43-49 of the Adopted 2021-2026 Transit Development Plan

² Costs are based on service plan outlined in the TDP, using cost per bus service hour from the 2020 National Transit Database report and escalated annually from 2022-2026 using the TDP financial model inflation assumptions (3.3% for most years)

Debt Service and Debt Capacity

In June 2017, Community Transit issued \$11.0 million in limited sales tax general obligation bonds, which were sold with a premium of \$2.1 million. The proceeds were used to help fund the purchase of 26 forty-foot coaches and cover the bond issue costs.

During 2022, the principal due is \$1,070,000 and the interest due is \$362,750, resulting in total debt service payments of \$1.4 million. The total principal due after the 2022 bond payments have been made will be \$7.1 million, with a remaining unamortized premium of \$0.5 million. These bonds are subject to federal arbitrage rules. S&P Global recently affirmed its AAA rating of Community Transit’s bonds, and revised its outlook to “stable.”

The 2017 bonds are the only debt of Community Transit, and Community Transit does not anticipate issuing additional debt in the near term. Community Transit’s net revenues after operating expenses cover the annual bond principal and interest payments due in 2022 more than 63 times as calculated below:

Debt Service Coverage	2022 Budget
Operating Revenue	\$ 263,066,969
Operating Expense	<u>(171,860,886)</u>
Net Available for Debt Service	91,206,083
Required Debt Service Payments	1,432,750
Debt Service Coverage	<u>63.7 times</u>

Future annual debt service requirements are as follows:

Future Annual Debt Service

Year	Principal	Interest	Total Debt Service
2023	\$ 1,120,000	\$ 309,250	\$ 1,429,250
2024	1,175,000	253,250	1,428,250
2025	1,235,000	194,500	1,429,500
2026	1,295,000	132,750	1,427,750
2027	1,360,000	68,000	1,428,000
Total	<u>\$ 6,185,000</u>	<u>\$ 957,750</u>	<u>\$ 7,142,750</u>

Debt Capacity

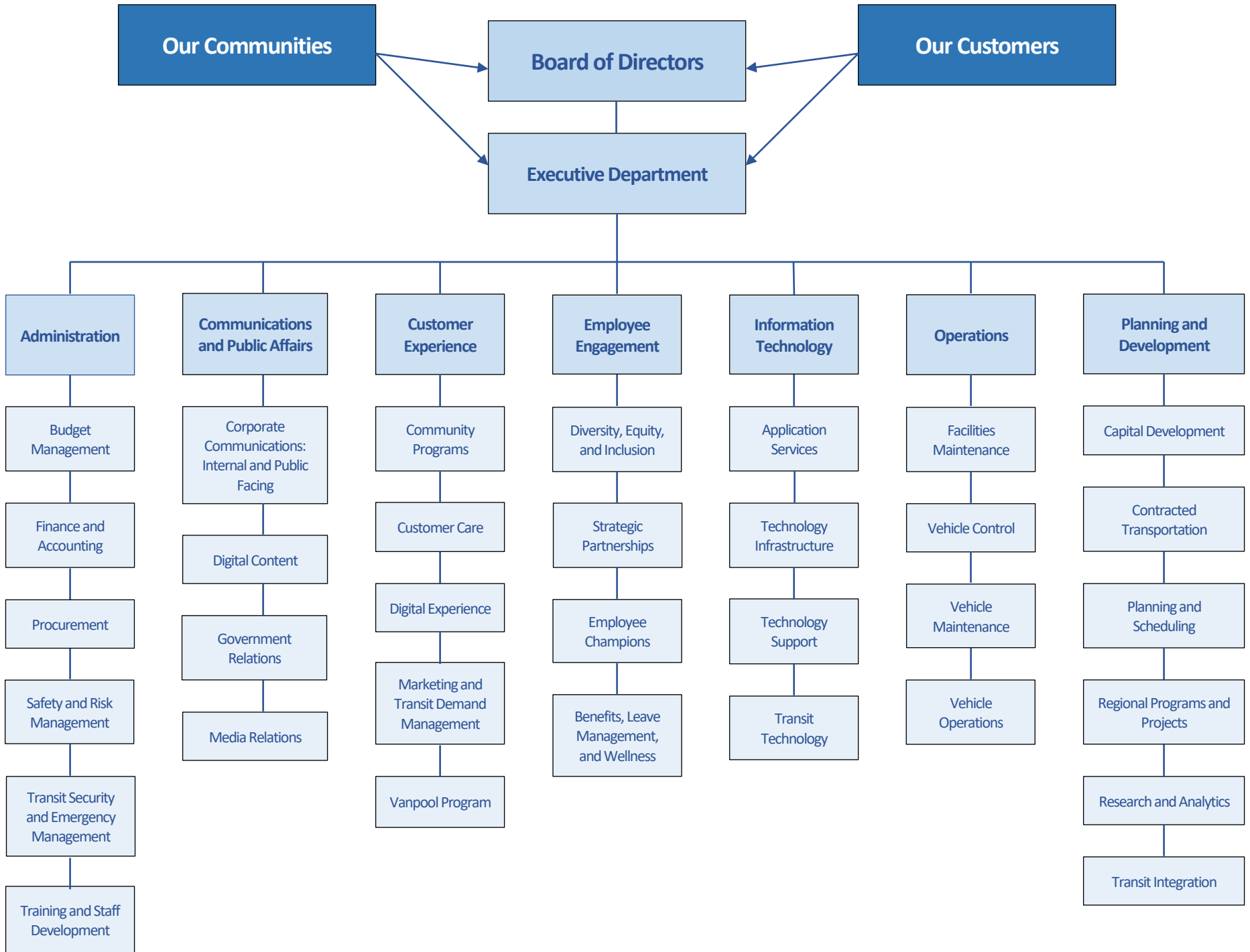
Community Transit’s debt is subject to a legal debt limit. This limit is calculated at 0.375 percent of assessed property values within the agency’s boundaries. Larger amounts may be approved with a public vote.

This data is not yet available for the 2022 tax year. For the 2021 tax year, the calculated debt limit is as follows:

Debt Capacity

<i>Legal Debt Margin Information</i> for the most recent valuation year (2020)	<i>(\$ in Millions)</i>
Assessed valuation in 2020 for collection of taxes in 2021	\$ 111,532.7
Nonvoted debt limit 0.375 percent of valuation	418.2
Less outstanding bond issues - net	(9.3)
<i>Nonvoted Debt Capacity Remaining</i>	<u>\$ 408.9</u>

Outstanding bonds are shown as of December 31, 2020, as per Community Transit’s last Annual Comprehensive Financial Report. The table above includes the most recent assessed property valuation provided by the Snohomish County Assessor’s Office, with an estimated adjustment for the public transportation benefit area.



Department Overview

Summary of 2021 Department Budgets—All Funds

Funds other than Fund 40 are discussed in the capital, cash and reserves, interfund, and debt service sections.

<i>Budgets: by Department and Fund</i> ¹	<i>General Fund (Fund 40)</i>	<i>Replacement Reserve (Fund 41)</i>	<i>Infrastructure Reserve (Fund 42)</i>	<i>Workers' Compensation (Fund 43)</i>	<i>State Capital Projects (Fund 44)</i>
Board of Directors and Executive	\$ 1,169,272	\$ -	\$ -	\$ -	\$ -
Administration ²	194,989,766	\$ -	\$ 650,000	\$ 2,895,097	\$ -
Communications and Public Affairs	1,630,338	\$ -	\$ -	\$ -	\$ -
Customer Experience	8,051,096	\$ 1,435,800	\$ -	\$ -	\$ -
Employee Engagement	3,723,363	\$ -	\$ -	\$ -	\$ -
Information Technology	8,702,574	\$ -	\$ 3,706,802	\$ -	\$ -
Maintenance ³	32,825,564	\$ 2,512,095	\$ 217,922	\$ -	\$ -
Planning and Development	36,310,451	\$ -	\$ 1,076,720	\$ -	\$ 6,725,000
Transportation	53,629,931	\$ -	\$ -	\$ -	\$ -
Totals by Fund	\$ 341,032,355	\$ 3,947,895	\$ 5,651,444	\$ 2,895,097	\$ 6,725,000

¹ Fund 47 has no 2020 budget, thus is not shown.

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

³ Maintenance Fund 40 includes fuel as well as department operating expense.

<i>Budgets: by Department and Fund</i>	<i>FTA Capital (Fund 45)</i>	<i>Local Capital (Fund 46)</i>	<i>Facility & Tech Expansion (Fund 48)</i>	<i>Bond Debt Service (Fund 50)</i>	<i>Total Departmental Budget Responsibility</i>
Board of Directors and Executive	\$ -	\$ -	\$ -	\$ -	\$ 1,169,272
Administration	345,284	\$ 1,503,285	\$ 357,446	\$ 1,432,750	\$ 202,173,628
Communications and Public Affairs	120,502	\$ -	\$ -	\$ -	\$ 1,750,840
Customer Experience	-	\$ 1,032,222	\$ -	\$ -	\$ 10,519,118
Employee Engagement	-	\$ 50,000	\$ -	\$ -	\$ 3,773,363
Information Technology	-	\$ 3,846,064	\$ 7,359,116	\$ -	\$ 23,614,556
Maintenance	64,364	\$ 17,649,341	\$ -	\$ -	\$ 53,269,286
Planning and Development	79,375,972	\$ 4,068,838	\$ 59,142,373	\$ -	\$ 186,699,354
Transportation	-	\$ -	\$ -	\$ -	\$ 53,629,931
Totals by Fund	\$ 79,906,122	\$ 28,149,750	\$ 66,858,935	\$ 1,432,750	\$ 536,599,348

Summary of 2022 Department Operating Budgets (Fund 40)

	2019 Actual	2020 Actual	2021 Amended Budget	2022 Budget	Change 2022 vs. 2021	
Board of Directors Executive	\$ 1,114,356	\$ 1,328,438	\$ 1,256,808	\$ 1,169,272	\$ (87,536)	-7%
Administration	13,833,171	12,904,462	12,572,620	14,896,664	2,324,044	18%
Communications and Public Affairs	1,093,717	1,482,881	1,677,234	1,630,338	(46,896)	-3%
Customer Experience	7,246,546	6,722,201	8,246,363	8,051,096	(195,267)	-2%
Employee Engagement	2,956,937	2,946,715	3,369,472	3,723,363	353,891	11%
Information Technology	8,865,375	8,989,411	9,903,487	8,702,574	(1,200,913)	-12%
Maintenance	22,743,556	23,237,063	24,403,540	24,819,971	416,431	2%
Planning and Development	34,808,986	38,097,855	36,962,451	36,310,451	(652,000)	-2%
Transportation	49,640,693	50,824,019	51,262,715	53,629,931	2,367,216	5%
Total Operating Expense	\$ 142,303,338	\$ 146,533,045	\$ 149,654,690	\$ 152,933,660	\$ 3,278,970	2%

Cost increases for employee benefits and participation in the state retirement plan are not within the control of individual department budgets, so are not part of the department discussion. These cost factors are discussed under general operating expenses. Each department discussion contains a list of priorities for the department, and each division in the department includes a list of 2022 priorities that describe how the work of each division supports the agency's vision and mission.

Summary of 2022 FTES by Department

	2019 Authorized	2020 Authorized	2021 Authorized	2022 Budget	Change 2022 vs. 2021	
Board of Directors Executive	5.5	6.5	5.5	5.5	0.0	0%
Administration	73.0	64.0	69.0	73.0	4.0	6%
Communications and Public Affairs	9.0	9.0	9.0	9.0	0.0	0%
Customer Experience	53.0	54.0	50.0	52.5	2.5	5%
Employee Engagement	15.0	15.0	17.0	18.0	1.0	6%
Information Technology	36.0	34.0	36.0	37.0	1.0	3%
Maintenance	127.0	122.0	123.0	125.0	2.0	2%
Planning and Development	36.0	38.0	40.0	41.0	1.0	3%
Transportation	485.0	452.0	458.0	463.0	5.0	1%
Total FTES Authorized	839.5	794.5	807.5	824.0	16.5	2%

Table 1

Resolution No. 9-20 gives the CEO authority to approve additional FTEs so long as the cost can be absorbed within the Board-approved operating budget. During 2021, the Executive Leadership Team evaluated all vacant positions and transferred some vacancies from one department to another depending on the business need. The net count of FTEs added after the 2021 budget was adopted and transfers between departments is included in the “2021 Authorized” column in Table 1.

Table 2 shows the department distribution of new FTEs that were approved by the CEO and added (or eliminated) after the original 2021 budget was adopted. Transfers between departments are also noted in Table 2. Transfers within a single department are not included. FTE transfers are discussed in each department’s budget discussion.

Table 2

<i>Department</i>	<i>2021 Net FTEs Adjustments</i>	<i>Additions to the Original 2021 Budget</i>	<i>Transfers Between Departments</i>
Administration	5	1 – Coach Operator Instructor	Three FTEs were transferred from the Customer Experience Department and repurposed as an Administrative Assistant in the Training Division, an Environmental Health and Safety Manager in the Risk Management Division, and a Capital Asset Accountant in the Finance and Accounting Division. One Workers’ Compensation Analyst was transferred from the Employee Engagement Department to the Risk Management Division. Job duties for this transfer remain the same
Customer Experience	(4)		Four FTEs were transferred to other departments. Three to Administration and one to Employee Engagement Department in support of the agency’s diversity, equity, and inclusion initiatives.
Employee Engagement	1	Diversity, Equity, and Inclusion Manager	One FTE was transferred to the Risk Management Division in the Administration Department. One FTE was transferred from the Marketing Division in the Customer Experience Department to the new Diversity, Equity, and Inclusion Division in the Employee Engagement Department.
Executive	(1)		One FTE was transferred from this department to the Planning and Development Department and repurposed as a Senior Capital Project Manager.
Information Technology	2	1 – Network Engineer	One FTE in the Transportation Department was transferred to the Technology Support Services Division and repurposed as an IT and Service Desk Administrator.
Maintenance	1	1 - Vehicle Service Attendant	
Planning and Development	3	1 – Grant Specialist 1 - Senior Capital Project Manager.	One FTE from the Executive Department was transferred to the Capital Planning Division and repurposed as a Senior Capital Project Manager.
Transportation	6	7 – Coach Operators	One Transportation position was transferred to the Information Technology Department and repurposed as an IT and Service Desk Administrator.
	13	Net FTE Adjustments to 2021 Agency Staffing	

Table 3 lists new FTEs added in the 2022 budget.

Table 3

<i>Department</i>	<i>2022 FTEs Additions</i>	<i>New FTEs in the 2022 Budget</i>	<i>Purpose</i>
Administration	4	1 - Supervisor of Coach Operator Instruction 1 – Transportation Instructor 1 - Safety Specialist 1 – Financial Analyst	First two positions support operational readiness. The Safety Specialist is necessary to manage employee and customer safety in the COVID era. The Financial Analyst is necessary because current staffing is insufficient for the existing workload. The agency has held to one Financial Analyst since 2003 even though financial systems and financial data analysis has increased significantly in scope and complexity.
Customer Experience	2.5	1 – Community Transportation Coordinator 1.5 - Sales and Distribution Specialists	The Transportation Coordinator will help the agency explore new modes of transit, including microtransit. The Sales and Distribution Specialist will enable us to keep the RideStore open for customers on Saturdays.
Employee Engagement	1	1 – Leave Management Coordinator	Needed to manage leave programs across the agency.
Information Technology	1	1 – Senior Applications Analyst	Necessary to support increasing number and complexity of applications needed throughout the agency.
Maintenance	2	1 – Facilities Tech I 1 – Facilities Tech II	Staff required to support new facility as Kasch Park Casino Road.
Planning and Development	1	1 – Grants Manager	Restoration of a position that was formerly frozen when it became vacant at the beginning of the pandemic. Necessary to manage agency grant program.
Transportation	5	1 – Transportation Supervisor 4 – Coach Operators	Service to the public.
	16.5	Total Staffing Additions Planned for 2022	

Staffing changes planned for 2022 are discussed in department sections where the FTE changes occurred. The 2022 budget adds 16.5 FTEs to the agency and brings the total agency staffing complement to 824 FTEs.

Summary of 2022 FTEs by NTD Classification

	2017	2018	2019	2020	2021	2022	Change 2022 vs. 2021	
Operations	449.0	482.0	542.0	498.0	505.0	513.5	8.5	2%
Vehicle Maintenance	96.0	102.0	105.0	100.0	101.0	101.0	0.0	0%
Facility Maintenance	19.0	20.0	26.0	25.0	25.0	27.0	2.0	8%
Administration	136.5	154.5	166.5	171.5	176.5	182.5	6.0	3%
Totals	700.5	758.5	839.5	794.5	807.5	824.0	16.5	2%

As a recipient of federal grant funds, Community Transit is required to complete the annual Federal Transit Administration (FTA) National Transit Database (NTD) report. The NTD report classifies employees based on job content, and agencies required to complete the report use the job content methodology to account for FTEs in their NTD report. The table above shows Community Transit’s employee complement according to NTD classification.

The intent of the NTD job content methodology is to facilitate comparisons among transit providers. The table below shows the same classifications, but on a percentage basis. Community Transit monitors these ratios during each budget cycle as one method of validating the consistency of Community Transit’s employment practices.

In prior years the optimum goal was an approximate 80/20 ratio of operational employees (Operations, Vehicle Maintenance, and Facilities Maintenance categories) to support employees (Administration) over five- and ten-year periods. In future years the ratio may increase in the Administration category due, in part, to changing technological expectations that transit users want when they consume transit information and use our services.

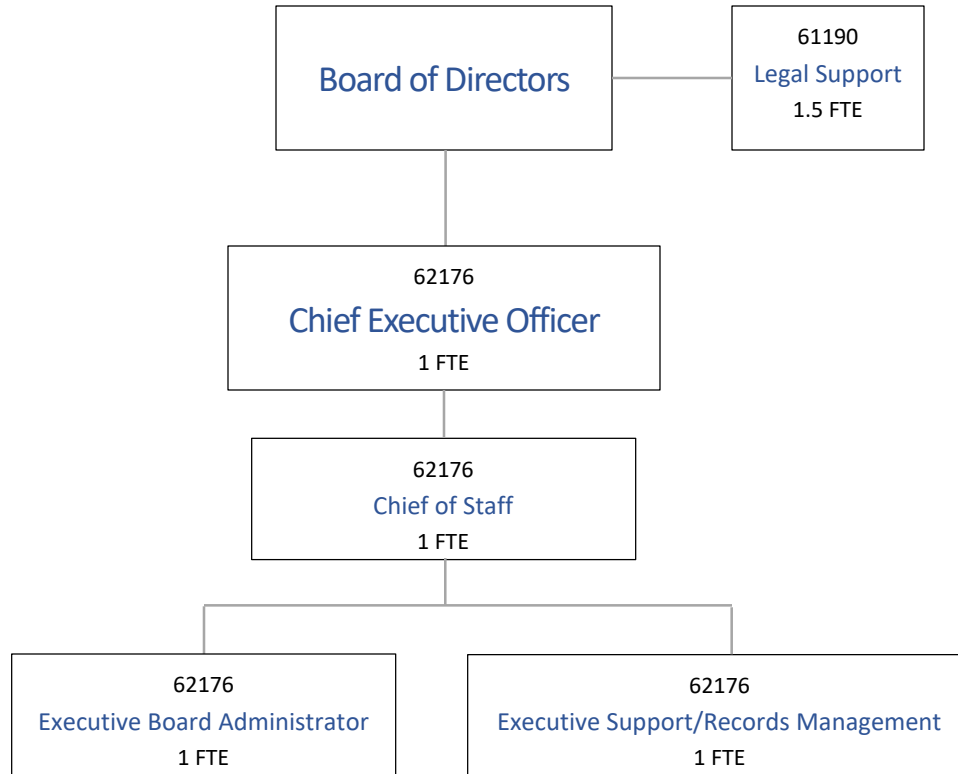
	2017	2018	2019	2020	2021	2022	5 Year Average	10 Year Average
Operations	64%	64%	65%	63%	63%	62%	64%	63%
Vehicle Maintenance	14%	13%	13%	13%	13%	13%	13%	13%
Facility Maintenance	3%	3%	3%	3%	3%	3%	3%	3%
Administration	19%	20%	19%	21%	21%	22%	21%	21%
	100%	100%	100%	100%	100%	100%	100%	100%

Board of Directors and Executive Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

2 Budget Centers

5.5 FTEs



Board of Directors

The Board of Directors is the governing body of Community Transit, establishing policy and legislative direction for the agency. These duties include approval of the agency's annual budget and 6-year Transit Development Plan. Working closely with the Chief Executive Officer (CEO), Board members represent the agency's position to the public, in the legislature, and in the community. They are responsible for hiring, supervising, and evaluating the CEO. Board members abide by all state and local laws regarding Board member conduct and protocol, as well as the agency's by-laws, resolutions, and procedures. The CEO and the agency's legal counsel report to the Board of Directors.

The Board of Directors consists of ten members, nine of whom are elected officials selected by the respective governing bodies of the county and component cities within Community Transit's service area, as follows:

- Two members and their alternate from the governing body of the county.
- Two members and an alternate from cities with populations of more than 35,000.
- Three members and two alternates from cities with populations between 15,000 and 35,000.
- Two members and an alternate from cities with populations less than 15,000.
- One non-voting labor representative.

Major Department Accomplishments for 2021

- Approved the 2021-2026 Transit Development Plan.
- Concluded the hiring process and onboarded and supported the new Chief Executive Officer upon his arrival to the agency in January.
- Approved the interagency agreement between Community Transit and Sound Transit (ST) for ST Express Bus Service Operations and Maintenance, a service agreement and partnership in place since 1999.
- Approved Merrill Creek Maintenance improvement projects including a hoist purchase and construction management services to expand the operating capacity to meet future service needs.
- Approved the design of the *Swift* Bus Rapid Transit Blue Line Expansion project, extending the current south terminus to the new Shoreline Link light rail station, scheduled to open in 2024.

- Approved construction management services to advance the construction of the *Swift* BRT Orange Line Project, connecting to the new Link light rail station at Lynnwood Transit Center in 2024.
- Approved disposal of the Land Mobile Radio System (LMR), completing the replacement of the LMR system with a streamlined, reduced cost and enhanced quality Voice Over Internet Protocol (VOIP) wireless communications system.
- Approved purchase of property to provide vehicle storage and provide sufficient space for training activities.
- Approved a one-year labor contract extension between Community Transit and the Amalgamated Transit Union (ATU) 1576.
- Approved the purchase of eight replacement 60-foot transit buses and thirteen replacement paratransit buses.
- Approved the purchase of the Apollo video management software, a solution providing improved efficiencies and reduced staff time for collecting video from coaches.
- Approved the enhancement of Open Trip Planner, a customer trip planning tool.
- Provided greater public visibility to Board meeting materials and operations including providing both remote and in-person public meetings.

Board of Directors 2022 Budget

Community Transit’s mission is to help people get from where they are to where they want to be, and its vision is to make travel easy for all. To accomplish this, the Board of Directors provides fiduciary oversight to ensure necessary resources are available and approves the annual budget.

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	119,551	150,333	140,911	152,678	11,767	8%
Benefits	9,261	11,583	10,862	11,783	921	8%
Subtotal: Employee Expense	128,812	161,916	151,773	164,461	12,688	8%
Services	21,705	4,873	32,500	18,300	(14,200)	-44%
<i>Total Operating Expense</i>	<i>150,517</i>	<i>166,789</i>	<i>184,273</i>	<i>182,761</i>	<i>(1,512)</i>	<i>-1%</i>

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

Salaries, Wages, and Benefits

No significant changes from the prior year.

Services

For the year 2022, travel to American Public Transportation Association (APTA) industry conferences will be covered by the Training Department budget rather than the Executive Department budget

Goals, Initiatives, Programs, and Projects for 2022

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

Executive Department

The Executive Department oversees the general administration of the agency and ensures that the operation of the agency and the Board of Directors is in accordance with state and federal laws and regulations as they relate to general administrative policies, governing boards, agency documents, the Open Public Meetings Act, and the Public Records Act. The Executive Department provides confidential support to the CEO, the Board of Directors and assistance to employees and the general public.

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

The CEO is the head of the agency, overseeing all departments and employees, and possesses the authority to designate department heads. The CEO is the primary spokesperson for the agency, represents the agency externally, and oversees the administration of the agency in accordance with policies prescribed by the Board of Directors, including state and national legislative issues. The CEO submits a proposed budget to the Board of Directors prior to the beginning of each fiscal year and is responsible for administration of the budget. The CEO develops and implements administrative policies and procedures as well as corporate plans and programs.

The Chief of Staff assists the CEO in maintaining effective working relationships across the agency and externally, coordinates projects and initiatives involving the CEO and Executive Leadership Team to ensure alignment across the agency, and manages the activities of the Board of Directors, the Executive Department, and the Office of the CEO. The Executive Board Administrator and Records Management/Administrative Assistant report to the Chief of Staff.

The Executive Board Administrator provides administrative support to the Board of Directors and manages the process for selection and orientation of new Board members. The administrator also provides support to the CEO and Chief of Staff, has oversight of the agency's policies, ensures compliance with the Washington State Open Public Meetings Act, receives legal documents, and serves as the Public Records and Title VI Officer.

Major Department Accomplishments for 2021

- Guided the agency's response to the COVID-19 pandemic while maintaining the top priority of keeping employees and riders safe. In collaboration with the Executive Leadership Team managed a cross-functional, agencywide effort to deliver essential services to the community throughout the pandemic.
- Worked collaboratively to ensure a successful CEO transition and to support the development and completion of the CEO's priorities in his first year at the agency.
- Kept 2021 expenditures below the adopted budget and used cost-containment strategies, federal relief funding, and reserve funding to bridge the budget gap brought about by the COVID-19 pandemic.
- Guided the development of a 2022 budget with focus on long term fiscal constraint in order to fund growing service investments for the community. This budget allows the agency to continue delivering on its priorities.
- Actively supported the agency's participation in the Washington State Transit Insurance Pool, Washington State Transit Association, American Public Transportation Association, Conference of Minority Transportation Officials, and the Washington State Transportation Demand Management Executive Board,
- Worked collaboratively with the Regional Mobility Partnership, consisting of executive leadership at Puget Sound transit agencies, the Washington State Ferries, Puget Sound Regional Council, and the Seattle Department of Transportation, on issues of regional importance and integration. This included issues such as COVID-19 impacts and response, DEI programs, and achieving mutual agreement on the distribution allocation of federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARPA) funding.
- Worked to build strong local and business partnerships by serving on the Board of Trustees for Economic Alliance of Snohomish County and as a board member for the Snohomish County Committee for Improved Transportation (SCCIT), and participated in regional forums including jurisdictional councils, county economic and aerospace task forces, and the Puget Sound Regional Council.
- Strengthened the agency's commitment to diversity, equity, and inclusion (DEI) by supporting leadership team training and development and hiring the agency's first DEI Program Manager to evolve programs and initiatives to advance racial equity.
- Received and responded to approximately 87 public disclosure requests (as of October 11, 2021).
- Supported the Board's public meeting needs in compliance with the Open Public Meetings Act, by providing meetings in both a remote and in-person format, with a goal of increasing public participation and transparency.

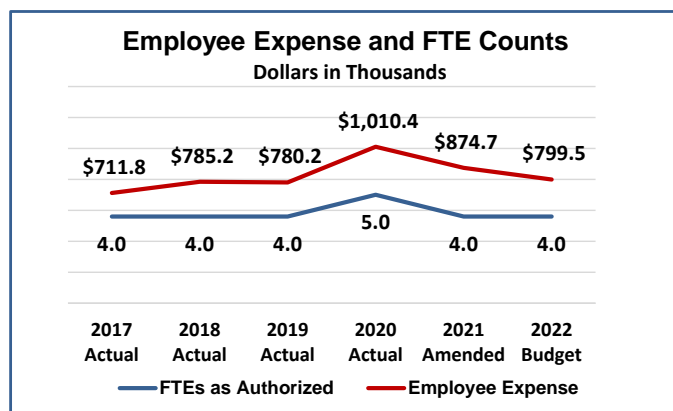
Executive Department 2022 Budget

The Executive Department supports the mission of Community Transit by (1) providing oversight for the administrative affairs of the agency, (2) advocating for the agency to legislative and community leaders and the general public, and (3) developing and implementing policies and procedures to ensure compliance with state and federal laws and regulations.

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	571,366	791,469	655,881	604,811	(51,070)	-8%
Benefits	208,829	218,912	218,779	194,725	(24,054)	-11%
Subtotal: Employee Expense	780,195	1,010,381	874,660	799,536	(75,124)	-9%
Services	181,638	150,158	194,375	182,975	(11,400)	-6%
Supplies	2,008	1,110	3,500	4,000	500	14%
Total Operating Expense	963,841	1,161,649	1,072,535	986,511	(86,024)	-8%

Salaries, Wages, and Benefits

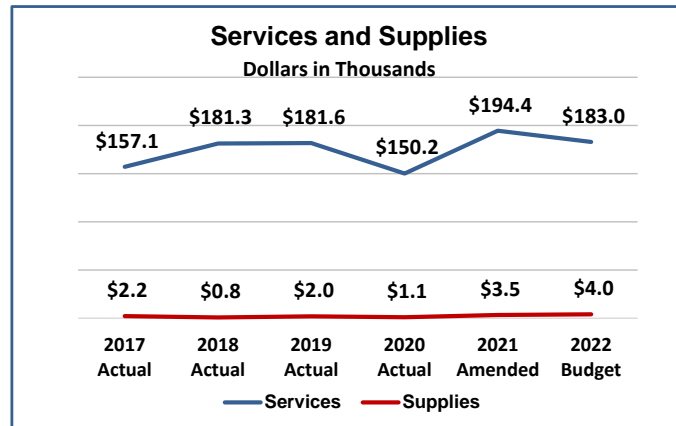
Employee expense comprises 81 percent of the Executive Department budget. The 2021 original budget included funding to add a deputy CEO position in the fourth quarter of the year. The CEO determined that the deputy CEO position was not needed at this time. As a result, employee expense budgeted for 2022 was reduced by 9 percent as compared to 2021.



Services

Agency memberships are budgeted in the Executive Department services expenditure category. Memberships in the American Public Transportation Association (APTA); Puget Sound Regional Council (PSRC); and the Washington State Transit Association (WSTA) total \$138,700 and comprise 76 percent of the services budget. The 2021 budget included a limited amount of funding for travel to industry conferences. That funding was

eliminated in the 2021 budget. The remainder of the Executive budget consists of expenditures associated with the agency's records program and miscellaneous other minor expenses.



Supplies

The supply budget included nonstandard office supplies and archive boxes in support of the agency records management program.

Executive Department 2022 Priorities

- Continue to manage the agency's response to the COVID-19 pandemic and implement the initiatives and innovation necessary to attract riders back to Community Transit. Maintain employee and rider safety and design the system to support the new customer expectations around service design and operations in a post-pandemic environment.
- Continue to build on Community Transit's favorable reputation with the public, key stakeholders, and business and government leaders. Work in tandem with local, regional, and national partners to effectively position Community Transit as a world-class transportation service provider.
- Evolve relationships with local jurisdictions and transit partners to provide a safe, sustainable, integrated, and efficient transportation system and a seamless experience for our shared customers.
- Guide the Executive Leadership Team in its work to communicate and implement the agency's strategic priorities and goals and to deliver on our commitments to customers and the communities we serve.
- Manage Board activities and provide support to Board Members, including meeting preparation, adherence to open public meeting regulations, and assisting with travel and research. Support selection process and onboarding of new 2022-2024 Board and provide assistance for the Board's annual performance evaluation of the CEO.

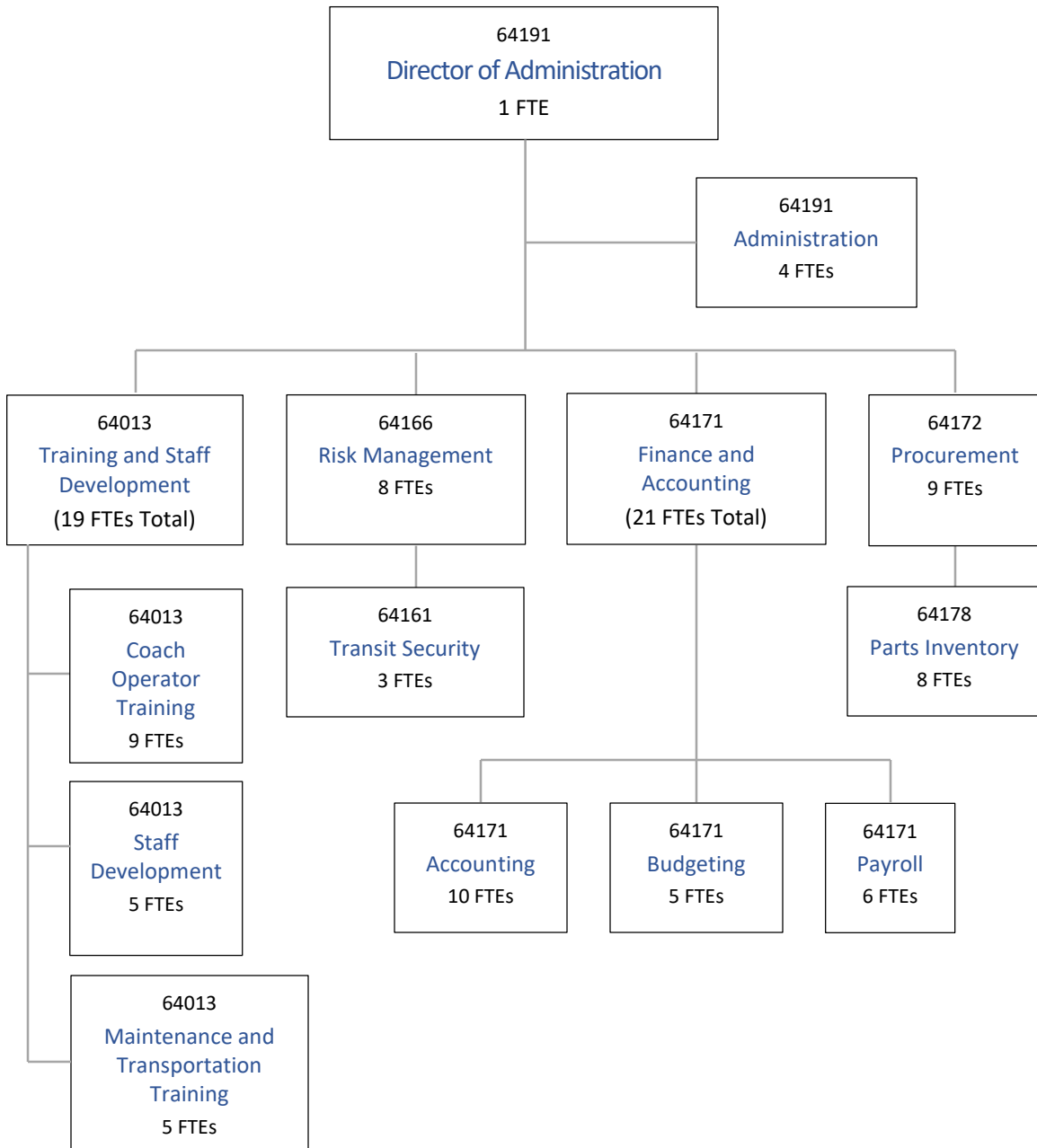
- Manage the agency's records center and public disclosure process in accordance with all applicable laws and regulations.
- Maintain relationships with local elected officials, state legislators and the federal congressional delegation, leveraging trips to Olympia and Washington, D.C. to advocate for the agency and the needs of public transportation.
- Guide the agency's major initiatives, including remodeling and expanding all operating and administrative facilities, conducting a study of zero-emission technology, and revising the agency's long-range plan.

Administration Department

Chart of Organizational Hierarchy and Budget Center Responsibility

7 Budget Centers

73 FTEs



Administration Department

The Administration Department focus is on service—to fellow employees, to vendors, to stakeholders, and to every person who chooses transit now or may do so the future. Department employees perform their duties in an environment subject to recurring regulatory review by local, state, and federal agencies, including the Federal Transit Administration (FTA) and the Office of the Washington State Auditor (SAO). As a result, this department places a strong emphasis on implementing policies, procedures, internal controls, and guidelines that help the agency excel at the highest level of effectiveness—even during a pandemic.

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

The department's five divisions are: Administration, Finance and Accounting, Procurement, Risk Management and Safety, and Training and Staff Development.

Major Department Accomplishments for 2021

Administration

During the COVID-19 pandemic, the Administration Division team was onsite every day to ensure that mail delivery took place, administrative services continued and support for the onsite Finance Division staff continued. In addition, the team helped nearly every department with tasks they could not complete while working remotely. This included connecting coach operators with staff working remotely, helping to get payroll checks out, delivering urgent packages, printing out Board documents, meeting vendors for deliveries, sending out contracts, running Zoom meetings and much more. Team members took pride in these additional tasks taken on to keep our business running smoothly.

The team established and completed three goals: improving safety, records cleanup in department files, and continuous process improvement in maintaining agency phone. Additionally, team members were actively engaged in several agency process improvements including a process to streamline the Request to Attend (RTA) travel forms; coordination of DocuSign to streamline the contract signature process; electronic reconciliation of credit cards; and increased use of Smartsheet for new projects and team communications.

Finance and Accounting

- Earned the agency's 26th consecutive clean audit from SAO.
- Received 31st consecutive Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 2019 Annual Financial Report. Completed the 2020 Annual Financial Report and submitted it for consideration for the agency's 32nd consecutive Government Finance Officers Association award.
- Received its second Distinguished Budget Presentation Award for the 2020 Budget from the GFOA and applied for its third award for the 2021 Budget. Results are pending.
- Implemented the financial reserve recommendations proposed by the GFOA's consulting division.
- Began the implementation of electronic timesheets.
- Upgraded the PeopleSoft HR/Payroll and Financial systems.
- Continued to implement paperless review processes, including those that call for DocuSign or a similar tool, to allow for further efficiency and to enable remote working capabilities for staff and Finance's partners (SAO, GFOA, Public Financial Management [PFM], others).
- Worked toward a monthly general ledger close, including limited monthly financial reports.

Procurement and Parts

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

Risk Management and Transit Security

- Began implementation of elements of the FTA-required agency safety plan.
- Implemented a new, agencywide emergency operations plan which includes functional and hazard-specific annexes, policy direction, and a road map for future planning.
- Directed the agency's response and recovery from COVID-19. This included completing over 170 objectives, implementing 88 policy decisions, and collaborating with county and regional partners.
- Established a multiyear training and exercise plan to help the agency train for future disasters.
- In partnership with the Behavioral Health Division at Snohomish County Human Services Department, established a two-month social worker pilot that embedded a social worker with law enforcement deputies.
- Began development of division-level key performance indicators and create dashboards to display hazard, accident, and claims data. Data will be used to assist the agency in identifying trends, monitoring risk, and improving overall safety and security.

Training and Staff Development

- Created leadership development opportunities and formalized a leadership development program.
- In addition to training all new coach operators, mechanics, supervisors, and dispatch, conducted annual refresher training for all current coach operators, return to work evaluations/refreshers, and training for the new Northgate to Link light rail connection.
- Prepared to return to "new hire" training, including preparing hiring, training, and staffing plans for both slow and rapid recovery and incorporating COVID-19 safety protocols.

Department Priorities for 2022

- Partner with the Planning and Development Department for financial analysis for the long-range financial plan.
- Complete required federal National Transit Database reporting.
- Develop a balanced budget for 2023 that supports the agency's operational and capital programs.
- Complete the annual audit and financial reports with no findings or management letters.
- Improve capital asset accounting.
- Partner with the Employee Engagement Department to begin developing and implementing an integrated talent management program.

- Expand our Employee Safety Reporting Program for employees to report safety concerns, manage progress, and report out.
- Ensure regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.
- Partner with internal customers to improve our support to them by developing integrated procurement methods.
- Collaborate with the Capital Development team on *Swift* Orange Line project development, the *Swift* Blue Line extension, and base renovation projects.
- Increase agency safety and security efforts. This includes increased contract with Transit Police Unit, social worker program, and expanded training programs, primarily in operations and maintenance.

Administration Department 2022 Budget

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

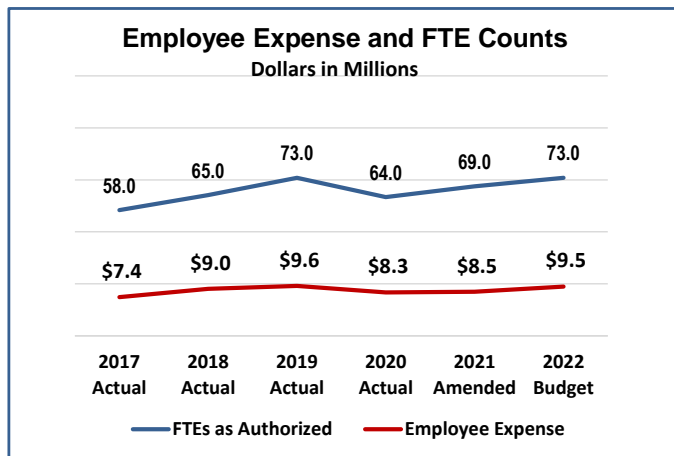
	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	6,770,641	5,973,886	5,963,671	6,732,061	768,390	13%
Benefits	2,838,417	2,375,558	2,527,206	2,749,007	221,801	9%
Subtotal: Employee Expense	9,609,058	8,349,444	8,490,877	9,481,068	990,191	12%
Services	999,077	732,418	779,188	976,489	197,301	25%
Intergovernmental Services	3,094,285	3,116,729	3,135,455	4,284,457	1,149,002	37%
Supplies	130,751	705,871	167,100	154,650	(12,450)	-7%
Total Operating Expense	13,833,171	12,904,462	12,572,620	14,896,664	2,324,044	18%

Salaries, Wages, and Benefits

Employee expense makes up 64 percent of the Administration Department budget. The original 2021 budget authorized 64 FTEs. As the agency’s needs changed towards the end of 2020 and into 2021, the department staffing complement was re-evaluated and additional FTEs were added to this department. In December 2020, after the 2021 budget was adopted, the CEO authorized the addition of one coach operator instructor. Three vacant FTEs in the Customer Experience Department were transferred to the Administration Department and repurposed as

an administrative assistant in Training, an environmental health and safety manager in Risk Management, and a capital asset accountant in Finance, and the worker’s compensation analyst FTE was moved from the Employee Engagement Department to Risk Management in the Administration Department.

The 2022 budget adds four FTEs to the department: a Transportation Instructor which was defunded at the beginning of the COVID crisis, a supervisor of coach operator instruction, a financial analyst, and a safety specialist. The 2022 budget also funds wage and benefit expense for 30 coach operator trainees.



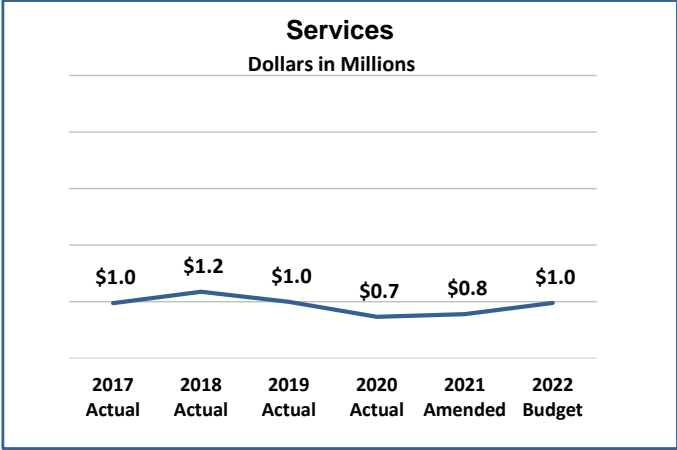
Employee expense in this department was also affected by the Executive Leadership Team’s decision to redistribute some portion of employee expense from the General Fund (Fund 40), which funds all operating expense, to other funds which support the agency’s capital program. The 2022 budget funds the largest capital program in agency history. In recognition of the size and scope of the capital program, beginning in 2022, a portion of employee expense will be budgeted through various funds in the capital program. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program. The chart above shows all FTEs, but the expense element displays only operating expense.

The next table shows total employee expense for the Administration Department in both the operational fund (Fund 40) and the various capital funds. Overall, employee expense across all funds has increased by 23 percent due to the addition/transfer of five FTEs in mid-2021 and the addition of four more FTEs effective with the adoption of the 2022 budget.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	6,770,641	5,973,886	5,963,671	6,732,061	768,390	13%
Fund 45 Employee Expense				345,284	345,284	n/a
Fund 46 Employee Expense				154,325	154,325	n/a
Fund 48 Employee Expense				107,446	107,446	n/a
Total Personnel Expense	6,770,641	5,973,886	5,963,671	7,339,115	1,375,444	23%

Services

The services budget amounts to 7 percent of the department’s total budget. The largest segment of the department’s total services budget (\$417,000) funds the agency training program and restores it to nearly pre-pandemic levels (\$424,000 in the 2019 original budget; \$448,000 in the 2020 original budget; \$220,000 in the 2021 original budget). The 2022 budget

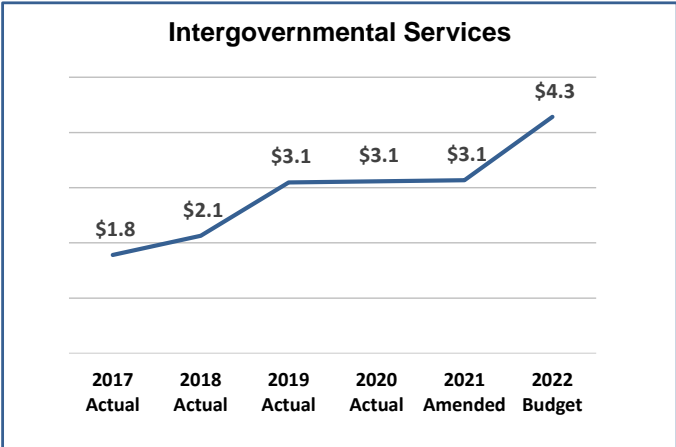


continues to improve on the online and web-based training that Training staff incorporated into their agency training plan during the pandemic and also allows for staff to participate in training opportunities that may not be available online.

For several years, general training expense for the entire agency has been consolidated in the Training Department, but each department has budgeted separately for participation in industry conferences such as those sponsored by the American Public Transportation Association (APTA). In 2022 an additional consolidation has been implemented: All potential APTA conference attendance and the travel associated with it has been budgeted in Training.

Financial services contribute 32 percent (\$315,000) to the department’s services budget. These services include the annual audit, armored car services, cash processing, and bank fees. The remaining 16 percent of the services budget funds a variety of other necessary business services such as contract maintenance on agency security systems, required environmental sampling, hazardous waste services, National Safety Council accident reviews, a workplace violence threat assessment, and hearing tests.

Intergovernmental Services



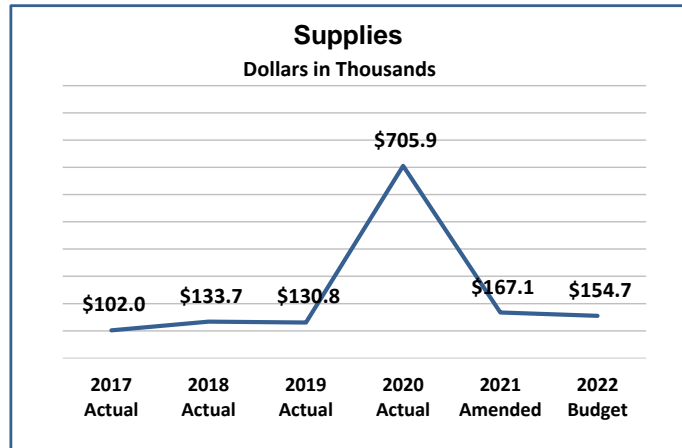
The intergovernmental services budget category contributes 29 percent to the total department budget. The contract with the Snohomish County Sheriff's Office for transit police services is the primary cost driver for this budget category. That contract amounts to \$3.2 million and is 75 percent of the total department intergovernmental services budget. In addition to the base contract of \$3.2 million, \$852,000 has been

budgeted for expanded transit police unit coverage as needed. As a partner with Snohomish

County and the Sheriff’s Department, this budget also contributes \$200,000 for social worker services to help people who use Community Transit services and may also be experiencing homelessness, addiction, mental illness, or the like. Other items that fall under the intergovernmental services budget include new vehicle licenses and title transfers for surplus vehicles and required permits and licenses needed to conduct business. Expenses associated with these smaller items fluctuate from year to year.

Supplies

The Administration department budgets for many agencywide supply items such as general office supplies and postage. Although this budget contributes only 1 percent to the total department budget, this chart is provided to show the impact of COVID. The spike in 2020 actual expenses is directly related to the supplies the agency purchased to ensure safety for our employees and customers. The 2022 budget funds supplies at the usual level for the usual items: standard office supplies, toner for printers, and postage for the agency as a whole; minor equipment replacements; first-aid and automated external defibrillator kit replacements; as well as spill control, environmental compliance, and general safety supplies.



Administration Division Summary

This summary compares each budget center’s 2022 budget to its 2021 amended budget.

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
64013	Training and Staff Development	4,502,894	2,730,210	2,543,728	3,454,749	911,021	36%
64161	Transit Security	3,457,681	3,427,549	3,501,606	4,767,142	1,265,536	36%
64166	Risk Management	638,043	1,309,333	704,132	1,072,695	368,563	52%
64171	Finance and Accounting	2,507,262	2,764,203	2,912,526	2,947,392	34,866	1%
64172	Procurement	1,147,000	1,107,479	1,248,538	996,545	(251,993)	-20%
64178	Parts Inventory	955,027	970,231	987,966	965,514	(22,452)	-2%
64191	Administration	625,264	595,457	674,124	692,627	18,503	3%
Total Operating Expense		13,833,171	12,904,462	12,572,620	14,896,664	2,324,044	18%

Discussions of each division’s 2022 budget and priorities follow.

Administration Division

The Director of Administration leads the five divisions within the Administrative Department and supports a collaborative, cross-functional approach across the agency. The director is the executive liaison for the Board of Directors’ Finance, Performance, and Oversight Committee and the lead, at the Director level, for the annual budget process.

The division’s administrative staff provide support throughout the department. In addition to providing professional administrative support to the Director of Administration and the Finance Performance and Oversight Committee, the team works within the department to support the budgeting process, financial report preparation, accounts payable and receivable processing, business planning, document retention, and numerous department projects.

On an agency level, the team provides corporate-wide reception, mail delivery, courier, and distribution services, as well as monitors travel, contracts, agency organizational charts, policies and procedures, and purchasing.

Administration Division 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	422,606	406,868	435,390	456,750	21,360	5%
Benefits	149,814	141,123	192,034	189,827	(2,207)	-1%
<i>Subtotal: Employee Expense</i>	<i>572,420</i>	<i>547,991</i>	<i>627,424</i>	<i>646,577</i>	<i>19,153</i>	<i>3%</i>
Services	24,930	21,447	6,900	6,200	(700)	-10%
Supplies	27,912	26,019	39,800	39,850	50	0%
<i>Total Operating Expense</i>	<i>625,262</i>	<i>595,457</i>	<i>674,124</i>	<i>692,627</i>	<i>18,503</i>	<i>3%</i>

This budget includes no significant changes and adds no FTEs for 2022.

Administration Division 2022 Priorities

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

Finance and Accounting Division

The Finance and Accounting Division is responsible for payroll, accounts payable, treasury services, asset management, billing, and accounts receivable, grants and projects accounting, budgeting, financial analysis, and financial investing. This division also prepares quarterly financial reports and three reports which are audited annually: the Annual Financial Report, the Schedule of Expenditures of Federal Awards, and the Federal Transit Administration National Transit Database report. When long-term financing is required, Finance and Accounting employees lead the process for issuing long-term debt.

Finance and Accounting 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	1,546,538	1,769,693	1,772,453	1,865,153	92,700	5%
Benefits	622,590	671,813	723,083	732,365	9,282	1%
Subtotal: Employee Expense	2,169,128	2,441,506	2,495,536	2,597,518	101,982	4%
Services	319,482	301,629	407,590	331,611	(75,979)	-19%
Intergovernmental Services	14,594	14,342	6,350	15,213	8,863	140%
Supplies	4,058	6,726	3,050	3,050	-	0%
Total Operating Expense	2,507,262	2,764,203	2,912,526	2,947,392	34,866	1%

Finance and Accounting is the largest division in the Administration Department in terms of the number of FTEs. Employee expense comprises 88 percent of this budget. During 2021, a capital asset accountant was added to this division, and the 2022 budget adds a second financial analyst, bringing the total staffing complement to 21 in the 2022 budget.

Other than personnel expenses, the largest expense in the Finance and Accounting budget remains armored car services for the ticket vending machines located on both *Swift* lines. Vault service with armored car pick-up, banking fees, and audit fees contribute \$300,000 to this budget and are the only significant expenditures.

The Finance and Accounting budget also funds a variety of smaller expenditures for items such as license fees for coaches, Vanpool vans, DART, and support vehicles; check stock; W-2 wage and tax statement forms; coin counter maintenance services; and the like.

As noted in the introductory section, a portion of employee expense has been redistributed from general expense (Fund 40) to various capital funds. That distribution as it applies to the Finance and Accounting Division is shown in the next table.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	2,169,128	2,441,506	2,495,536	2,597,518	101,982	4%
Fund 45 Employee Expense				40,325	40,325	n/a
Fund 46 Employee Expense				40,325	40,325	n/a
Fund 48 Employee Expense				40,446	40,446	n/a
Total Personnel Expense	2,169,128	2,441,506	2,495,536	2,718,614	223,078	9%

Although the Fund 40 employee increase is 4 percent, total employee expense across all funds increases by 9 percent.

Finance and Accounting 2022 Priorities

- Implement electronic timesheets.
- Complete the 2021 annual financial report.
- Complete required federal reporting for the Federal Transit Administration National Transit Database.
- Implement the 2022 annual budget and develop the 2023 budget.
- Work with a technical asset management consultant to implement best practices for our asset management programs.
- Utilize the budget system to automate budget status reports and other regularly accessed reports from PeopleSoft Financials. Integrate Prophix and PeopleSoft to allow for the lookup of transaction detail.

Procurement Division

Parts Inventory

The Parts team purchases, stocks, and maintains inventory to support the agency in maintaining its full vehicle fleet in a safe, timely, and cost-effective manner. Parts inventory contains items needed for buses, vanpool vans, and other service vehicles. The Parts team also stocks new technology equipment and parts and ensures that Community Transit buys quality parts at competitive prices.

Procurement

The Procurement team supports Community Transit with strategic and tactical procurement management to obtain the best value for taxpayer funds. The division ensures full and open competition to all vendors, promotes best-value purchase of desired quality products and

services, fosters small business participation, and partners with customers and suppliers in delivering procurements that meet complex laws and regulations.

Procurement 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
64172	Procurement	1,147,000	1,107,479	1,248,538	996,545	(251,993)	-20%
64178	Parts Inventory	955,027	970,231	987,966	965,514	(22,452)	-2%
Total Operating Expense		2,102,027	2,077,710	2,236,504	1,962,059	(274,445)	-12%

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	1,398,693	1,417,115	1,459,317	1,278,800	(180,517)	-12%
Benefits	615,054	602,161	662,587	579,149	(83,438)	-13%
Subtotal: Employee Expense	2,013,747	2,019,276	2,121,904	1,857,949	(263,955)	-12%
Services	36,226	26,558	63,100	44,110	(18,990)	-30%
Intergovernmental Services	13	-	-	1,600	1,600	n/a
Supplies	52,042	31,876	51,500	60,000	8,500	17%
Total Operating Expense	2,102,028	2,077,710	2,236,504	1,963,659	(272,845)	-12%

Employee expense contributes 95 percent to the total Procurement Division budget. No additional FTEs are proposed for 2022 for this division. The reduction in employee expense results from a redistribution of a portion of employee expense from operating expense (Fund 40) to the capital program. The next table shows total employee expense distribution.

Supplies adds 3 percent to this budget while services adds 2 percent. Standard business office supplies for the entire agency are budgeted in Procurement and comprise 85 percent of the supplies budget. These supplies include computer paper stock and toner as well as minor specialty items such as stamping supplies. The Procurement Division also budgets for the administrative fee (\$8,500) associated with use of the state contract for motor fuel. The remainder of this budget covers maintenance supplies and nonstandard supplies used by Parts Inventory staff.

The services category includes printing expense for asset tags, parts requests forms, and agency stationery and business cards; title transfer fees for surplus vehicles, advertising fees required for bids and other legal reasons, and the like.

The next table shows total employee expense as distributed across both operating and capital funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	2,013,747	2,019,276	2,121,904	1,857,949	(263,955)	-12%
Fund 45 Employee Expense				237,959	237,959	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	2,013,747	2,019,276	2,121,904	2,095,908	(25,996)	-1%

Procurement 2022 Priorities

- Continue:
 - Ensuring regulatory procurement compliance in a manner that makes doing business with Community Transit easier for internal and external customers.
 - Partnering with internal customers to improve our support to them by developing integrated procurement methods.
 - Utilizing Trapeze and Tableau to forecast and match parts stocking levels with preventative maintenance program requirements.
 - Achieving Disadvantaged Business Enterprise utilization goals on FTA-funded projects.
 - Collaborating with the Capital Development team on the *Swift* Orange Line project development and base expansion/renovations projects.
- Improve PeopleSoft utilization in Procurement processes.

Risk Management and Safety Division

Risk Management

The Risk Management team manages and provides oversight for agencywide programs in the areas of safety, security, emergency management, motor vehicle accident management, claims management, and environmental compliance services. Workers' compensation was transferred from Employee Engagement to Risk in late 2021. Division duties are performed in an environment that is subject to recurring regulatory and nonregulatory reviews by local, state, and federal agencies. Additionally, the division manages the agency's FTA required Agency Safety Plan, Safety Committee, and Accident Review Committee; conducts ergonomic

assessments, safety inspections, and safety audits; and completes monthly and annual safety and security reporting required by the FTA.

Transit Security

The Transit Security team is responsible for agencywide physical security, which includes badges, access control, and video camera systems. The team develops, implements, and provides oversight for agencywide security and emergency management plans and policies.

This team also manages the agency contract with the Snohomish County Sheriff's Office for law enforcement services dedicated to the agency's service area. The Transit Police Unit consists of fully commissioned deputies who provide vital services to Community Transit's employees and customers. Transit police deputies possess a deep understanding of transit operations and promote a safe and secure environment for all employees and customers through a highly visible police presence and effective patrolling of Community Transit vehicles and properties.

Risk Management 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
64161	Transit Security	3,457,681	3,427,549	3,501,606	4,767,142	1,265,536	36%
64166	Risk Management	638,043	1,309,333	704,132	1,072,695	368,563	52%
Total Operating Expense		4,095,724	4,736,882	4,205,738	5,839,837	1,634,099	39%

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	585,485	646,685	671,549	1,057,170	385,621	57%
Benefits	240,671	262,799	269,729	407,348	137,619	51%
Subtotal: Employee Expense	826,156	909,484	941,278	1,464,518	523,240	56%
Services	153,070	86,193	68,105	69,125	1,020	1%
Intergovernmental Services	3,079,678	3,102,387	3,129,105	4,267,644	1,138,539	36%
Supplies	36,820	638,818	67,250	38,550	(28,700)	-43%
Total Operating Expense	4,095,724	4,736,882	4,205,738	5,839,837	1,634,099	39%

Intergovernmental Services is the largest element in this budget, and the largest line item in this category is the contract with the Snohomish County Sheriff's Office for Deputy Sheriffs' services. This contract is budgeted at \$3.2 million for 2022 and is 55 percent of the total division

budget. In addition to the base contract, this budget includes an addition \$1.1 million for expanded transit police unit coverage and participation in the Snohomish County social worker program to help people who use Community Transit services and may also be experiencing homelessness, addiction, mental illness, or the like. The total package of \$4.2 million is 73 percent of the entire division budget.

Other items budgeted in intergovernmental services category total less than \$16,000 and include environmental permits and licenses required to conduct business.

Employee expense contributes 25 percent to this division's budget, but when the \$4.2 million budgeted for the transit police unit is removed, employee expense is 92 percent of the division's total budget. Vacant FTEs from other departments were transferred to this department during 2021. In the Transit Security budget center, an emergency management program manager FTE was repurposed from a vacancy in the Training Division. In Risk Management an environmental health and safety manager was repurposed from a vacancy in the Customer Experience Department, and a workers' compensation analyst was transferred from Employee Engagement to Risk Management. In addition to these staffing changes, the 2022 budget adds a second safety specialist FTE.

The services and supplies categories together comprise 2 percent of the division budget. Changes in these budget categories are related to normal fluctuations in business usage. Services include the security systems preventive maintenance contract, National Safety Council accident reviews, a workplace violence threat assessment, environmental sampling, hearing tests, hazardous waste disposal, and battery recycling.

Supplies include replenishments for first aid and external defibrillator kits, safety vests, spill control equipment, and the like.

Risk Management 2022 Priorities

- Continue the implementation of the FTA-required Agency Safety Plan with a focus on safety promotion and employee awareness. Expand our Employee Safety Reporting Program for employees to report safety concerns, manage progress, and report out.
- Establish new strategic priorities for environmental sustainability and environmental program management.
- Social Worker Program: Establish a full-time contracted social worker that will be embedded with the Transit Police Unit to help connect with homeless and vulnerable populations in the service area. The goal is to break the cycle of homelessness and offer services to help with mental health, and/or chemical dependency in our service area.

Training and Staff Development Division

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

Training staff operate the agency’s in-house, ten-week coach operator training program. They provide annual refresher training and annual evaluations to incumbent coach operators along with return-to-work training for coach operators who have been away from the job for periods specified in the standard operating procedures and labor contracts.

Training staff provide transportation supervisors and dispatchers with an internally developed, new-hire training program and with annual refresher trainings. The division designs and provides in-house training for the Maintenance Department on safety-critical components as well as for the maintenance apprentice program. The division has also increased work throughout the agency to development opportunities for our agency leadership.

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

Training and Staff Development 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	2,817,319	1,733,525	1,624,962	2,074,188	449,226	28%
Benefits	1,210,288	697,662	679,773	840,318	160,545	24%
Subtotal: Employee Expense	4,027,607	2,431,187	2,304,735	2,914,506	609,771	26%
Services	465,368	296,591	233,493	527,043	293,550	126%
Supplies	9,919	2,432	5,500	13,200	7,700	140%
Total Operating Expense	4,502,894	2,730,210	2,543,728	3,454,749	911,021	36%

Employee expense comprises 85 percent of this budget. Staffing reductions were made in 2020 and 2021 to cope with the COVID-19 pandemic. The 2022 budget adds back some of the positions that were left vacant or transferred to other areas of the agency where the need was greater at the time. Coach operators that were furloughed during the pandemic have all been recalled and there is a need to hire and train more coach operators to accommodate turnover

and adjustments to the 2022 service plan that have not yet been identified. The training budget includes funding for 30 trainees in 2022.

One coach operator instructor was reinstated to this budget at the beginning of 2021, bringing the total number of coach operator instructors to six. No additional coach operator instructors are requested in the 2022 budget. A vacant position from the Customer Experience Department was repurposed as an administrative assistant for Training in mid-2021 bringing the 2021 staffing complement for this division to 17 FTEs. The 2022 budget restores one FTE which had been vacant and unfunded through 2021 and adds one new FTE. The restored position is a Transportation Instructor; the new position is a supervisor of coach operator instruction.

The services category shows a 126 percent increase as compared to 2021. As noted in the department introduction, training agencywide is consolidated in this division's budget. The 2022 budget returns agencywide training to levels close to what they were before the pandemic. The 2021 budget included \$220,000 for corporate training and any travel or registrations required for that purpose. The 2022 budget increases that amount by 90 percent to \$417,000. Another change in the 2022 budget involves industry conferences. Previously, departments budgeted for these conferences in their own budgets. Because travel still remains largely unknown, budgets for all industry conferences have also been consolidated in this division adding another \$88,000 to the services category increase.

Training and Staff Development 2022 Priorities

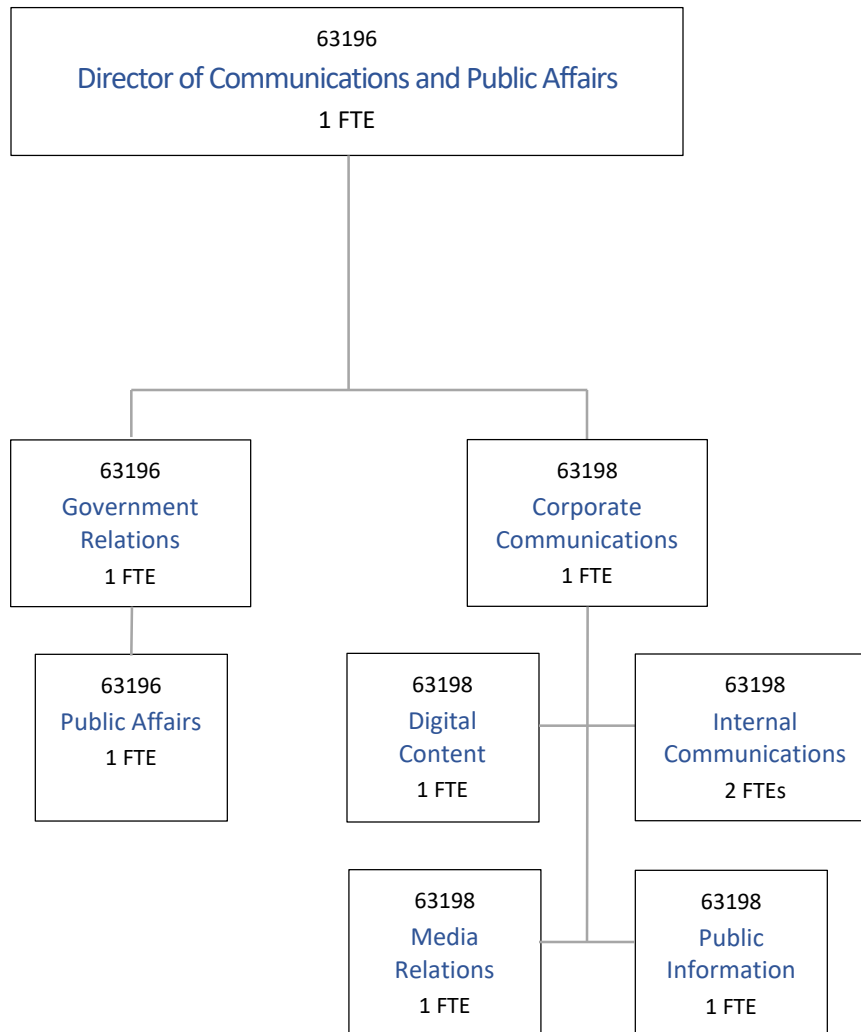
- With the addition of Link light rail in 2024, agency employees will experience major changes in service delivery including routing, vehicles, frequency, and a new multimodal transportation complex.
- Training and Staff Development staff will build and finalize processes for rapid development and delivery of learning opportunities to all employees. This will assure that more staff are included in opportunities to learn about these changes to support internal and external customers and provide opportunities to on-board new staff as well as refresh incumbent staff.
- Begin implementing an Integrated Talent Management Program. This project is in conjunction with the Employee Engagement Department and focuses on ensuring that new employees beginning their careers with Community Transit fit well with our culture and contribute to agency goals quickly. The process begins before an employee is hired by identifying job and cultural competencies key to success in a job and continues with development opportunities throughout the employee's career. The overall project goals are to increase employee engagement, develop a ready talent pool, and reduce "start-up" time for new employees.

Communications and Public Affairs Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

2 Budget Centers

9 FTEs



Communications and Public Affairs Department

The Communications and Public Affairs Department is responsible for creating messages that reach employees, our customers, and the general public, and also enhancing relationships with our community and its business and elected leaders.

The Communications and Public Affairs Department consists of two divisions: Public Affairs and Communications. Communications staff are responsible for internal and external agency communications including information shared on Community Transit's website, social media, and overall agency messaging, as well as community outreach and public engagement. Public Affairs staff are responsible for the agency's government and community relations programs and corporate positioning activities. Together, these divisions work to maintain the agency's reputation and positively impact our ability to deliver high-quality public transportation services.

Major Department Accomplishments for 2021

- In 2021, the Communications team focused on continued communication and interaction with customers about rules and guidelines for safely riding transit during the COVID-19 pandemic. State, local, and federal guidelines changed throughout the year, prompting updates to the website, on social media, via rider alerts, and through physical signage on buses and at transit facilities. Additionally, the team worked closely with media to relay important customer information as it evolved. Community Transit also partnered with the health district to provide the largest COVID-19 mass vaccination site in Snohomish County, which later became a testing location.
- The internal communications team launched the Interact employee communications app and website in February 2021, and within six months nearly 60 percent of all employees were registered and actively engaged. This tool has allowed the team to more effectively and efficiently deliver information to all employees, expand engagement, and measure results in order to continuously improve.
- Communications staff launched the agency's largest rider engagement effort since the Great Recession over the summer to raise awareness and excitement about the fall bus-light rail connection at Northgate. Using a new webpage, information rack card, social media, short how-to videos, and extensive in-person and virtual customer outreach, staff reached thousands of current, new, and potential riders with vital information on how to make new regional connections from bus to light rail. The effort was well-received by riders and gained extensive media coverage.
- In late 2020, the agency migrated its blog from Google Blogger to the Sitefinity platform, which allows for easier integration with website content. The second phase of this integration will be realized in 2022 when the new website goes live. In 2021, the team also

launched a Community Transit Instagram account. The team leveraged the account to communicate initiatives such as the Northgate bus-to-light rail integration. The team will continue to develop this account to drive customer and community engagement in 2022, including leveraging the groundbreaking and construction of the *Swift Orange Line*.

- The Public Affairs Division met on an ongoing basis with federal and state legislative leaders to keep them apprised of our priorities, as well as introduce them to our new CEO. On the federal level, the team submitted projects for funding requests to the federal delegation as opportunities become available. Additionally, the agency hosted federal and state leaders onsite for an employee appreciation and groundbreaking event. On the state level, both the CEO and the Public Affairs team engaged with the agency's public transportation benefit area (PTBA) leadership as well as House and Senate Transportation Committees. The team accomplished the goals set forth in the agency's legislative priorities.
- The Public Affairs division regularly communicated with federal, state, and local leaders on the ongoing evolution of its COVID-19 response, as well as on guidance for public transportation. Collaborating with other Community Transit departments, the team was able to assist in acquiring federal COVID-19 relief funding for the agency. Public Affairs also continued to stay engaged with federal, state, and local partners on guidance, best practices, and efforts. This remains an ongoing effort as the pandemic progresses.
- The team also focused on building and maintaining relations with local jurisdictions, the business community, and key regional organizations through a combination of strategic sponsorships and partnerships with local chambers of commerce, various key organizations and events. Additionally, Public Affairs has been actively engaged in the community with various organizations to share and educate local jurisdictions on Community Transit's goals as we continue to expand and change service.
- At a local level, the team continued to identify and leverage opportunities that met agency goals for community involvement and outreach through memberships with various key organizations, local chambers of commerce, and local community sponsorships.

Department Priorities for 2022

- Continue to manage information related to the COVID-19 pandemic as it affects agency operations, customer service, and employee engagement. Ensure both customers and employees have access to reliable and updated information. Focus on communications that reiterate the agency's commitment to the safety of its customers, employees, and their families.
- Engage our customers and the general public to gather actionable feedback as we develop plans to restructure our network when light rail arrives in Snohomish County in 2024. Using multiple public engagement techniques, our goal is to gather as much input as possible so that we accurately understand the transportation needs of the people in our PTBA.

- Broaden relationships with underrepresented communities. In 2022, Communications staff will continue the work started in 2020 to build relationships with community organizations, government agencies, and others who represent populations that have traditionally not had a strong voice in Community Transit public input. These relationships will create new methods or tactics for outreach that we hope will improve input from these communities. Already, we have begun translating most outreach materials into languages other than English.
- Build on the early success of the Interact employee communications app. Increase the number of employees registered and monthly user participation. Use the tool's analytics to learn what users respond to and continue to test new techniques and functionalities that will make it more relevant to each employee's work needs. Best of all, engage with employees in an easier way.
- Continue to engage with local reporters; leverage success of Northgate media coverage to spur interest in buildout of *Swift* bus rapid transit network and 2024 service restructure.
- Engage our communities as both the *Swift* Orange Line and *Swift* Blue Line Expansion projects move from planning to construction phases. Support construction and planning efforts, which break ground in 2022.
- Raise public awareness about the upcoming launch of the updated ORCA experience, the myORCA mobile app and website.
- Continue to work with regional partner Sound Transit on impacts and progress of Link light rail construction at Mountlake Terrace and Lynnwood transit centers.
- Maintain active federal and state legislative relationships to keep delegations briefed on agency activity, secure and protect critical funding, and collaborate on policy initiatives such as low emission initiatives. Elevate our visibility even further in Washington D.C. by collaborating with our new contract lobbyist.
- Support and advocate for federal and state transit industry efforts that contribute to a collectively beneficial post-pandemic recovery.
- Celebrate key milestones related to our *Swift* network buildout—including the *Swift* Orange Line groundbreaking—with business, community, and elected leaders.
- Engage and collaborate with local jurisdictions on community transportation needs, including the expansion of *Swift* and restructure of our local network in 2024.
- Explore strategic sponsorship opportunities that meet agency goals for community involvement and outreach.

Communications and Public Affairs Department 2022 Budget

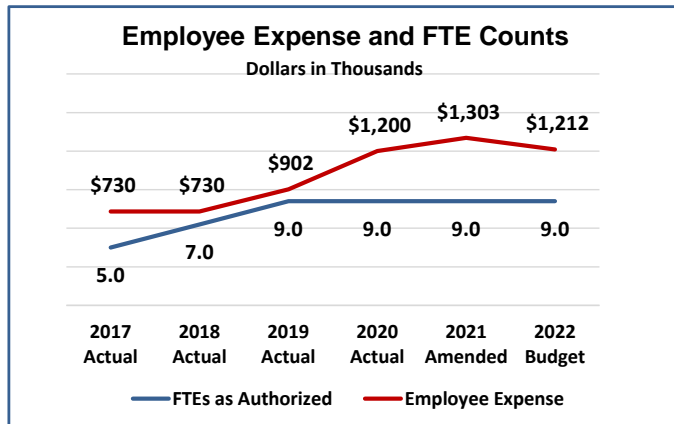
Community Transit’s mission is to help people get from where they are to where they want to be. The Communications and Public Affairs budget supports the agency’s mission by strengthening the image and position of the agency with key stakeholders and the public; securing local, state, and federal funding and legislation; providing education about the use of agency services; and sharing timely and relevant information with employees.

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	629,926	864,866	933,810	883,374	(50,436)	-5%
Benefits	271,658	335,459	369,633	328,403	(41,230)	-11%
Subtotal: Employee Expense	901,584	1,200,325	1,303,443	1,211,777	(91,666)	-7%
Services	189,226	281,981	371,491	416,561	45,070	12%
Supplies	2,907	575	2,300	2,000	(300)	-13%
Total Operating Expense	1,093,717	1,482,881	1,677,234	1,630,338	(46,896)	-3%

Salaries, Wages, and Benefits

Employee expense continues to be the largest cost driver for this department, representing 75 percent of the department budget. The 2022 budget adds no employees to this department.

The reduction in operational personnel expense results from a decision the agency Executive Leadership Team made to redistribute employee expense to portions of the capital program as well as to operations. In prior years, all employee expense was budgeted in the General Fund (Fund 40) which provides for operational expenses. Starting in 2022 a portion of employee expense will be budgeted through various funds in the capital program. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program. This chart shows all FTEs, but the expense element illustrates only operating expense.

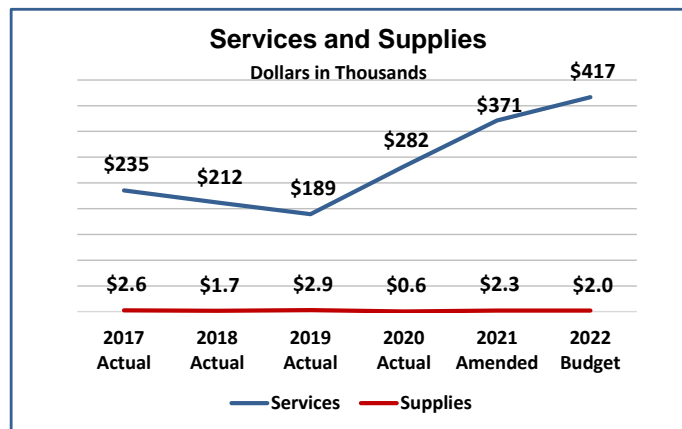


The next table shows total employee expense in both the operational fund (Fund 40) and the various capital funds. For 2022 employee expense distributed to the capital program is associated with one FTE in the Communications Division.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	901,584	1,200,325	1,303,443	1,211,777	(91,666)	-7%
Fund 45 Employee Expense				120,502	120,502	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	901,584	1,200,325	1,303,443	1,332,279	28,836	2%

Services

The services category comprises 26 percent of the department’s total budget. The primary focus of the services budget is (1) to fund state and federal lobbying efforts to ensure that agency interests are brought forward to decisions makers and (2) for public reengagement for the network restructure in support of Link light rail arriving in Lynnwood in 2024.



This budget also funds memberships in various city and county Chambers of Commerce organizations. These memberships provide Community Transit with forums to discuss transit issues and learn more about how we can partner with businesses and communities in our service area. Travel remains limited for 2022. This budget funds trips to Washington, DC to meet with legislators and others who influence transit decision making

Supplies

The supplies budget provides funding for office supplies not otherwise included in the general agency office supplies budget. Such supplies are used primarily in conjunction with the agency’s sponsorships and amount to less than one percent of the department budget.

Public Affairs Division

The Public Affairs Division works to improve the agency’s funding and regulatory environment at the federal, state, regional, and local levels; to raise awareness of Community Transit’s accomplishments and activities; and to maintain a positive agency reputation. These goals are achieved by building relationships and awareness with business and key thought leaders as well as elected officials. Other employees, community members, the Board of Directors, and the CEO assist in this work. A state contract lobbyist assists with portions of this work and, as of September 2021, a federal lobbyist is on contract to assist.

Public Affairs staff focus on three key tasks: strengthening the image and position of the agency (corporate positioning); securing local, state, and federal funding and legislation; and responding to relevant changes in the industry’s regulatory and funding environment. The corporate positioning work is accomplished through membership, participation, and leadership in key organizations including Economic Alliance Snohomish County; the Bothell, Edmonds, Lynnwood, Monroe, and Marysville chambers of commerce; Snohomish County Committee for Improved Transportation; Washington State Transit Association; The Bus Coalition; and the American Public Transportation Association, among others.

Public Affairs staff are also involved in several community service organizations, attend many community events on behalf of the agency, and support the CEO in his local and regional outreach. Advocacy work is accomplished through presentations to city and county councils; visits with elected officials locally, in Olympia, and in Washington, D.C.; and through special events and programs that leverage the good will of local partners.

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

Public Affairs 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	233,093	384,853	451,005	393,006	(57,999)	-13%
Benefits	110,132	143,786	176,177	139,934	(36,243)	-21%
Subtotal: Employee Expense	343,225	528,639	627,182	532,940	(94,242)	-15%
Services	172,573	147,684	201,691	245,091	43,400	22%
Supplies	213	100	1,000	1,000	-	0%
Total Operating Expense	516,011	676,423	829,873	779,031	(50,842)	-6%

Employee expense comprises 68 percent of this budget. The 2022 budget adds no additional staff. The budget shows a reduction in employee expense because one FTE was transferred from this Division to the Communications Division in early 2021. This budget funds the federal lobbyist, state lobbyist, travel to Olympia and Washington, D.C. to advocate for the agency, memberships in local chambers of commerce, sponsorships within the Public Transit Benefit Area, and special events such as CEO roundtables, which provide the CEO with an opportunity to build relationships and awareness with businesses and key thought leaders.

Public Affairs 2021 Accomplishments

- Maintain active federal and state legislative relationships to keep delegations briefed on agency activity, protect state and federal funding, and collaborate on policy decisions. The Public Affairs Division met on an ongoing basis with federal and state legislative leaders to keep them apprised of our priorities, as well as introduce them to our new CEO. On the federal level, the team submitted projects for funding requests to the federal delegation as opportunities become available. Additionally, the agency hosted federal leaders and state onsite for an employee appreciation and groundbreaking event. On the state level, both the CEO and the Public Affairs team engaged with the agency's PTBA leadership as well as House and Senate Transportation Committees. The team accomplished the goals set forth in the agency's legislative priorities.
- Support and advocate for federal and state transit industry efforts that contribute to a collectively beneficial post-pandemic recovery. The Public Affairs division regularly communicated with federal, state and leaders on the ongoing evolution of its COVID-19 response, as well as on guidance for public transportation. The team also continued to stay engaged with federal, state, and local partners on guidance, best practices, and efforts. This remains an ongoing effort as the pandemic evolves.
- Engage and collaborate with local jurisdictions on ongoing community transportation needs, agency activity and planning, and *Swift* Orange Line project milestones. This work was done by building and maintaining relations with local jurisdictions, the business community, and key regional organizations through a combination of strategic sponsorships and partnerships with local chambers of commerce, various key organizations, and events. Additionally, Public Affairs has been actively engaged in the community with various organizations to share and educate local jurisdictions on Community Transit's goals as we continue to expand and change service.
- Explore strategic sponsorship opportunities that align with agency goals for community engagement and outreach. The team continued to identify and leverage these opportunities by building upon relationships through memberships with various key organizations, local chambers of commerce and local community sponsorships.

Public Affairs 2022 Priorities

- Maintain active federal and state legislative relationships to keep delegations briefed on agency activity, secure and protect critical funding, and collaborate on policy initiatives such as low emission initiatives. Elevate our visibility even further in Washington D.C. by collaborating with our new contract lobbyist.
- Support and advocate for federal and state transit industry efforts that contribute to a collectively beneficial post-pandemic recovery.
- Celebrate key milestones related to our *Swift* network buildout – including the *Swift* Orange Line groundbreaking – with business, community, and elected leaders.
- Engage and collaborate with local jurisdictions on community transportation needs, including the expansion of *Swift* and restructure of our local network in 2024.
- Explore strategic sponsorship opportunities that meet agency goals for community involvement and outreach.

Communications Division

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

Internally, the division has revamped its employee communication strategy using a cloud-based mobile communications app called Interact (**Information News Tools & Employee Resources at Community Transit**). Every day, the internal communications team and designated department content managers post company news to keep employees updated on company information as well as to engage through collaboration and dialogue. This tool has greatly improved access to agency news and information for all employees, especially those who primarily work away from an agency computer. It has also helped to improve communication and engagement during the pandemic.

Externally, the division communicates with customers, news media, social media followers, industry influencers, and community advocacy groups. News and information are posted on the agency's website and distributed through a blog, four social media channels (Facebook, Instagram, LinkedIn, and Twitter), news releases, electronic and print rider alerts, and print materials that are provided to riders and community members in up to five languages.

Communications staff play a key role in crisis communications for the agency, including shaping external and internal messages during the COVID-19 pandemic. The team produces a monthly live webcast that regularly engages thousands of viewers each month. Staff have honed their

video and webcasting skills to facilitate virtual public discussions in place of in-person gatherings and have improved employee communications with monthly live Q&A sessions with the CEO as well as monthly virtual employee meetings focused on agencywide topics.

Communications 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	396,834	480,013	482,805	490,368	7,563	2%
Benefits	161,527	191,673	193,456	188,469	(4,987)	-3%
Subtotal: Employee Expense	558,361	671,686	676,261	678,837	2,576	0%
Services	16,653	134,297	169,800	171,470	1,670	1%
Supplies	2,694	475	1,300	1,000	(300)	-23%
Total Operating Expense	577,708	806,458	847,361	851,307	3,946	0%

Employee expense comprises 80 percent of this budget. One FTE was transferred from the Public Affairs Division to Communications early in 2021; the 2022 budget adds no additional staff. However, as shown in the table below, a portion of employee expense in this division has been redistributed to the capital program in support of the agency’s many capital initiatives.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	558,361	671,686	676,261	678,837	2,576	0%
Fund 45 Employee Expense				120,502	120,502	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	558,361	671,686	676,261	799,339	123,078	18%

The remainder of the Communications Division budget primarily funds professional services for community awareness and public engagement in support of *Swift* bus rapid transit expansion and bus network restructuring projects.

Communications 2021 Accomplishments

- Continue to manage information related to the COVID-19 crisis as it affects agency operations, customer service and employee work. Focus on assuring riders that bus operations are safe and effective. In 2021, the Communications team focused on continued communication and interaction with customers about rules and guidelines for safely riding

transit. State, local, and federal guidelines changed throughout the year, prompting updates to the website, on social media, via rider alerts and through physical signage on the bus. Additionally, the team worked closely with media to relay important customer information as it evolved. Community Transit also partnered with the health district to provide the largest COVID-19 mass vaccination site in Snohomish County, which later became a testing location.

- Develop new channels of employee engagement through a new employee mobile and web-based application that will improve communication and engagement with employees. This will involve altering or augmenting existing employee communication methods and taking advantage of new technologies to improve internal communications. The Interact employee communications app and website launched in February 2021 and, within six months, nearly 60 percent of all employees were registered and actively engaged. This tool has allowed the team to more effectively and efficiently deliver information to all employees, expand engagement, and measure results in order to continuously improve.
- Engage current and future riders as service changes throughout the year, particularly in the fall when our commuter service restructures to connect with Link light rail at Northgate. Communications staff launched the agency's largest rider engagement effort since the Great Recession over the summer to raise awareness and excitement about the fall bus-light rail connection at Northgate. Using a new website, information rack card, social media, short how-to videos, and extensive in-person and virtual customer outreach, staff reached thousands of current, new, and potential riders with vital information on how to make new regional connections from bus to light rail.
- Establish and nurture relationships with community advocates and government agencies that represent equity populations. Learn and incorporate new ways to reach these audiences and engage with them about our services.
- Engage riders as fare studies are completed and implemented to restructure commuter fares as Link light rail moves north. This fare project has been moved to 2023.
- Raise public awareness about the upcoming launch of the updated ORCA fare system. Due to the expansive amount of work related to COVID-19 and the Northgate bus to light rail connection, ORCA communications were pushed to the end of the year to lead up to the February 2022 launch of the new fare payment system. However, Community Transit continued to work with partner regional agencies to update current ORCA customers as appropriate and build awareness among non-ORCA users.
- Engage our communities as both the *Swift* Orange Line and *Swift* Blue Line Expansion projects move from planning to construction phases. Construction of the Orange Line and outreach on the Blue Line expansion were postponed until 2022. However, Communications staff met with Planning and their respective vendors to prepare for each of those projects.

- Continue to work with regional partner Sound Transit on impacts and progress of Link light rail construction at Mountlake Terrace and Lynnwood transit centers. The team ensured that construction impacts were communicated effectively with Community Transit riders.
- Create new social media strategies for a newly integrated blog platform and introduction of Instagram as the newest agency social channel. In late 2020, we migrated the blog from Google Blogger to the Sitefinity platform, which allows for easier integration with our website content. The second phase of this integration will be realized in 2022 when the new website goes live. In 2021, we also launched a Community Transit Instagram account. The team leveraged the account to communicate initiatives such as the Northgate bus to light rail integration. The team will continue to develop this account to drive customer and community engagement in 2022, including leveraging the groundbreaking and construction of the *Swift* Orange Line.
- Conduct a Community Awareness survey to gauge rider and non-rider attitudes, awareness and favorability of Community Transit's service, programs, and activities. A Community Awareness survey is scheduled to launch in October 2021 to gauge general public perceptions of the agency. This is the first community awareness survey since 2015 and will help to inform strategy and planning in 2022.

Communications 2022 Priorities

- Engage our customers and the general public to gather actionable feedback as we develop plans to restructure our network when light rail arrives in Snohomish County in 2024. Using multiple public engagement techniques, our goal is to gather as much input as possible so that we accurately understand the transportation needs of the people in our PTBA.
- Broaden relationships with underrepresented communities. In 2022, Communications staff will continue the work started in 2020 to build relationships with community organizations, government agencies and others who represent populations that have traditionally not had a strong voice in Community Transit public input. These relationships will create new methods or tactics for outreach that we hope will improve input from these communities.
- Continue to manage information related to the COVID-19 pandemic as it affects agency operations, customer service and employee engagement. Ensure both customers and employees have access to reliable and updated information. Focus on communications that reiterate the agency's commitment to the safety of its customers, employees, and their families.
- Build on the early success of the Interact employee communications app. Increase the number of employees registered and monthly user participation. Use the tool's analytics to learn what users respond to, and continue to test new techniques and functionalities that will make it more relevant to each employee's work needs.

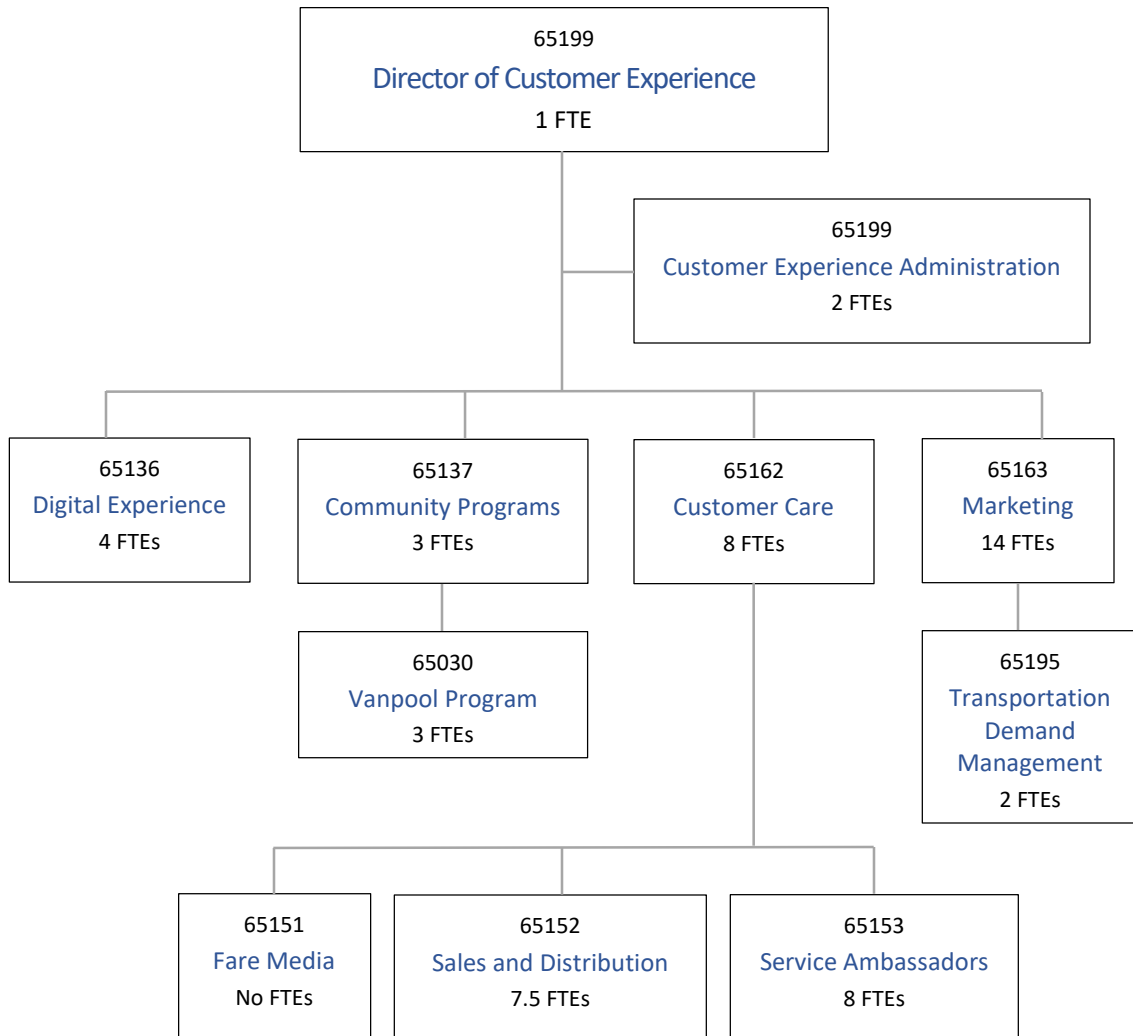
- Continue to engage with local reporters; leverage success of Northgate media coverage to spur interest in buildout of *Swift* BRT network and 2024 service restructure. Create regular reports on media coverage.
- Engage our communities as both the *Swift* Orange Line and *Swift* Blue Line Expansion projects move from planning to pre-construction phases. Support construction and planning efforts, which break ground in 2022.
- Raise public awareness about the upcoming launch of the new fare system, Next Generation ORCA.
- Continue to work with regional partner Sound Transit on impacts and progress of Link light rail construction at Mountlake Terrace and Lynnwood transit centers.

Customer Experience Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

10 Budget Centers

52.5 FTEs



Customer Experience Department

The work of the Customer Experience Department reflects its name—the department works to broaden awareness of our vast range of services and to provide the best experience possible for our customers and their unique needs. Our department creates a roadmap and allocates the resources necessary to provide a customer journey that is guided by our mission and that meets the evolving needs of our community members—on every channel and in every interaction. The department consists of six major divisions:

Customer Experience Administration

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

Community Programs

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

Customer Care

Consists of three groups who work in tandem to provide service to our customers and to share and distribute information with our community members.

Digital Experience

Defines and executes the digital strategy across four primary channels: Website, search, social media, and messaging.

Marketing/Transportation Demand Management

Consists of three different teams working in tandem to strategize, produce and execute marketing plans and to manage those plans across partner organizations and with other stakeholder groups.

Vanpool

Provides customer service support to our vanpool customers, authorizes and trains new drivers, schedules vehicle maintenance, and responds to customer accidents and emergencies.

Major Department Accomplishments for 2021

Community Programs

- Worked with key leadership within the agency to incorporate new service options into traditional service planning practices and short and-long term planning principles.
- Continued to partner with the City of Lynnwood to develop transportation options unique to the area, service, and demand. Based on a community assessment of travel needs and barriers, created new service concepts for piloting in the city. Gathered feedback from 1,300 Lynnwood residents on the new service options via a survey. Analyzed the results to prepare a final service recommendation to pilot in 2022.

- Performed market research to devise a way to repurpose Vanpool vans returned by customers during the pandemic. Designed a program to use vans in new ways to move people or supplies with our community. It was decided to hold the launch of the program based on low community need due to the pandemic and staff resources to operate the program. The program will be revisited in 2022.

Customer Care

- Participated in numerous customer engagement events. A small sample includes: the opening of the Mountlake Terrace Transit Loop, Mukilteo Ferry Terminal opening, Mill Creek festival, COVID-19 station cleaning and ongoing communication, and the October 2021 opening of the Northgate station for light rail.
- Focused on standardizing work processes and developing a department-wide customer service training program. Our goal is to provide terrific, consistent, and accurate service for all our customers. Standardizing our workflow and resources will help ensure that we provide consistent and accurate service to our customers, while implementing a transit-specific customer service training program will give us the skills we need to deliver world class customer service.
- Continued the multi-year path of implementing the new ORCA fare collection system that will conclude in early 2022. This includes training, testing and procedure updates. New equipment will be placed at the RideStore as well as at the Swift Stations and new websites and apps will support back-office functions.
- In 2021 the Sales and Distribution team and the Customer Information Team were reorganized. After the departure of one of the Assistant Managers, the reporting structure was adjusted to include only one assistant manager; however, to facilitate daily activities a new Lead position was developed and filled within each group. The new Leads came from the current team. Overall, this new structure has worked well with many more of the day-to-day questions being addressed by the Leads and the Leads now have an opportunity to learn more about Community Transit and other departments.
- The Service Ambassador team was a part of the team that identified, tested, and eventually helped implement a new, quick ticket purchase option on the Swift Ticket Vending Machines. The final implementation should be completed in late 2021 or early 2022.

Customer Experience Administration

- Conduct surveys and focus groups with customers, as well as employ other forms of customer research, to gain insights as to how to improve Community Transit's service and customer experience, then use that data to develop, redesign, improve, and implement projects. Partnered with the Research Analytics Data (RAD) team to conduct several pulse surveys that provided critical information regarding customer's feeling about riding transit during the pandemic. This information was used by departments across the agency to help guide decisions being made and marketing our services.

- Actively participate on teams within the agency to bring the voice of the customer to all aspects of the agency with the goal of improving the customer experience for new projects going forward. Leading the Customer Experience Core team, we worked with decision-makers across the agency to help educate on the voice of the customer.
- Embed customer experience disciplines across the agency. The team continues its on-going efforts to educate staff across the agency regarding customer experience disciplines.
- Participate on ADA Committee to help bring people with disabilities voice forward using ramp deployments/wheelchair data and customer complaints to share with executive sponsors.
- Lead Missed Passenger Feasibility study, and develop solutions to try at bus stops to reduce the customer complaints report for being missed at a bus stop.
- Lead and support Snow Team work by developing new snowflake language/signage to test with customers.

Digital Experience

- Complete design and development of the new Community Transit website and prepare for launch.
- Determine customer requirements for next generation digital tools and define solutions.

A pilot project to improve online trip planning was conducted with customers last year. The results of that pilot were shared with the Executive Leadership Team, which led to a recommendation to use Open Trip Planner (OTP). The Board of Directors approved funding for enhancements to OTP in March which have been integrated with the new website.

- Research email marketing platform alternatives and integrate with new website design.
- Provide an online tool for customers to estimate how full their bus will be.
- Provide an online tool for vanpool customers to calculate their fare.

Prior to the creation and launch of a new vanpool calculator this year, customers had to download a PDF from the website and determine their fare by looking it up on a static table. Now customers can use an interactive tool on the website to determine the monthly cost of vanpooling by making three simple choices (number of miles, riders and days working).

Marketing/Transit Demand Management (TDM)

- Safety Campaign successfully launched at the end of February 2021. As planned, the Safety Campaign focuses on sharing the safety measures in place for COVID-19 — what we are doing to help keep our riders safe and what riders can do to protect themselves and others. The Safety Campaign will drive over 15 million advertising impressions/possible touchpoints with former, current, and potential riders in 2021.

- Northgate Campaign launched at the end of August 2021. As planned, the Northgate Campaign focuses on raising awareness of our new connections to the Northgate light rail station when it launches on October 2. The Northgate Campaign will drive over 3 million advertising impressions/possible touchpoints with former, current, and potential riders in 2021.
- Coach Operator Recruitment Campaign launched in December 2020 and continued throughout 2021. As planned, the Recruitment Campaign focused on targeting candidate personas that have been determined to be likely to succeed within the position. The Recruitment Campaign will drive over 7.5 million advertising impressions/possible touchpoints with job seekers and potential job applicants in 2021.
- The residential marketing program continued engaging Snohomish County residents and new partners during 2021. Through July 2021 the program added 9 additional multifamily community partnerships, and produced current resident campaigns in 19 multifamily communities. These efforts generated 10,948 transit boardings and \$8,663 reloaded to promotional ORCA cards during 2021 (January through July).
- Due to the situation with COVID-19, the summer youth campaign was postponed and carried over to 2022 as youth focused promotions. To develop this key audience in 2021, we have entered into a partnership with Mukilteo School District to promote and distribute promotional youth ORCA cards to high school students attending Mariner High School in south Everett. School staff will help implement this program, with promotional youth ORCA cards available for issuance during the fall 2021 academic term.
- The Commute Trip Reduction (CTR) program continued to support large worksites across Snohomish County with CTR programming, training, materials, and reporting. During 2021 this has included collecting and compiling data around worksite responses to COVID-19 and evolving return to work planning. A commute trip reduction survey of transportation behaviors across all worksites is in development and planned for completion during spring 2022.

Vanpool

- In 2021, Vanpool partnered with Marketing to do a concerted effort to market vanpool, including offering joining and referral incentives, with a goal of increasing vanpool usage as people are able to return to work.
- Continued to understand our customers and innovate to develop solutions to meet demand and improve the customer experience.
- Purchased five plug-in electric hybrid vanpool vehicles, the first alternative fuel vehicles in the history of the program. Issued to customers in mid-2021.
- Performed market research to devise a way to repurpose Vanpool vans returned by customers during the pandemic. Designed a program to use vans in new ways to move people or supplies with our community. It was decided to hold the launch of the program

based on low community need due to the pandemic and staff resources to operate the program. The program will be revisited in 2022.

- Completed a fare study with the goal of increasing ridership and simplifying fares for customers.

Department Priorities for 2022

- In partnership with the City of Lynnwood, launch and test new service options unique to the area while meeting customer demand.
- Identify a second geographic area and perform a needs assessment analysis and develop solution concepts for new service options.
- Launch of the new Community Transit website.
- Finalize email marketing software decision and integrate with the new website design, which carries over from 2021.
- Further enhance Digital Tools (BusFinder, Trip Planner, Bus Seat Availability, etc.) to improve the customer experience after launch.
- The Marketing Division will support achievement of ridership targets set in partnership with the Planning and Development Department. Ridership initiatives include the following:
 - A multichannel campaign targeting new and returning bus and vanpool riders who are being recalled to on-site work after pandemic related teleworking.
 - Market the Lynnwood micro-transit pilot within the community.
 - Next Generation ORCA implementation support including messages in the community promoting adoption and ease of use.
 - TDM programming to employment and residential communities that encourage behavior change and promote Community Transit services as solutions for every day travel needs.
- The Marketing Division will collaborate with the Research and Analytics Division to produce audience segmentation research. This will help to understand our customers and design marketing and programs that serve them better.
- Maintain a focus on recruiting Coach operators.

Customer Experience 2022 Budget

Customers value what we do and trust we will do it well. We work with our customers and the communities we serve to provide outstanding service and remain a trusted partner of choice. We will use the newly implemented Connections system to provide data-driven information for service improvements. We plan for sustainable growth and development in Snohomish County and the region by improving and expanding our vanpool program.

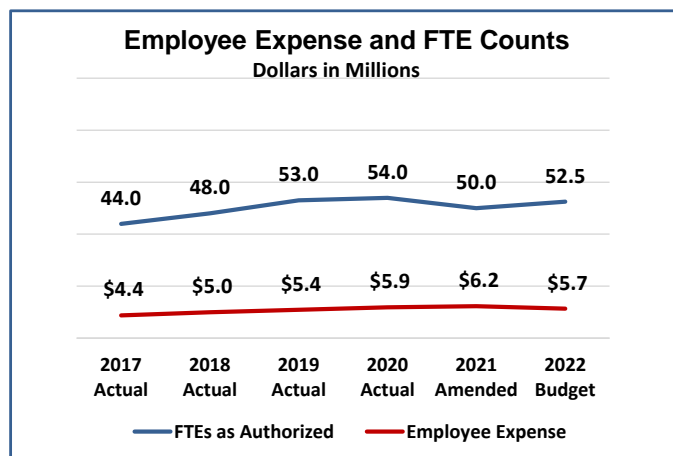
	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	3,803,335	4,189,967	4,259,506	3,958,705	(300,801)	-7%
Benefits	1,634,535	1,743,774	1,896,283	1,695,802	(200,481)	-11%
Subtotal: Employee Expense	5,437,870	5,933,741	6,155,789	5,654,507	(501,282)	-8%
Services	1,061,127	510,415	1,557,530	1,692,195	134,665	9%
Supplies	747,550	278,045	533,044	704,394	171,350	32%
Total Operating Expense	7,246,547	6,722,201	8,246,363	8,051,096	(195,267)	-2%

Salaries, Wages, and Benefits

Employee expense is the largest cost factor in this department budget, representing 70 percent of the 2022 budget. The staffing complement in the original 2021 budget was 54 FTEs.

During 2021 four FTEs were transferred to other departments: three vacant positions were repurposed to the Administration Department (1 in Risk Management, 1 in Finance and Accounting, and 1 in Training) and one

FTE and its incumbent employee were transferred to the Employee Engagement Department. The 2022 budget adds 1.5 sales and distribution specialist FTEs and 1 community transportation coordinator FTE in support of the agency’s microtransit initiatives. The chart above shows all FTEs, but the expense element displays only operating expense.



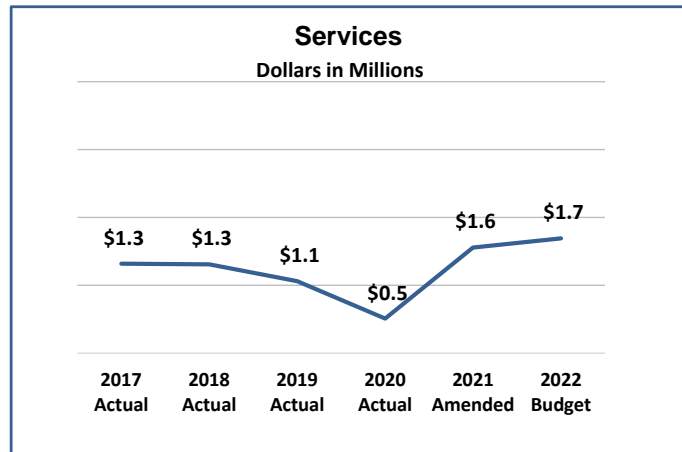
The Customer Experience budget reflects a reduction of more than \$500,000 in operational (Fund40) employee expense. The reduction in operational personnel expense results primarily from a decision the agency Executive Leadership Team made to redistribute some portion of employee expense from the General Fund (Fund 40) which funds all operating expense to other funds which support the agency’s capital program. Starting in 2022 a portion of employee

expense will be budgeted through various funds in the capital program. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program. The next table shows total employee expense for the Customer Experience Department in both the operational fund (Fund 40) and the various capital funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	5,437,870	5,933,741	6,155,789	5,654,507	(501,282)	-8%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				505,989	505,989	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	5,437,870	5,933,741	6,155,789	6,160,496	4,707	0%

Services

Services comprise 21 percent of the department’s budget. Significant service expenses include \$964,000 for advertising, \$290,000 for printing services, and \$217,000 for ridership promotions and related events. Advertising is budgeted in the Marketing/TDM Division and includes funding for ridership education campaigns to inform riders about what we are doing to keep them safe during and after the COVID-19 pandemic, to win



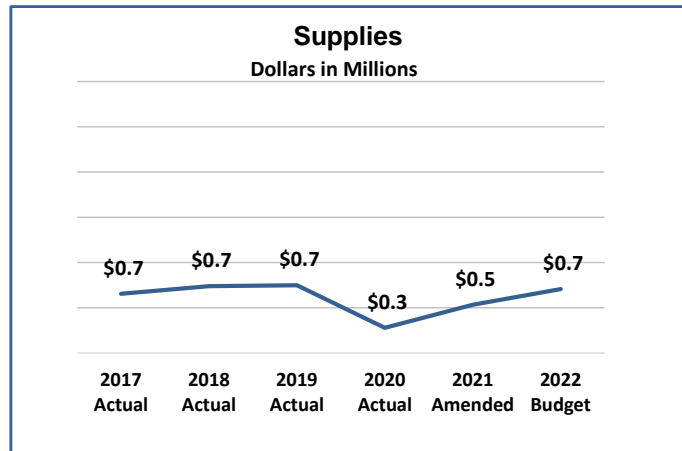
back riders who stopped using their transit options during the pandemic, to assist in employee recruitment efforts, and other targeted efforts determined by the needs of the agency.

Bus Plus books are the largest printing expense at 26 percent of the department printing budget. Other printing services include fare media, mailers in support of ridership campaigns and employee recruitment, the Lynnwood microtransit pilot project, service change materials; kiosk signage at *Swift* stations, and customer communications and rider’s guides for the customers who use paratransit services.

Supplies

Fuel and postage are the most significant elements in the supplies budget. Fuel accounts for 80 percent of the department supply budget and supports the agency vanpool program.

The 2022 fuel budget of \$563,000 is based on an estimated 245 vans in service and gasoline at \$3.73 per gallon. The gasoline price per gallon estimate is an increase of \$179,000 from the 2021 budget which priced gasoline at \$2.75 per gallon for 384 vans.



Unlike diesel fuel for buses, Vanpool fuel is not purchased directly from the state contract. Instead, our vanpool program uses Voyager fuel cards from the state contract which allows vanpool drivers to purchase fuel from any local source who accepts the Voyager fuel card. The increase in supplies expense as shown on this chart reflects the estimated increase in fuel expense in 2022 as compared to 2021.

Postage is a secondary cost driver in the expense budget. Postage amounts to 15 percent of the supplies budget. The 2022 postage budget of \$108,000 reflects a reduction \$4,500 as compared to the 2021 budget (\$112,500).

Customer Experience Budget Center Summary

This summary compares each budget center's 2022 budget to its 2021 amended budget.

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
65030	Vanpool Program	1,269,302	688,835	759,346	947,846	188,500	25%
65136	Digital Experience	0	0	408,908	17,716	(391,192)	-96%
65137	Community Programs	0	0	304,840	425,918	121,078	40%
65151	Fare Media	3,310	0	4,500	6,500	2,000	44%
65152	Sales and Distribution	715,710	744,130	717,858	729,002	11,144	2%
65153	Service Ambassadors	624,282	700,253	740,842	704,203	(36,639)	-5%
65162	Customer Care	702,628	819,121	872,758	862,736	(10,022)	-1%
65163	Marketing	2,672,231	2,511,886	3,391,090	3,433,446	42,356	1%
65195	TDM and Customer Outreach	402,307	194,646	537,054	418,466	(118,588)	-22%
65199	Customer Experience Admin	856,776	1,063,330	509,167	505,263	(3,904)	-1%
Total Operating Expense		7,246,546	6,722,201	8,246,363	8,051,096	(195,267)	-2%

Discussions of each division's budget and 2022 priorities follow.

Customer Experience Administration Division

The division works interdepartmentally across the agency to identify and improve areas of the customer’s experience. The team is responsible for researching and recommending areas for improvement and acting as the voice of the customer on interdepartmental teams. This division oversees and supports the Customer Experience Department as a whole.

Customer Experience Administration 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	559,793	689,735	359,321	367,539	8,218	2%
Benefits	230,054	255,799	138,226	134,604	(3,622)	-3%
<i>Subtotal: Employee Expense</i>	<i>789,847</i>	<i>945,534</i>	<i>497,547</i>	<i>502,143</i>	<i>4,596</i>	<i>1%</i>
Services	58,717	109,723	1,620	1,120	(500)	-31%
Supplies	8,211	8,073	10,000	2,000	(8,000)	-80%
<i>Total Operating Expense</i>	<i>856,775</i>	<i>1,063,330</i>	<i>509,167</i>	<i>505,263</i>	<i>(3,904)</i>	<i>-1%</i>

Employee expense represents 99 percent of the division budget. The reduction in supplies expense reflects the normal business cycle fluctuation in supply item needs.

Customer Experience Administration 2022 Priorities

Customer experience will be focused on continuing to teach customer experience culture. We will also use that team to bring visibility to customer insights that can be prioritized and improved. We will consult on major projects (Lynnwood light rail, Orange Line, NG Orca) as well as represent the customer in meetings and daily work.

Community Programs Division

Community Programs is made up of the Community Programs Manager and a Community Transportation Specialist. The division develops programs to provide flexible mobility options for the communities we serve. Demand for nontraditional transit service is increasing. In areas that are not well-served by fixed-route service, where geographic coverage service gaps exist, or where demand for different options is high, we seek to complement existing services by working within our communities to develop new service options to meet travel needs. Community Transit will continue working with communities to create new service options such as microtransit, ridesharing partnerships, real-time rideshare, community vans, or other innovative ways to provide mobility responsive options to community needs.

Community Programs 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	-	-	221,625	309,884	88,259	40%
Benefits	-	-	83,215	116,034	32,819	39%
Subtotal: Employee Expense	-	-	304,840	425,918	121,078	40%
Services	-	-	-	-	-	n/a
Supplies	-	-	-	-	-	n/a
Total Operating Expense	-	-	304,840	425,918	121,078	40%

The Community Programs Division was created as part of a 2020 departmental reorganization. This budget includes only employee expense, and adds one community transportation coordinator FTE in 2022.

Community Programs 2022 Priorities

- Continue to work with key leadership within the agency to incorporate new service options into traditional service planning practices and short and-long term planning principles.
- In partnership with the City of Lynnwood, launch and test new service options unique to the area while meeting customer demand. Identify a second geographic area and perform a needs assessment analysis and develop solution concepts for new service options.
- Revisit community demand for program to repurpose Vanpool vans returned by customers during the pandemic. The program would use vans in new ways to move people or supplies with our community.

Customer Care Division

Customer Care

Customer Care is comprised of a dedicated team of employees who engage with customers via telephone, email, and written letters. They have access to more than 150 translators to help non-English speaking customers. They use a trip-planning information system to help riders plan trips using routes offered by any transit provider in the central Puget Sound area. The team provides information about bus stop locations, the ORCA program, fares, current reroutes, and all information regarding Community Transit and Sound Transit services.

As a front-line team, Customer Care employees collect commendations, complaints, and suggestions from the public; route requests to the proper department in the agency for

resolution; and then provide responses to customers as needed. Sharing these customer insights across the company is the first step towards creating positive change for our customers. The Customer Care team is also the initial point-of-contact for any DART customers who want to commend a DART employee or share a poor experience. They will then ensure a response is provided to DART customers in a timely manner.

Fare Media

This budget center captures expenditures for printing fare media. Fare media includes Dial-a-Ride Transportation (DART) passes and ticket books and ticket books used by human-service agencies.

Sales and Distribution

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

RideStore employees sell and reload ORCA fare media, DART passes and ticket books, regional reduced fare permits, and a selection of retail items to make the rider's trip more pleasant. DART fare media may also be purchased online or by mail. RideStore employees staff the ORCA call center and assist callers not only for Community Transit but also for Sound Transit and other regional transit systems. RideStore employees also provide travel information to our customers and manage the lost-and-found function for all Community Transit and Sound Transit routes originating in Snohomish County.

Service Ambassadors

The Service Ambassadors interface with customers on board and at the stations of the *Swift* bus rapid transit lines. They help educate customers on fares and fare policy and provide instruction on how to use the ticket vending machines and ORCA card readers and how to read general route and schedule information.

The Ambassadors encourage fare payment, keep a record of customers who do not pay their fares, and alert the Snohomish County Sheriff's Office transit police deputies if they identify any repeat nonpaying customers. The Ambassadors also inspect all *Swift* stations. They document and photograph graffiti and notify Facilities Maintenance or IT staff of any damage to the stations or station technology so that it can be promptly repaired. The Ambassadors also work with Customer Experience to engage customers throughout the system. They will help guide customers through construction projects, gather feedback about the customer's experience and help test possible enhancements.

Customer Care 2022 Budget

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
65151	Fare Media	3,310	0	4,500	6,500	2,000	44%
65152	Sales and Distribution	715,710	744,130	717,858	729,002	11,144	2%
65153	Service Ambassadors	624,282	700,253	740,842	704,203	(36,639)	-5%
65162	Customer Care	702,628	819,121	872,758	862,736	(10,022)	-1%
Total Operating Expense		2,045,930	2,263,504	2,335,958	2,302,441	(33,517)	-1%

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	1,367,948	1,538,673	1,527,183	1,539,114	11,931	1%
Benefits	651,782	717,290	795,175	747,827	(47,348)	-6%
Subtotal: Employee Expense	2,019,730	2,255,963	2,322,358	2,286,941	(35,417)	-2%
Services	8,343	1,998	6,350	8,250	1,900	30%
Supplies	17,857	5,543	7,250	7,250	-	0%
Total Operating Expense	2,045,930	2,263,504	2,335,958	2,302,441	(33,517)	-1%

Employee expense is the main expense in the division and represents 99 percent of the entire division budget. The 2022 budget adds 1.5 FTEs to the Sales and Distribution team: one full time and one part-time sales and distribution specialists. The additional employees will provide enough staff resources to open the RideStore on Saturdays. The fare media budget center consists entirely of printing expenses. The small services and supplies budget categories funds translation services, ORCA supplies, bus stop signage tools, safety supplies related to lost and found items, and other minor supply items.

Customer Care 2022 Priorities

- The implementation of the new ORCA fare system is expected to occur in the first quarter of 2022. This entirely new system will impact the way our customers engage with ORCA, providing new and enhanced customer interfaces and features. Along with the enhancements to the customer-facing interfaces, agency staff will need to learn a new application, back-office, website, retail, and sales systems.

- The Service Ambassador team will also be part of the new ORCA system as they help customers adjust to the new, enhanced services. They will also be receiving new ORCA devices to help them monitor fare payment on Swift.
- The Sales and Distribution team will be adding a new team member in 2022. This new FTE will allow the RideStore to open on Saturdays to better service our customers who work a nontraditional schedule.
- Phase 6 has been added to the overall Community Transit Base Expansion Plan. This phase will design and expand the current operational footprint of the RideStore at the Lynnwood Transit Center. This expansion will allow us to better serve our customers when light rail and *Swift* Orange Line reach Lynnwood in 2024.
- Work will continue with the departmental training program and operational documentation to ensure our customers are receiving excellent service and that our employees have the tools to make our customers happy.
- All three Customer Care divisions will have roles in support of the new Community Transit website and the various new or improved tools that will be available to our customers, including trip planning, customer comments, fare payment and collection.
- The Customer Care team is also working with Sound Transit, King County Metro and Pierce Transit to define and develop a regional lost and found process. The expectation is that customers who can identify their lost item will have new, easier options to allow them to retrieve their items.

Digital Experience Division

Digital Experience is responsible for defining and executing the digital strategy across four primary channels: website, search, social media and messaging. The Digital Product Owner leads the division and manages two analysts and a UX/UI designer, who support their goals. The Digital Data Analyst gathers data from each digital channel, monitors key performance indicators and reports trends in customer behavior. The Digital Business Analyst works cross-functionally to determine how business systems can support the customer needs identified by this data and other research. The new Digital UX/UI Designer develops detailed storyboards, mock-ups, and prototypes to effectively communicate interaction and design ideas. The Digital Product Owner then determines the priorities, and the team partners with developers in IT to produce incremental enhancements to the Digital Customer Experience.

Digital Experience 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	-	-	287,723	8,864	(278,859)	-97%
Benefits	-	-	115,965	3,592	(112,373)	-97%
Subtotal: Employee Expense	-	-	403,688	12,456	(391,232)	-97%
Services	-	-	5,120	5,160	40	1%
Supplies	-	-	100	100	-	0%
Total Operating Expense	-	-	408,908	17,716	(391,192)	-96%

The Digital Experience Division was created as part of a 2020 departmental reorganization to support the agency's increasing need for data analysis. In mid-2021, one vacant FTE was transferred from Marketing to this division and repurposed as a Digital UX/UI Designer. The reduction in employee expense in this division is a direct result of the redistribution of employee expense from operational to capital. Of the 4 FTES funded through the 2022 budget, 3.9 FTES have been redistributed to the capital program. The table below shows total employee expense across all funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	-	-	403,688	12,456	(391,232)	-97%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				505,989	505,989	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	-	-	403,688	518,445	114,757	28%

Other than employee expense, the Digital Experience budget remains consistent with 2021. The supply budget consists of nonstandard office supplies, miscellaneous meeting supplies, and customer feedback participation incentives.

Digital Experience 2022 Priorities

- Complete the launch of the new Community Transit website.
- Finalize email marketing software decision and integrate with the new website design.
- Further enhance Digital Tools (BusFinder, Trip Planner, Bus Seat Availability, etc.) to improve the customer experience after launch.
- Assess next generation service offerings, identify digital components relevant to customers and a timeline for implementation.

Marketing/TDM Division

The Marketing/TDM Division is made up of three teams:

- **Marketing Strategy and Implementation:** Create and implement strategic project plans and campaigns; coordinate advertising tactics; produce content for web and social media as well as customer information; and report on metrics.
- **Marketing Creative Services:** Produce professional print, video, and digital marketing and communication products to support internal and external stakeholders.
- **Field Marketing and Business Development:** Communicate and market in the field to residents, worksites, partner organizations, and schools; develop leads; and promote the benefits of our services with the purpose of influencing individual travel behavior change.

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

- State-mandated Commute Trip Reduction (CTR) program for eight jurisdictions within Snohomish County and the City of Bothell, effectively helping 65 employers with over 30,000 employees reach their Washington State Commute Trip Reduction goals.
- Residential, corridor-based TDM program that encourages transportation options other than driving alone along the busiest roadways in Southwest Snohomish County (128th Street, 164th Street, 196th Street, Highway 99, and Highway 527).
- ORCA business account operations for companies in Snohomish County.

Marketing/TDM 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
65163	Marketing	2,672,231	2,511,886	3,391,090	3,433,446	42,356	1%
65195	TDM and Customer	402,307	194,646	537,054	418,466	(118,588)	-22%
Total Operating Expense		3,074,538	2,706,532	3,928,144	3,851,912	(76,232)	-2%

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	1,477,683	1,648,765	1,610,964	1,481,074	(129,890)	-8%
Benefits	589,983	649,802	654,900	588,583	(66,317)	-10%
Subtotal: Employee Expense	2,067,666	2,298,567	2,265,864	2,069,657	(196,207)	-9%
Services	954,295	376,020	1,530,780	1,650,505	119,725	8%
Supplies	52,577	31,945	131,500	131,750	250	0%
Total Operating Expense	3,074,538	2,706,532	3,928,144	3,851,912	(76,232)	-2%

Personnel expenses comprise 54 percent of this budget. The original 2021 budget included a staffing complement of 18 FTEs. The reduction in the Employee Expense category results from transferring one vacant position to the Digital Experience Division and one to the Employee Engagement Department. The 2022 budget adds no FTEs to this division.

Other than employee expense, the most significant expenses in this budget are advertising (\$964,00), printing (\$284,00), and ridership promotions (\$161,000). These expenses total 37 percent of the total Marketing/TDM budget and support the divisions' top priorities of generating increased ridership post-pandemic, promoting the launch of a new pilot microtransit service in Lynnwood, and supporting the delivery of our core service with coach operator recruitment.

Marketing/TDM 2022 Priorities

- The Marketing Division will support achievement of ridership targets set in partnership with the Planning and Development Department. Ridership initiatives include the following projects:
 - A multichannel campaign targeting new and returning bus and vanpool riders who are being recalled to on-site work after pandemic related teleworking. This campaign is planned to expand into additional audiences as the environment improves.
 - Establishing the presence and benefits of the Lynnwood microtransit pilot within the community it will serve including a launch event and geographically targeted marketing support.
 - Next Generation ORCA implementation support including messages in the community promoting adoption and ease of use.
 - Continued TDM programming to employment and residential communities that encourage behavior change and promote Community Transit services as solutions for every day travel needs.

- The Marketing Division will collaborate with the Research and Analytics Division to produce audience segmentation research. This will help to understand our customers and design marketing and programs that serve them better.
- Maintain a focus on recruiting Coach operators.

Vanpool Program

The Vanpool program is currently staffed by three Vanpool Specialists who handle one of the largest vanpool programs in the United States and the second largest in Washington State. In 2020 we implemented several process improvements and reorganized staff duties to create efficiencies. The Vanpool team changed from 5 to 3 positions.. However, based on the number of vanpool groups currently operating, we don't anticipate filling either of these vacancies in 2022.

Community Transit's vanpool fleet is comprised of minivans and larger capacity 12- and 15-passenger vans. The program serves commuter groups with an origin or destination in Snohomish County. Vanpool groups pay a fare each month based on the size of their van and round-trip mileage. Vanpool Specialists provide personalized customer service to their groups, manage maintenance scheduling, monthly bookkeeping, and promote ridership. A staff person is on call 24 hours a day to respond to vanpool emergencies such as accidents or breakdowns.

COVID-19 impacts have reduced the number of vanpool groups operating. As of August 2021, the vanpool fleet consisted of 448 vehicles, comprised of 240 vans with customer groups, 178 available vans, and 30 loaner vans. Of the 240 vans issued to groups, 171 are commuting to work and 69 are not operating due to telework and are paying a reduced fare to hold the van. Loaner vans are used when a customer's van is in the shop for routine maintenance or other service reasons.

Vanpool 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	397,910	312,794	252,690	252,230	(460)	0%
Benefits	162,715	120,883	108,802	105,162	(3,640)	-3%
Subtotal: Employee Expense	560,625	433,677	361,492	357,392	(4,100)	-1%
Services	39,772	22,674	13,660	27,160	13,500	99%
Supplies	668,905	232,484	384,194	563,294	179,100	47%
Total Operating Expense	1,269,302	688,835	759,346	947,846	188,500	25%

Employee expense makes up 38 percent of the Vanpool budget. At 60 percent of the entire Vanpool budget, fuel is the largest expenditure in this budget and represents almost 100 percent of the Supplies category. The 2022 budget estimates fuel at \$3.73 per gallon (approximately 151,000 gallons for 245 vans).

In 2021 the Vanpool group is retiring approximately 100 vans that have met their vehicle end-of-life schedule. In 2022 there are plans to acquire 35 new replacement vans for the fleet. This budget includes funds for the graphics to be installed on those vans.

Vanpool 2022 Priorities

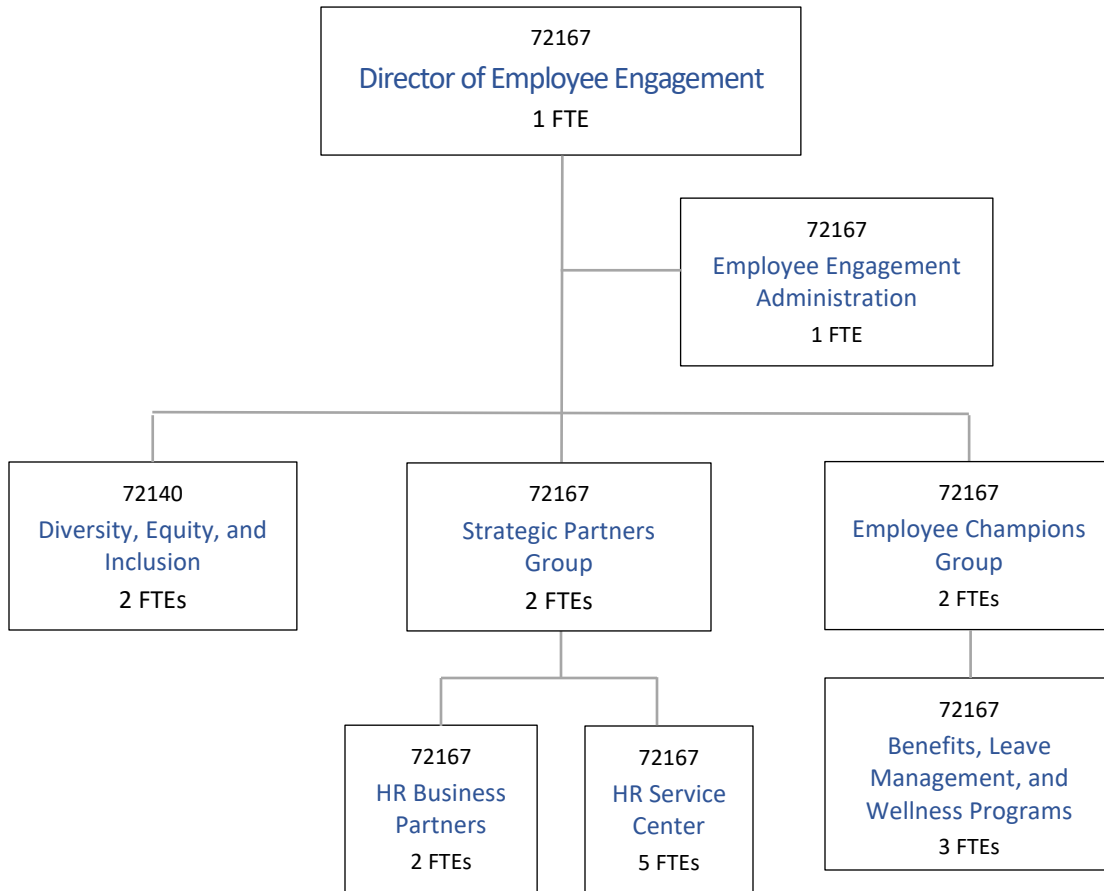
- Continue marketing efforts to increase ridership through joining and referral incentives.
- Evaluate the five plug-in electric hybrid vanpool vehicles issued to customer groups in mid-2021, specifically on customer experience and operating costs.
- Revisit community demand for program to repurpose Vanpool vans returned by customers during the pandemic. The program would use vans in new ways to move people or supplies with our community.
- Use the fare study from 2021 to evaluate the desire for a program fare change/restructure.
- Purchase 35 replacement vanpool vehicles. Explore the possibility of smaller occupancy vehicles based on customer need/demand.
- Decide how RCW changes made in 2021 to lower vanpool occupancy requirements could add flexibility to program operations, increase ridership and improve the customer experience.
- Continue to research options to add program flexibility for customers, especially in light of increased teleworking.

Employee Engagement Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

2 Budget Centers

18 FTEs



Employee Engagement Department

The Employee Engagement Division supports and administers the agency's employment programs including hiring and staffing, labor contract negotiation and administration, employee and labor relations, benefits and compensation, leave management, and personnel systems and records. These functions include responsibility for the agency's affirmative action program and administration of the drug and alcohol program.

The division acts as an internal consultant to the agency, providing advice and assistance in compliance with labor and employment laws, hiring, performance management, grievance resolution, and investigations of allegations of employee misconduct or violations of agency policies.

Employee Engagement employees advise management at all levels of the organization on how to reduce risks associated with employment, how to respond to workplace complaints lodged informally or with state or federal administrative agencies, and how to promote a work environment where employees feel satisfied and motivated to meet agency objectives. Division employees manage and coordinate the use of outside resources such as labor and employment attorneys, occupational medicine services, drug testing service providers, and other consultants and benefit providers.

A Diversity, Equity and Inclusion Program Manager was added in 2021 to aid in evolving our programs and training.

Major Department Accomplishments for 2021

- Developed a telework policy and communicated it to management staff.
- Migrated historical drug and alcohol records for PeopleSoft into a test vault.
- Implemented pre-hiring screening through Atlas for coach operator trainees to ensure applicants can perform the physical requirements of our coach operator job in addition to qualifying for the medical certification necessary to hold a commercial driver's license (CDL)
- Delivered a suicide prevention and awareness presentation as part of the agency "Topics at 12" program.
- Rolled out a "stay" interview program with staff in Employee Engagement, Training and Staff Development, and Transit Technology.
- Implemented a 360 Feedback tool in these departments: Communications and Public Affairs, Planning and Development, and Information Technology.
- Significantly improved the light duty program in coordination with department managers.

- Improved the Workers' Compensation program to reduce costs and streamline processes. Reduced time loss costs which in turn will reduce cost per claim and future agency underwriting.
- Implemented a mid-year open enrollment to allow for flexible spending account changes dictated by America Rescue Plan Act.
- Assumed accountability for employee awards and recognition programs.
- Closed the Everett Mall recruiting office.
- Instituted a diversity, equity, and inclusion role and program.
- Implemented a new IAM Supervisor three-year agreement.
- Hired 19 coach operator trainees and 19 other positions, including a new CEO
- Reorganization the Employee Engagement department to become better strategic partners with department leaders.

Department Priorities for 2022

- Negotiate and implement new contracts for IAM supervisors, IAM vehicle maintenance, and ATU.
- Implement telework revisions and return-to-base efforts.
- Continue recruitment efforts to fill positions Community Transit needs. Accelerate outreach efforts to better compete with other public and private employers when recruiting for agency positions.
- Move toward full equity and inclusion. Develop and roll out a comprehensive diversity, equity, and inclusion agency strategy and communication plan. Initiate dialog, promote awareness, and roll out respectful workplace initiatives and training.
- Conduct annual open enrollment.
- Coordinate a feasibility study to explore options for a new Human Capital Management system; a consultant will be hired to assess current Employee Engagement and Payroll environments to identify key strategic options and recommendations.

Employee Engagement Department 2022 Budget

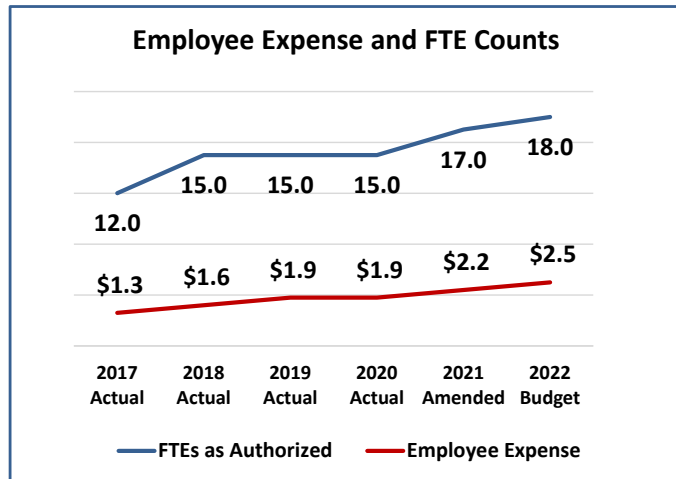
The Employee Engagement Department supports the agency priorities of an engaged workforce by energizing the workforce in an inclusive environment. The Employee Engagement Department drives our people mission to ensure every person can live a healthy, productive life.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	1,349,915	1,434,229	1,566,825	1,759,177	192,352	12%
Benefits	515,444	512,620	634,198	699,187	64,989	10%
Subtotal: Employee Expense	1,865,359	1,946,849	2,201,023	2,458,364	257,341	12%
Unemployment Claims	99,000	440,437	397,656	200,000	(197,656)	-50%
Services	962,666	554,294	746,343	1,035,079	288,736	39%
Intergovernmental Services	22,145	(1,864)	20,000	19,000	(1,000)	-5%
Supplies	7,768	6,999	4,450	10,920	6,470	145%
Total Operating Expense	2,956,938	2,946,715	3,369,472	3,723,363	353,891	11%

Salaries, Wages, and Benefits

Employee expense contributes 66 percent to the Employee Engagement Department budget.

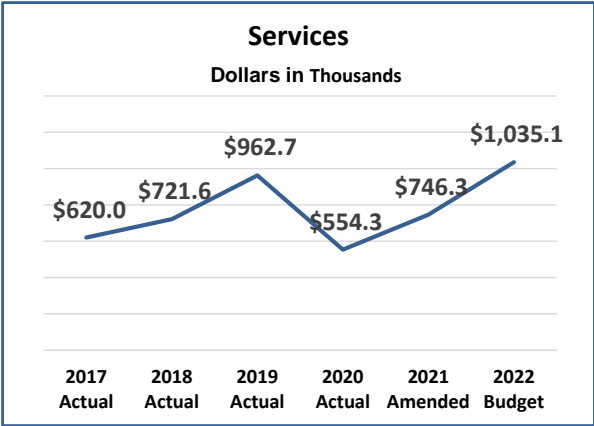
All employee expense is classified as operating expense. The 2022 budget adds 1 FTE—a Leave Management Analyst—to this department’s staffing complement. Over the last four years, Community Transit has seen a steady increase in the number of and costs associated with the many different leaves available to employees. This position will help reduce costs by monitoring leave programs to ensure appropriate employee use. In the fourth



quarter of 2021, one FTE in support of the agency Workers’ Compensation program was transferred to the Risk Management Division in the Administration Department and one FTE supporting employee recognition programs was transferred from the Customer Experience Department to the Employee Engagement Department. The net effect of all staffing changes is that the 2022 budget for the Employee Engagement Department funds 18 FTEs.

Services

The services category amounts to 28 percent of the department budget and represents a 39 percent increase as compared to the 2021 budget. The largest single item in this budget is for the agency wellness program. This program supports employee physical preparedness for duty and offers rehabilitation physical therapy services for injured employees to help them recover and get back to work sooner. This program provides training on injury prevention, geared to our maintenance and transportation workers and stress reduction and exercise programs for all employees. The 2022 expense for this program increases by 17 percent from \$211,000 in 2021 to \$248,000 in 2022.

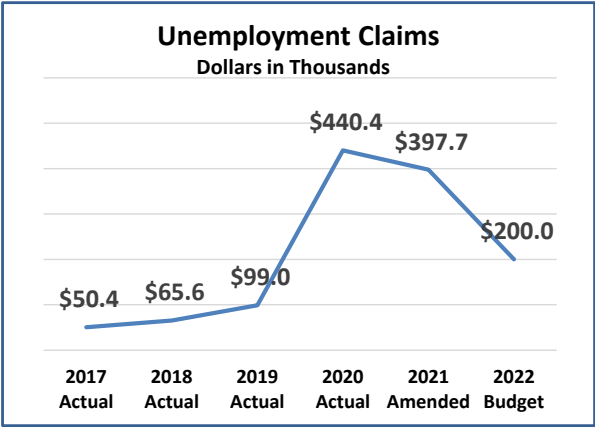


The 2022 services budget funds a variety of professional services ranging from legal services to consulting services for the diversity, equity, and inclusion program; executive recruiting; 360-degree feedback for employee performance reviews; defined contribution plan consulting; human resource consulting services; mandatory drug and alcohol testing as required by the Federal Transit Administration, flu shots, occupational medicine services, recruitment advertising on job boards, and employee special events.

Although the special events program adds \$68,000 to the Employee Engagement Department budget, funds for this program were previously budgeted in the Customer Experience Department budget. Although the FTE and associated job functions were transferred from Customer Experience to Employee Engagement in 2021, the budget transfers effective January 1, 2022. The budgeted increase to the special events program amounts to \$5,000.

Unemployment Claims

The Employee Engagement Department budgets for unemployment claims for the agency. Unemployment claims in the 2022 budget comprise 5 percent of the department budget, a reduction of 50 percent as compared to 2021. Although service has not resumed pre-pandemic levels, Community Transit has recalled all employees furloughed during the service reduction at the onset of the pandemic. Many of the positions frozen or eliminated at that time have been reinstated, and the



Employee Engagement Department is actively engaged in recruiting employees to fill existing vacancies occurring throughout the agency. As a result, estimated unemployment claims for 2022 are budgeted a lower level than for 2021.

Intergovernmental and Supplies

The Intergovernmental and Supplies expense categories combined contribute less than 1 percent to the department budget. Intergovernmental expenses consist of transit passes. Supplies include office supplies not otherwise budgeted in the agency general office supply budget through Procurement; employee recognition certificates, service awards, and retirement supplies; veterans recognition name plates, and other like items.

Employee Engagement Division Summary

This summary compares each budget center’s 2022 budget to its 2021 amended budget. Budget center 72140, Diversity, Equity and Inclusion will become active as of January 1, 2022

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
72140	Diversity Equity and Inclusion	0	0	0	343,645	343,645	n/a
72167	Employee Engagement	2,956,937	2,946,715	3,369,472	3,379,718	10,246	0%
<i>Total Operating Expense</i>		<i>2,956,937</i>	<i>2,946,715</i>	<i>3,369,472</i>	<i>3,723,363</i>	<i>353,891</i>	<i>11%</i>

Diversity, Equity, and Inclusion Division

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

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

The DEI division acts as an internal consultant to the agency, including executive leadership, to provide guidance on DEI programs and initiatives. This division identifies areas of opportunity to advance practices, policies, and processes to foster a diverse, equitable, and inclusive working

environment. The DEI division advises management at all levels of the organization on how to promote a work environment where everyone feels that they belong and thrive.

Diversity, Equity, and Inclusion 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	-	-	-	202,129	202,129	n/a
Benefits	-	-	-	76,516	76,516	n/a
Subtotal: Employee Expense	-	-	-	278,645	278,645	n/a
Services	-	-	-	65,000	65,000	n/a
Total Operating Expense	-	-	-	343,645	343,645	n/a

The manager for this new division was added in 2021 to aid in evolving agency programs and training. Expense for the position in 2021 is included in the Employee Engagement budget center (72167).

Diversity, Equity, and Inclusion 2022 Priorities

- Develop and roll out a comprehensive diversity, equity, and inclusion agency strategy and communication plan.
- Develop and implement inclusion advocate training program.
- Develop and implement an employee resource group program.
- Develop and roll out an annual diversity, equity, and inclusion employee survey.

Employee Engagement Division

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

The division acts as an internal consultant to the agency, providing advice and assistance in compliance with labor and employment laws, hiring, performance management, grievance resolution, and investigations of allegations of employee misconduct or violations of agency policies.

Employee Engagement employees advise management at all levels of the organization on how to reduce risks associated with employment, how to respond to workplace complaints lodged informally or with state or federal administrative agencies, and how to promote a work environment where employees feel satisfied and motivated to meet agency objectives. Division employees manage and coordinate the use of outside resources such as labor and employment attorneys, occupational medicine services, drug testing service providers, and other consultants and benefit providers.

Employee Engagement 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	1,349,915	1,434,229	1,566,825	1,557,048	(9,777)	-1%
Benefits	515,444	512,620	634,198	622,671	(11,527)	-2%
Subtotal: Employee Expense	1,865,359	1,946,849	2,201,023	2,179,719	(21,304)	-1%
Unemployment Claims	99,000	440,437	397,656	200,000	(197,656)	-50%
Services	962,666	554,294	746,343	970,079	223,736	30%
Intergovernmental Services	22,145	(1,864)	20,000	19,000	(1,000)	-5%
Supplies	7,768	6,999	4,450	10,920	6,470	145%
Total Operating Expense	2,956,938	2,946,715	3,369,472	3,379,718	10,246	0%

Department Priorities for 2022

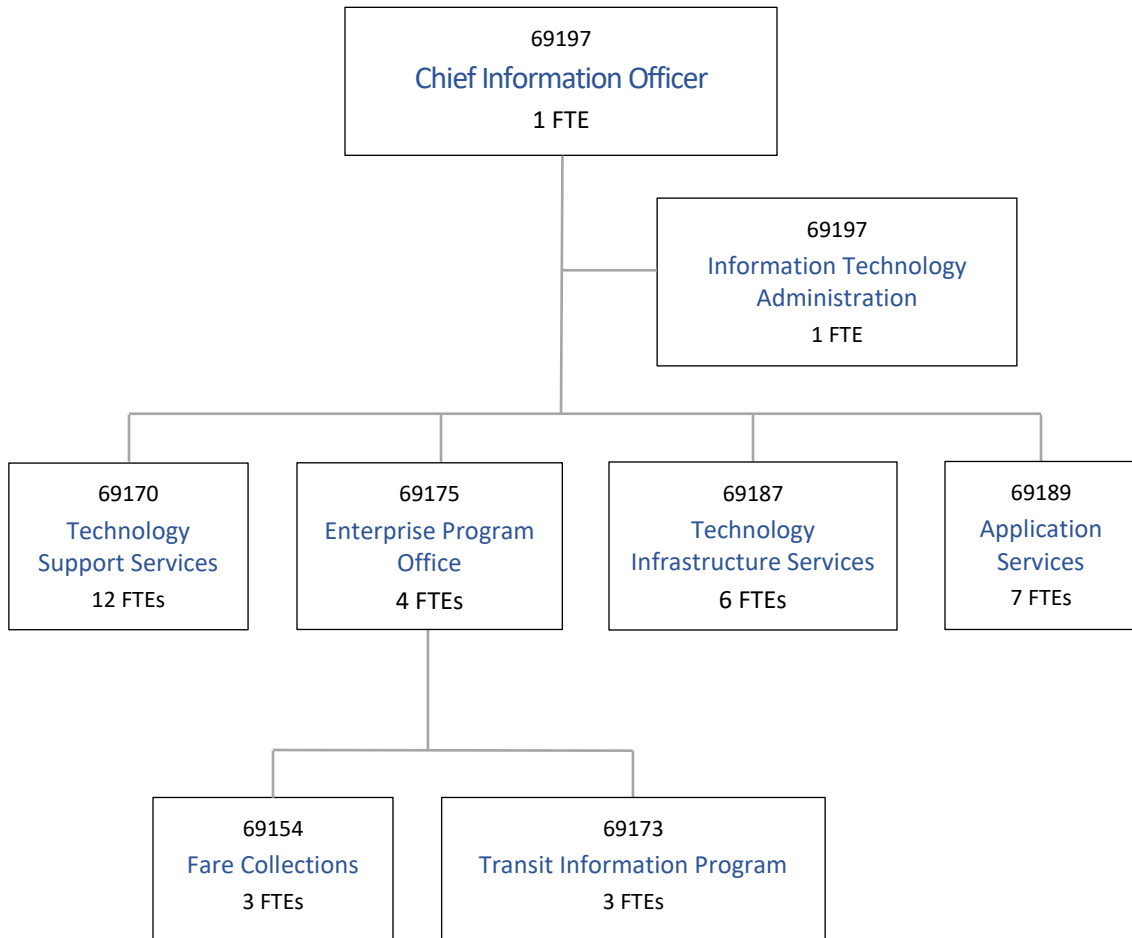
- Negotiate and implements new labor agreements with IAM supervisors, IAM vehicle maintenance, and ATU.
- Move toward full equity and inclusion practices (Leadership for Equity). Initiate dialog, promote awareness, and roll out respectful workplace initiatives and training.
- Accelerate outreach efforts to compete with others when hiring positions.
- Review and revise policies, processes, and the performance management system to align with updated agency values resulting in engaged, productive employees who are more likely to stay at Community Transit and find meaning in the work they do.
- Develop an artwork project for the new Casino Road facility.
- Implement telework revisions and return to base efforts.
- Coordinate a feasibility study to explore options for a new Human Capital Management system; a consultant will be hired to assess current Employee Engagement and Payroll environments to identify key strategic options and recommendations.

Information Technology Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

8 Budget Centers

37 FTEs



Information Technology Department

The Information Technology Department consists of five divisions: Information Technology Administration, Application Services, Technology Infrastructure Services, Technology Support Services, and Transit Technology.

The department's primary mission is to identify, evaluate, implement, and maintain technical solutions for Community Transit's current and future requirements with a focus on enhancing the customer experience and improving operational efficiency. The work of this department impacts all agency computing including transit application systems, internal business systems, fare collection (ORCA), and a state-of-the-art communications system to coach operators, field staff, and the customer-facing Ticket Vending Machines. In addition, Information Technology employees support the agency's public-facing website (with popular features such as Trip Planner), our real-time transit signs indicating next departure status, automatic stop announcement and passenger load technology on all coaches, and our BusFinder application.

In 2021 we completed the replacement of our 27-year-old voice and data communications system for the coaches and field supervisor vehicles. This new system is a cellular-based technology that has enhanced dispatching capabilities, higher performance, and expanded capacity to accommodate a new fare system in 2022 and is far less expensive to operate.

We continue to work on improving current and future intelligent transportation systems on Community Transit's coaches. Intelligent transportation systems applications demand a real-time, 24/7/365 communications and operating platform with high availability, high performance, industrial-strength security, and proactive system management.

This very purposeful expansion of technology-based services will meet the emerging expectations of an increasingly tech-savvy ridership. This growing contingent of riders are web-based, mobile, and expect integrated trip planning and real-time information when making travel choices. Riders want this information to be accurate, at their fingertips, and consistent when accessing it through popular national transit channels, regional partners, and any number of commercially available transit mobile apps. The goal is to make riding transit easy, convenient, and safe.

Major Department Accomplishments for 2021

- Completed Voice over Internet Protocol (VoIP) communications platform launch and the decommissioning of our land mobile radio (LMR) radio communications for Transportation Operations teams.
- Completed final system design and development of Next Generation ORCA. Completed testing and staff training in preparation for early 2022 implementation.

- Partnering with Customer Experience, Communications and Public Affairs and a consulting firm to rebuild the corporate website.
- Plan for and move all equipment in the current Merrill Creek Administration datacenter into the new primary datacenter at Kasch Park Casino Road.
- Completed Interact, the agency communications app, feasibility study and implementation.
- Developed and implemented the enterprise portfolio project prioritization model.
- Implemented Snowflake, a modern cloud-based data warehouse to improve access to data for ongoing business intelligence and data governance agencywide.
- Provided operational support for all transit technologies, including APTS, VoIP, ORCA, Passenger Information Control System (PICS) and Automated Travel Information System (ATIS).
- Architect the network infrastructure and datacenter necessary for the renovation of the existing Merrill Creek Administration facility and Merrill Creek Operating Base.
- Completed outstanding tasks related to the Office 365 (cloud-based) migration of existing technologies and Microsoft Teams.

Department Priorities for 2022

- Implement Next Generation ORCA system and decommission legacy ORCA system.
- Move of the primary datacenter and personnel to Casino. Decommission the datacenter at Merrill Creek Administration location.
- Move and support the technical aspects of the move of personnel to the new Kasch Park Casino Road facility.
- Provide technical and development support for continuous delivery of the agency's corporate website to keep the website fresh and relevant and to provide the best experience for the agency's customers.
- Evaluate the feasibility of replacing the agency's 20-year-old Human Resource Information System (HRIS). This is a multi-year effort.
- Process and validate APTS, ORCA, Automated Travel Information System (ATIS), General Transit Feed Specification¹ (GTFS/GTFS-RT) and geographic information system (GIS) mapping-based data for all service changes and updates.

¹ General Transit Feed Specification (GTFS): A standardized data specification format that allows public transit agencies to publish transit data in a format that can be consumed by a wide variety of software applications. This data format is typically used to supply data for public transit use in multimodal journey planning applications. In most cases, the data is combined with street and pedestrian networks to allow an end user to plan a trip from a preferred starting point to a preferred ending point, rather than from transit stop to transit stop. GTFS alone indicates static data (e.g., schedules). GTFS-RT indicates real-time data.

- Complete missed passenger feasibility testing.
- Enhance the build out of the agency’s data warehouse (Snowflake) and maintain appropriate governance for the management and use of this data, which is critical to ongoing operations and improved business intelligence.
- Implement Disaster Recovery as a Service, protecting Community Transit data and application services.
- Lead and coordinate speed and reliability feasibility results with agency staff and determine next steps. This is a multi-year effort.

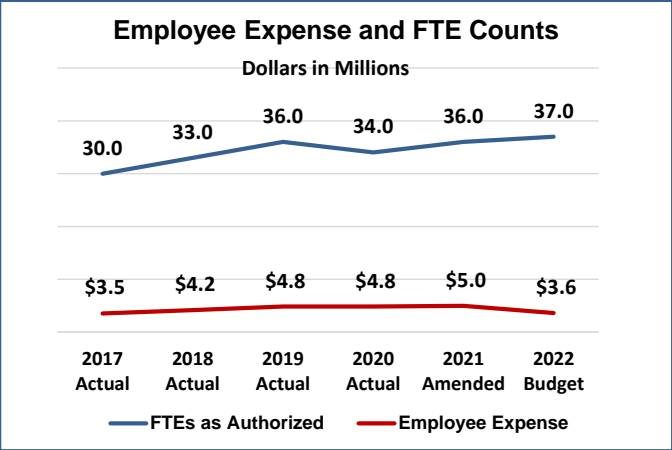
Information Technology Department 2022 Budget

The 2022 Information Technology budget fully supports the agency’s vision and mission, as well as the significant need to begin the agency’s transition to the new Casino Road headquarters building, launch new customer-facing innovations (Next Generation ORCA), and significantly enhance passenger safety. This budget also supports the agency’s growing ability to analyze large-system datasets from sources such as APTS, ORCA, Trapeze OPS, customer survey data, and Connections. Enhanced business intelligence provides ongoing operational efficiencies and important enhancements for our customers and to our service planning capabilities.

	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	3,501,128	3,533,722	3,595,046	2,643,080	(951,966)	-26%
Benefits	1,321,877	1,281,868	1,385,458	980,614	(404,844)	-29%
Subtotal: Employee Expense	4,823,005	4,815,590	4,980,504	3,623,694	(1,356,810)	-27%
Services	3,421,191	3,638,484	3,915,496	4,236,763	321,267	8%
Intergovernmental Services	445,101	409,169	756,637	544,169	(212,468)	-28%
Supplies	176,078	126,168	250,850	297,948	47,098	19%
Total Operating Expense	8,865,375	8,989,411	9,903,487	8,702,574	(1,200,913)	-12%

Salaries, Wages, and Benefits

In prior years, employee expense in this department ranged from 47 to 54 percent of the department’s budget, and all employee expense was budgeted as an operational expense through the General Fund (Fund 40). Beginning with the 2022 budget, some employee expense is budgeted in the capital program, which more accurately reflects the operational/capital program work distribution of employees in this department. The 27 percent decrease in employee expense between 2021 and 2022 reflects this redistribution of expense between operations and the capital program.



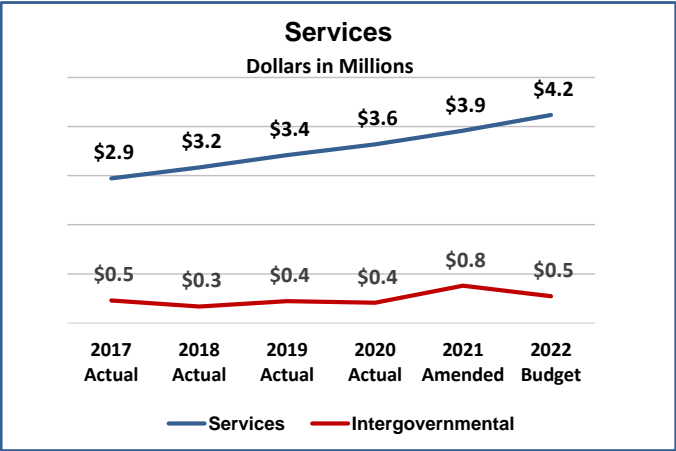
The operational portion of employee expense comprises 42 percent of the department budget. During 2021, Community Transit’s Leadership Team evaluated each open position and moved several positions from one department to another to better serve the agency’s needs. One vacant administrative position in the Transportation Department was moved to the Information Technology Department and was repurposed as an IT and Service Desk Administrator, and a term-limited position was made regular full time. The 2022 budget adds one Network Engineer to this department. The chart above shows the total FTE complement for both operational and capital programs, but the expense portion shown is only the operational expense.

The table below shows total employee expense in both operations and the capital program. In support of the agency’s capital initiative’s, \$1.7 million in Information Technology employee expense has been distributed to various funds in the capital program. The table below shows this distribution. Total Information Technology employee expense will increase by 7 percent to support agency needs in both operations and the capital program.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	4,823,005	4,815,590	4,980,504	3,623,694	(1,356,810)	-27%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				1,488,361	1,488,361	n/a
Fund 48 Employee Expense				206,454	206,454	n/a
Total Personnel Expense	4,823,005	4,815,590	4,980,504	5,318,509	338,005	7%

Services

The Services category amounts to 49 percent of this department’s budget and reflects the agency’s increasing reliance on data-driven business decision making. Within the Services budget category, the largest expense groupings are for contract maintenance services (35 percent), software leases (31 percent), and telephone and data services (11 percent).



Contract maintenance services cover a wide range of services for business software supporting operations and route scheduling; finance, human resource, payroll, and credit card data processing; ticket vending machines at *Swift* stations; and other business tools necessary to collect, organize, and manage the data the agency needs to meet regulatory requirements and manage daily operations.

Use of cloud services for software is a forward focus of the agency, and the 2022 budget reflects a 27 percent increase in leased software services. Using software as a service enables the agency to have access to the full range of software tools it needs to operate in a complex business and regulatory environment. The 2022 budget includes over 80 software-as-a-service leases. The three largest leases include the agency budgeting system, the Interact employee communications system, and the passenger information control system. These three leases total \$403,000 and represent 35 percent of total software lease expense.

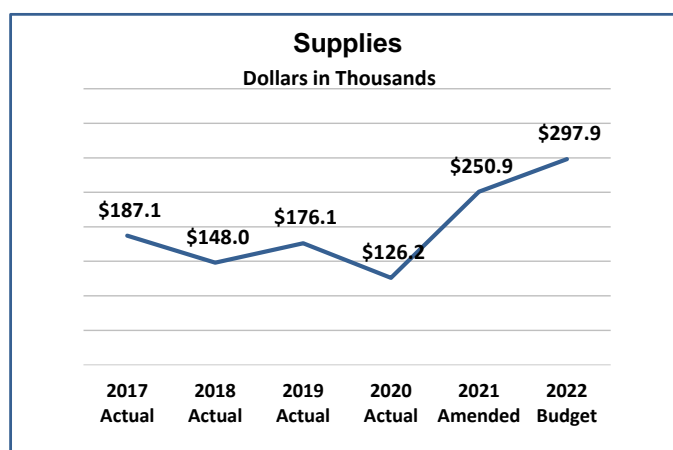
Telephone and data services account for 11 percent of this department’s services budget. These services support network fleet monitoring, cellular and land-line services, wireless services, and underground tank monitoring services.

Intergovernmental Services

This budget reflects expenses related to ORCA operations that are paid to Sound Transit (Sound Transit acts as the ORCA fiscal agent) and to Snohomish County for internet service provider fees.

Supplies

Supplies contribute about 3 percent to the overall department budget and primarily fund technology-related equipment such as phones, monitors, tablets, laptops and printers, conference room and presentation equipment, and fleet management equipment. The change in this budget reflects the normal fluctuation in anticipated expenses associated with these items.



Information Technology Division Summary

This summary compares each budget center's 2022 budget to its 2021 amended budget.

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
69101	Wireless Communications	197,397	110,356	119,762	0	(119,762)	-100%
69126	Radio Operations	480,464	484,045	201,837	0	(201,837)	-100%
69154	Fare Collections Program	1,065,168	840,878	1,265,966	810,138	(455,828)	-36%
69170	Technology Support Services	2,353,106	2,610,785	2,936,916	3,300,176	363,260	12%
69173	Transit Information Program	457,697	369,027	429,723	98,864	(330,859)	-77%
69175	Enterprise Program Office	448,071	572,404	628,445	495,004	(133,441)	-21%
69187	Technology Infrastructure Services	1,018,433	1,169,177	1,576,078	1,428,557	(147,521)	-9%
69189	Application Services	2,033,061	2,102,695	2,365,080	2,190,626	(174,454)	-7%
69197	Information Technology Administration	811,978	730,044	379,680	379,209	(471)	0%
Total Operating Expense		8,865,375	8,989,411	9,903,487	8,702,574	(1,200,913)	-12%

Discussions of each division's budget and 2022 priorities follow.

Information Technology Administration Division

The Information Technology Administrative Division includes the Chief Technology Officer and the Technology Support Administrative Assistant who provides administrative support for the entire department. As head of the department, the Chief Technology Officer guides and integrates the different functions of the department—project management, information technology governance and security, system development, network administration, application maintenance, 24/7/365 real-time logistical support, and customer support—so the department can support all aspects of business operations.

The Information Technology Administration Division establishes policies and standards to maintain the confidentiality, integrity, and availability of the IT systems and data. Additionally, this division provides the leadership and direction to develop strategies and policies to meet current and long-term agency needs.

Information Technology Administration 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	550,915	475,436	270,446	276,024	5,578	2%
Benefits	210,903	167,737	100,884	97,535	(3,349)	-3%
Subtotal: Employee Expense	761,818	643,173	371,330	373,559	2,229	1%
Services	49,918	86,411	7,950	5,250	(2,700)	-34%
Supplies	241	460	400	400	-	0%
Total Operating Expense	811,977	730,044	379,680	379,209	(471)	0%

Employee expense comprises 99 percent of this budget.

Information Technology Administration 2022 Priorities

- Prioritize, coordinate, and sponsor the move of the datacenter and staff to the new Kasch Park Casino Road facility.
- Prioritize, coordinate, and sponsor the development, testing, and implementation of the new disaster recovery capability.
- Prioritize, coordinate, and sponsor the implementation of Next Generation ORCA.
- Prioritize, coordinate, and sponsor the IT service management program to start and complete at least two more standards.
- Prioritize, coordinate, and sponsor prioritization of the entire agency portfolio.
- In partnership with Customer Experience launch the new corporate website.

Application and Data Services Division

The Application and Data Services Division provides operational services and support of the agency's application and data assets, including vital transit-oriented information systems such as parts inventory, vehicle maintenance, dispatch, and scheduling (routes, crew, and vehicles). Additionally, Application and Data Services staff improve and maintain agencywide financial, human resources, budgeting, and business intelligence systems.

This division is responsible for developing and maintaining a data warehouse in support of the agencies data analytics and reporting. Underlying these systems is the agency's database management systems (Oracle and Microsoft) which are also managed by Application and Data Services Division employees. This division is responsible for developing the agency website and designing and implementing Internet- and intranet-based applications in partnership with the Customer Experience and Communications and Public Affairs Departments. The Application and Data Services Division provides technical services, support, and project management for a number of capital projects.

Application and Data Services 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	673,742	652,566	716,189	484,749	(231,440)	-32%
Benefits	253,059	227,662	260,036	168,207	(91,829)	-35%
Subtotal: Employee Expense	926,801	880,228	976,225	652,956	(323,269)	-33%
Services	1,106,260	1,222,467	1,388,355	1,537,170	148,815	11%
Supplies	-	-	500	500	-	0%
Total Operating Expense	2,033,061	2,102,695	2,365,080	2,190,626	(174,454)	-7%

Expenses in the services category contribute 70 percent to the total division budget. The services category is split almost entirely between software leases (64 percent) and contract maintenance (34 percent), with the remaining 2 percent in miscellaneous professional services. The contract maintenance and software leases budgeted in this division focus on the business processes which other departments in the agency use to do their work. Examples include contract maintenance for the financial and human resources software, route scheduling software, and software used for vehicle operations. Leased software includes mapping software, services required to process credit card transactions, the agency learning management software, and the agency budget system.

Employee expense comprises the remainder of this budget. The 2022 budget adds one senior applications analyst FTE to the staffing complement of this division. The reduction in employee

expense between 2021 and 2022 results from the redistribution of portions of the employee expense of four employees from operational (Fund 40) to capital. The following table shows the total employee expense across all funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	926,801	880,228	976,225	652,956	(323,269)	-33%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				441,298	441,298	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	926,801	880,228	976,225	1,094,254	118,029	12%

Application and Data Services 2022 Priorities

- Maintain software currency. Stay current on application and database management systems and provide operational support for agencywide software systems.
- Provide operational services and support of the agency’s applications and data assets.
- Provide technical and development support for continuous delivery of the agency’s corporate website. This is an ongoing effort to keep the website fresh and relevant and to provide the best experience for the agency’s customers.
- Continue to build out the agencies data warehouse (Snowflake) and maintain appropriate governance for the management and use of this data, which is critical to ongoing operations and enhanced business intelligence.
- Continue to migrate internal transit information systems to use General Transit Feed Specification² (GTFS) to ensure customers are receiving consistently accurate information. This is a multiyear effort.
- Evaluate the feasibility of replacing the agency’s Human Resource Information System (HRIS). It has been over 20 years since the current HRIS system was implemented. The replacement of PeopleSoft HCM/Payroll is a multi-year effort.

² General Transit Feed Specification (GTFS): A standardized data specification format that allows public transit agencies to publish transit data in a format that can be consumed by a wide variety of software applications. This data format is typically used to supply data for public transit use in multimodal journey planning applications. In most cases, the data is combined with street and pedestrian networks to allow an end user to plan a trip from a preferred starting point to a preferred ending point, rather than from transit stop to transit stop.

GTFS alone indicates static data (e.g., schedules). GTFS-RT indicates real-time data.

Technology Infrastructure Services Division

Technology Infrastructure Services staff provide a broad range of support and lifecycle management services for network, server, and storage infrastructure for Community Transit. This division is responsible for architecting, designing, deploying, and maintaining the agencywide local- and wide-area networks, wireless networks, physical and virtual application and file servers, and agency data storage solutions. Supported systems are deployed on premises and in cloud data centers that offer better back-up and disaster recovery capability. The division is constantly exploring innovative solutions to current and future business needs.

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

Technology Infrastructure Services staff are responsible for managing all data center operations, establishing, and maintaining a digital security perimeter to protect agency systems, providing backup and restoration services for systems and files, developing, and implementing disaster recovery strategies, and developing standards for technology infrastructure. This division supports wireless data and voice communications for coaches, supervisor vehicles, and *Swift* stations. Staff in this division respond to security and operational incidents and support needs 24/7/365.

Technology Infrastructure Services 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	418,518	483,836	605,269	505,367	(99,902)	-17%
Benefits	152,483	177,312	215,962	176,825	(39,137)	-18%
Subtotal: Employee Expense	571,001	661,148	821,231	682,192	(139,039)	-17%
Services	422,058	482,360	697,097	697,865	768	0%
Intergovernmental Services	4,158	18,886	19,250	14,500	(4,750)	-25%
Supplies	21,216	6,783	38,500	34,000	(4,500)	-12%
Total Operating Expense	1,018,433	1,169,177	1,576,078	1,428,557	(147,521)	-9%

Expenses in the services category contribute 49 percent to the total division budget. Telephone and data services makes up 48 percent of the services category, followed by contract

maintenance (19 percent), rentals related to data services (16 percent), software-as-a-service leases (10 percent) and professional and other miscellaneous expenses (6 percent).

Employee expense comprises 48 percent of this budget. The 2022 budget does not add additional staffing to this division. The reduction in employee expense between 2021 and 2022 results from the redistribution of portions of four employees' time from operational (Fund 40) to capital. The following table shows the total employee expense across all funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	571,001	661,148	821,231	682,192	(139,039)	-17%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				193,613	193,613	n/a
Fund 48 Employee Expense				89,207	89,207	n/a
Total Personnel Expense	571,001	661,148	821,231	965,012	143,781	18%

Technology Infrastructure Services 2022 Priorities

- Support the move of the primary datacenter and personnel to Casino. Decommission the datacenter at Merrill Creek Administration location.
- Implement an identify and access management solution including a review and revision to password policies and auditing.
- Implement a storage solution for video that includes a location for coach video from the video management system as well as facility video from cameras at facilities.
- Implement Disaster Recovery as a Service protecting Community Transit data and application services from a regional disaster. (Carried over from 2021.)
- Continue to manage and support data and voice communications for coaches, supervisor vehicles, and *Swift* stations. This work represents ongoing activity to support these key systems.
- Continue replacement of end-of-life network, server, and storage hardware and operating systems to ensure maximum availability, capability, and security. This work represents ongoing activity.

Technology Support Services Division

Technology Support Services' primary focus is providing high quality, technology-related, operational support for both intelligent transportation system applications and Community Transit end users. This division also operates and manages Community Transit's network operations center and service desk.

Technology Support Services is the single point of contact for communications between the Information Technology Department and the user community to satisfy both customer needs and department objectives. The division proactively keeps users informed of all relevant service events, actions, and service changes to the production systems that are likely to affect them.

Technology Support Services also facilitates the integration of business processes into the information technology service management infrastructure and supports and operates large Transit Technology Programs and real-time systems, such as *Swift* bus rapid transit, APTS, and GTFS/GTFS-RT on a 24/7/365 basis. Employees in this division also provide operational GIS support to the business as well as manage and maintain currency of base maps to ensure consistent customer experience across various platforms. In addition, division employees establish and maintain desktop hardware and software standards, track and monitor agency software compliance and licensing, and develop and implement desktop-based solutions to increase agency productivity.

Technology Support Services 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	796,715	962,738	1,023,196	947,226	(75,970)	-7%
Benefits	330,765	373,688	418,065	375,417	(42,648)	-10%
Subtotal: Employee Expense	1,127,480	1,336,426	1,441,261	1,322,643	(118,618)	-8%
Services	1,071,425	1,155,542	1,284,805	1,715,485	430,680	34%
Supplies	154,202	118,817	210,850	262,048	51,198	24%
Total Operating Expense	2,353,107	2,610,785	2,936,916	3,300,176	363,260	12%

Expenses in the services category contribute 52 percent to the total division budget. Within the services category, contract maintenance services contribute 48 percent, software leases 24 percent, telephone and data services 12 percent, and professional, temporary, and miscellaneous other services comprise the remainder of services expenses.

The supplies budget includes replacement of phones, desk computers and laptops, printers, headsets, and other like minor equipment, and amounts to 8 percent of the total department budget.

Employee expense comprises 40 percent of this budget. The 2022 budget does not add additional staffing to this division. The reduction in employee expense between 2021 and 2022 results from the redistribution of portions of three employees' time from operational (Fund 40) expense to capital expense. The following table shows the total employee expense across all funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	1,127,480	1,336,426	1,441,261	1,322,643	(118,618)	-8%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				198,487	198,487	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	1,127,480	1,336,426	1,441,261	1,521,130	79,869	6%

Technology Support Services 2022 Priorities

- Establish a new agencywide Microsoft Enterprise Licensing Agreement (current contract expires in Spring 2022).
- Oversee and support the technical aspects of the move of personnel to the new Kasch Park Casino Road facility. Support the move of the primary datacenter.
- Participate in planning efforts for additional facility renovation projects.
- Provide agencywide service desk support and network operations center monitoring and response, including 24/7/365 support for urgent items.
- Provide agencywide end user device build and deployment services, support, and administration (includes all virtual desktops [and underlying infrastructure], physical desktops, laptops, mobile phones, copiers/printers).
- Continue evaluation and potential implementation of additional Office 365 technologies.
- Continue efforts to lead Community Transit's IT service management program forward:
 - Complete and implement request fulfillment process.
 - Continue improvement efforts of the Service Catalog by leveraging the request fulfillment process.
 - Transition of all Technology Support Services asset tracking from spreadsheets to the configuration management database tool.

- Continue process improvement efforts including tool automation workflows, templates, and knowledge base development (both customer and agent facing).
- Select and complete fifth IT service management process.
- Provide operational support for all transit technologies, including APTS, VoIP, ORCA, PICS and Automated Travel Information System (ATIS).
- Partner with Transit Technology to provide operational and technical implementation support of various Transit Technology programs including the fare collections program.
- Process and validate APTS, ORCA, Automated Travel Information System (ATIS), GTFS/GTFS-RT and GIS/mapping-based data for all service changes and updates.
- Monitor and respond to identified potential security threats, including investigation and mitigation of all phishing attempts. Maintain security patching on all agency computers, both virtual and physical.
- Update and maintain the integrity of GIS data and administer Community Transit's ArcGIS Enterprise system, which serves as a living library of authoritative GIS data.
- Administer and support Community Transit telephone services agencywide, including maintaining VoIP phone system currency.
- Administer various agencywide collaboration platforms, including Slack, Zoom, and Teams.

Transit Technology Division

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

Enterprise Program Office

The Enterprise Program Office staff direct the strategic planning and project efforts critical to the implementation and success of intelligent transportation applications, the agency's business planning process, portfolio management, and the records management program. This budget center includes operational costs for the management and improvement of agencywide work including business process improvement, information governance, business planning, enterprise portfolio management, and research of future technologies.

Fare Collections Program

The Fare Collections Program includes the operating expenses related to managing fare collections related projects. The program contains staff support for current ORCA operations, the regional Next Generation ORCA project, ticket vending machine project management (maintenance and capital), and transit signal priority project management. The ORCA function

includes working with the Joint Board, ORCA operations, ORCA regional program administration, Next Generation ORCA regional teams, and the fiscal agent; security and data management; and ensuring compliance with preventive maintenance programs, system operations, and customer services. Additionally, this division will lead and coordinate the new speed and reliability program.

Transit Information Program

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

Wireless Communications Program

This portion of the Transit Technology Division budget was used for expenses associated with managing the wireless communications program for the agency. The employees that were in this budget center through 2021 managed the estimated \$13 million cellular communication implementation and radio system decommissioning capital project. The migration from land mobile radio to cellular communications was completed in 2021 and the program will close out in early 2022. No operational costs are associated with this program for 2022.

Radio Operations

Prior to 2021, the information technology architect also served as the radio operations manager, responsible for the day-to-day operational maintenance of the land mobile radio (LMR) system. This system delivered fleet-wide land mobile voice communications to dispatch, coaches, and road operations staff. In 2021, this system was replaced by a next generation voice communications system based on cellular technology. In 2021, this budget center, management and decommissioning for the LMR system transitioned to Transit Technology. This operational budget center will be closed at the end of 2021.

Transit Technology 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
69101	Wireless Communications	197,397	110,356	119,762	0	(330,859)	-77%
69126	Radio Operations	480,464	484,045	201,837	0	(133,441)	-21%
69154	Fare Collections Program	1,065,168	840,878	1,265,966	810,138	(147,521)	-9%
69173	Transit Information Program	457,697	369,027	429,723	98,864	(174,454)	-7%
69175	Enterprise Program Office	448,071	572,404	628,445	495,004	(133,441)	-21%
Total Operating Expense		2,648,797	2,376,710	2,645,733	1,404,006	(1,241,727)	-47%

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	1,061,238	959,146	979,946	429,714	(550,232)	-56%
Benefits	374,667	335,469	390,511	162,630	(227,881)	-58%
Subtotal: Employee Expense	1,435,905	1,294,615	1,370,457	592,344	(778,113)	-57%
Services	771,531	691,704	537,289	280,993	(256,296)	-48%
Intergovernmental Services	440,943	390,283	737,387	529,669	(207,718)	-28%
Supplies	418	108	600	1,000	400	67%
Total Operating Expense	2,648,797	2,376,710	2,645,733	1,404,006	(1,241,727)	-47%

Intergovernmental Services contributes 38 percent to the division's budget and consists of ORCA operational expenses paid to Sound Transit who acts as the regional fiscal agent for the ORCA fare system.

Expenses in the services category contribute 20 percent to the total division budget and consists of contract maintenance services for ticket vending machines, extended warranty and maintenance for alarms and credit card processing, transit signal priority, and professional services for light detection and ranging (LIDAR) scan to ensure correct locations of our bus stops, and other services related to the commissioning of new coaches.

Employee expense comprises 42 percent of this budget. The 2022 budget does not add additional staffing to this division. The reduction in employee expense between 2021 and 2022 results from the redistribution of portions of six employees' time from operational (Fund 40)

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

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	1,435,905	1,294,615	1,370,457	592,344	(778,113)	-57%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				654,962	654,962	n/a
Fund 48 Employee Expense				117,247	117,247	n/a
Total Personnel Expense	1,435,905	1,294,615	1,370,457	1,364,554	(5,903)	0%

Transit Technology 2022 Priorities

Fare Collections Program

- Fully implement Next Generation ORCA system.
- Decommission legacy ORCA system.
- Evaluate *Swift* ticket vending machines in advance of lifecycle replacement on the *Swift* Blue Line and in support of the *Swift* Orange Line.
- Evaluate fare collection needs for *Swift* Orange Line.
- Begin Next Generation ORCA phase 2 projects.
- Implement electronic timesheet software.
- Complete missed passenger feasibility testing.
- Socialize speed and reliability feasibility results with agency staff and determine next steps.

Transit Information Program

- Improve computer-aided dispatch / automatic vehicle location (CAD/AVL) back-end to maintain system currency.
- Review CAD/AVL product suite and future roadmap planning.
- Review Open Data product suite review and future roadmap planning.
- Support *Swift* Program technology.
- Wayside Digital Signage recommendation and procurement.
- Onboard Digital Signage research, recommendation and procurement
- Launch video management system.

- Contract vendor to perform a LIDAR scan to refresh stop location coordinate data and panoramic photos. Previous data collection was performed in 2018.

Efficiencies and Compliance

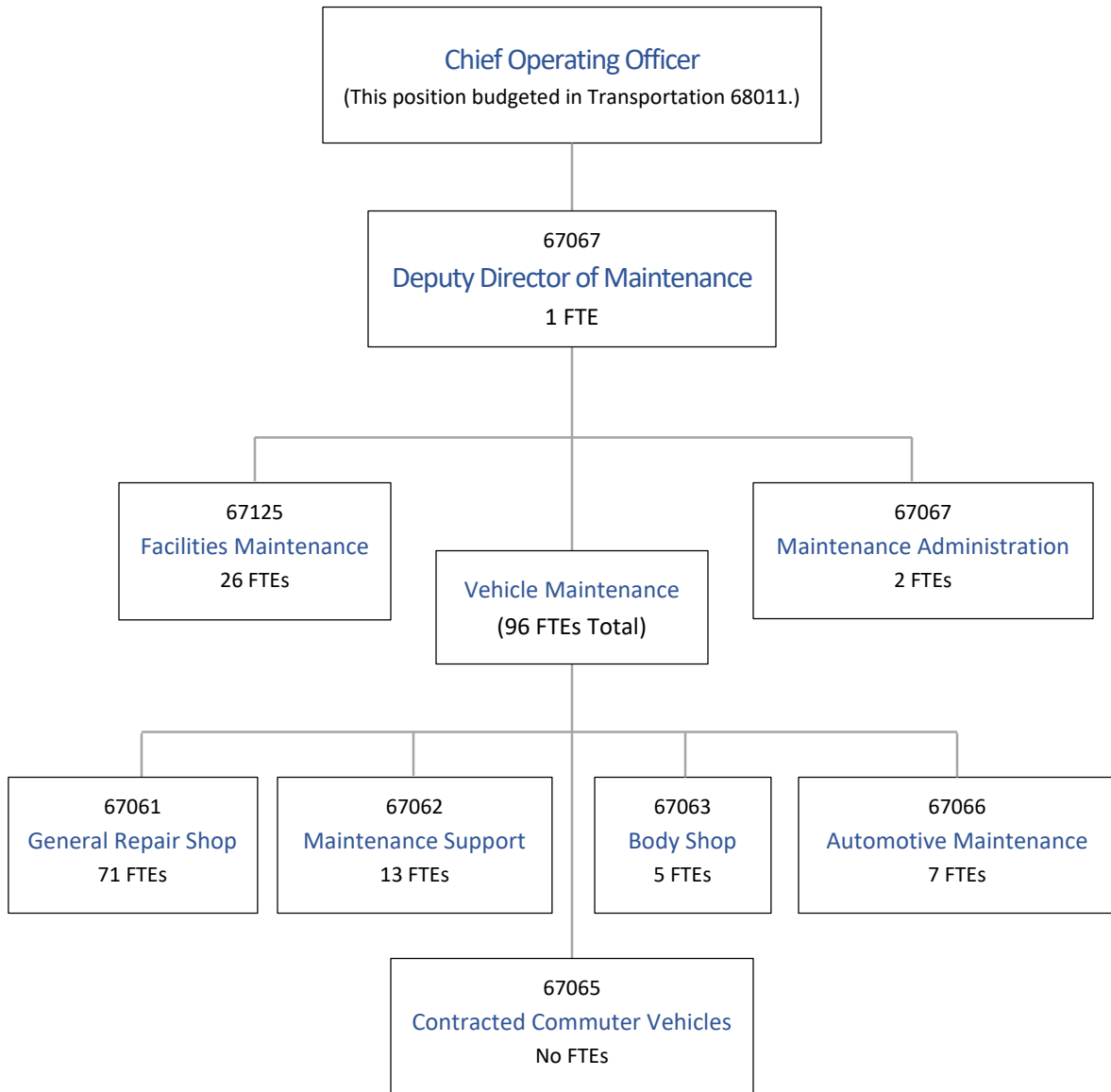
- Implement technology solution to automate maintenance and disposition of records in accordance with retention schedules.
- Facilitate records clean-up efforts across the agency to support facilities master plan moves.
- Incorporate records and information management training into the new hire onboarding process. Execute email management strategy and monitor outcomes.
- Continue to improve business planning processes such as annual business planning, portfolio management and the project proposal process.
- Develop business planning strategic plan and roadmap.
- Transition service change management to the planning department.
- Enterprise-wide implementation and continual improvements to the Portfolio Prioritization process.

Maintenance Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

7 Budget Centers

125 FTEs



Maintenance Department

The Maintenance Department includes three divisions. The Vehicle Maintenance Division includes the General Repair Shop, Maintenance Support, Body Shop, Contracted Commuter Vehicles, and Automotive Maintenance. The Facilities Maintenance Division handles all Community Transit facility needs. The Administrative Division provides general management and direction of the Department.

Community Transit's bus fleet is the agency's most expensive capital investment. The Maintenance Department develops specifications for and orders our bus fleet. Once buses are in service, Maintenance employees repair, clean, and provide corrective and preventive maintenance to ensure that we operate safe and reliable equipment for the entire life of our investment. Staff in this department also maintain our vanpool fleet and an administrative support fleet to the same high standards. In addition to the vehicle fleets, Maintenance Department staff maintain our work buildings, park-and-ride lots, and transit centers.

The goal of the Maintenance Department is to provide safe, clean, and well-maintained vehicles and facilities for our customers and staff. Staff continue to work toward improving our customers' impressions of and experiences with Community Transit.

Major Department Accomplishments for 2021

- Provided ongoing support for COVID-19 related changes including daily disinfecting of vehicles and supplying disposable masks on coaches.
- Continued the purchase and preparation of buses for service in accordance with the approved Transit Development Plan.
- Directed the delivery of vehicle and facility maintenance services for the company.
- Developed updated key performance indicators.

Fleet

- Planned and coordinated building maintenance and construction requirements and changes to accommodate the building expansion at the Merrill Creek Maintenance facilities.
- Maintained the directly operated coach fleet and consistently exceeded goal for miles between road failures.
- Provided oversight (safety inspections) of Commuter and Paratransit vehicles maintained and operated by our contracted service providers.
- Received, inspected, and prepared for service 16 sixty-foot coaches for directly operated service and ordered 13 replacement DART vehicles for paratransit service.
- Prepared replacement Vanpool vans for service.

- Transitioned retiring vehicles to contingency fleet, surplus, or transfer as appropriate.
- Prepared fleet for transition to Next Generation ORCA.

Facilities

- Provided support to various departments for the planned remodel of the Kasch Park Casino Road property.
- Provided support for construction project for the Maintenance building expansion.
- Continued to participate in the design, planning, and implementation of the *Swift Orange Line*.
- Completed exterior painting of Kasch Park Building C and the bus wash and steam bay.
- Executed Job Order Contracting projects: Merrill Creek diesel fuel tank valve replacements and Merrill Creek concrete repair at the Operations building.

Equipment

- Completed bracket and wiring upgrades to prepare for Next Generation ORCA equipment.
- Decommissioned and removed land mobile radio equipment from coaches and support vehicles.

Department Priorities for 2022

- Provide support for accomplishing the corporate Transit Asset Management (TAM) plan. This includes purchasing, preparing, and maintaining all fixed facilities and vehicles. Specifics are included in the divisional plans.
- Install and support Drive Cam on the entire coach fleet.
- Research additional ways to make transit safer for our customers.
- Continue to provide safe, cleaned, disinfected, and reliable vehicles and facilities for customers and staff.
- Increase cleaning and disinfecting of vehicles, support service, employees, and facility changes as Community Transit grows and provides recovering services.
- Install Next Generation ORCA equipment on all coaches.
- Install air purification system on all revenue vehicles.
- Support agency efforts in zero-emission feasibility study.

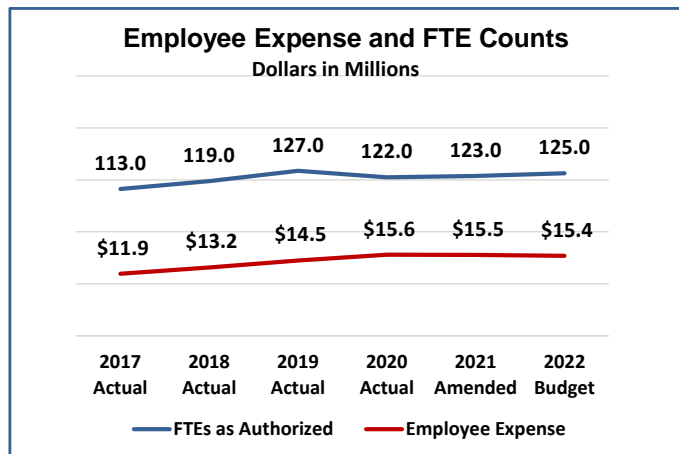
Maintenance Department 2022 Budget

Community Transit’s prime mission is to help people get from where they are to where they want to be. The Maintenance Department supports this mission by providing safe, well-maintained vehicles and facilities.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	9,542,444	10,452,473	10,402,895	10,356,856	(46,039)	0%
Benefits	4,932,445	5,122,688	5,126,513	5,020,985	(105,528)	-2%
Subtotal: Employee Expense	14,474,889	15,575,161	15,529,408	15,377,841	(151,567)	-1%
Services	2,701,000	2,722,731	3,100,969	3,249,930	148,961	5%
Intergovernmental Services	52,293	55,778	55,000	69,600	14,600	27%
Supplies	5,515,374	4,883,393	5,718,163	6,122,600	404,437	7%
Total Operating Expense	22,743,556	23,237,063	24,403,540	24,819,971	416,431	2%

Salaries, Wages, and Benefits

The Maintenance Department is the second largest department in the agency. Salaries, wages, and benefits are the largest cost factor in this department, comprising 62 percent of the department’s total budget. The 2021 original budget authorized 122 FTEs for the Maintenance Department. One vehicle service attendant was restored midyear. The 2022 budget funds 125 FTEs and adds two FTEs to Facilities Maintenance: One to Facilities Maintenance Tech II and one to Facilities Maintenance Tech I.



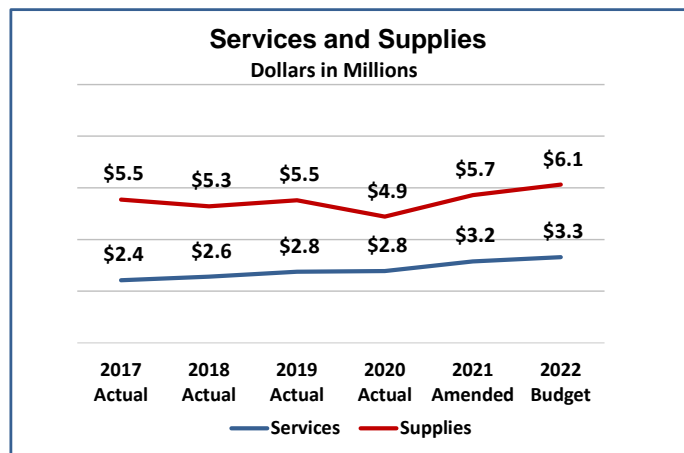
Community Transit has always had a capital program. However, with changes in regional transit priorities, expansion of light rail into Snohomish County, the increasing use of and need for technological solutions, and implementation of the agency facilities master plan, the agency’s capital program has expanded. In prior years, all employee expense was budgeted in the General Fund (Fund 40) which provides for operational expenses. The chart above shows all FTEs, but the expense element displays only operating expense. Starting in 2022, a portion of employee expense will be budgeted through various funds in the capital program. This redistribution more accurately reflects employee expense associated with operations and with

the agency capital program. The next table shows total employee expense in both the operational fund (Fund 40) and the various capital funds. Capital expense distribution was developed based on employee time spent working on capital projects. In the Maintenance Department, only a portion of one FTE was redistributed to a capital fund. Total Maintenance employee expense decreased by \$87,000, which can be attributed to employee turnover.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	14,474,889	15,575,161	15,529,408	15,377,841	(151,567)	-1%
Fund 45 Employee Expense				64,364	64,364	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	14,474,889	15,575,161	15,529,408	15,442,205	(87,203)	-1%

Services

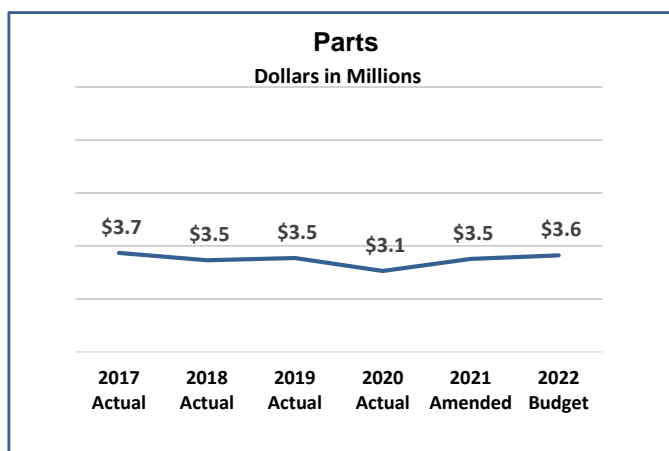
Utilities and contract maintenance services are the primary cost drivers in the services category for the Maintenance Department. Utility costs comprise 26 percent of the services budget and amount to about \$850,000, a decrease of about \$15,000 as compared to the 2021 budget. The decrease can be attributed in part to less utility usage because so many employees have been working from home.



The other large cost driver within the Maintenance Department service budget is contract maintenance, which makes up 70 percent of the department’s services budget. The 2022 budget for contract maintenance is \$2.3 million, an increase of slightly less than \$203,000 as compared to the 2021 amended budget. Janitorial services for bus stops and shelters, cleaning and disinfecting the interior of vehicles, and building janitorial services are the largest expenses, totaling more than \$1.3 million, or 57 percent, of the entire contract maintenance budget. Hazardous waste disposal, snow removal, and job order contracting for unanticipated and emergency repairs comprise 16 percent of the contract maintenance budget. The remainder of the contract maintenance budget funds landscaping and lot sweeping services pest control services, portable rest room services, as well as inspections, monitoring, and service for elevators, the HVAC system, hoist and crane lifts, underground storage tanks, and more.

Supplies

The supply category includes motor fuel for support vehicles; oil, lubricants, parts, and tires for all vehicles; and general maintenance supplies. The 2021 budget for support vehicle motor fuel was \$221,000 for approximately 98,000 gallons of gasoline at \$2.25 per gallon. The 2022 budget is \$285,000 for 95,000 gallons of gasoline at \$3.00 per gallon. The vehicle parts budget comprises 59 percent of the supplies budget and is the largest line item in that category. Parts are budgeted at \$3.6 million, an increase of about \$134,000 as compared to the 2021 budget.



Intergovernmental Services

The Maintenance Department includes a small intergovernmental services budget that covers expenditures associated with permits, other government fees, and surface water management assessments. The 2022 budget for these fees amounts to \$70,000.

Maintenance Department Budget Center Summary

This summary compares each budget center's 2022 budget to its 2021 amended budget.

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
67061	General Shop	13,459,977	13,787,097	14,189,822	14,199,342	9,520	0%
67062	Maintenance Support	1,545,742	1,463,201	1,773,071	1,749,938	(23,133)	-1%
67063	Body Shop	684,356	727,781	757,013	753,963	(3,050)	0%
67065	Contracted Commuter Vehicles	168,345	156,810	195,000	211,500	16,500	8%
67066	Automotive Maintenance	1,358,587	1,521,925	1,421,322	1,453,087	31,765	2%
67067	Maintenance Administration	524,797	542,809	503,942	462,135	(41,807)	-8%
67125	Facilities Maintenance	5,001,753	5,037,440	5,563,370	5,990,006	426,636	8%
Total Operating Expense		22,743,557	23,237,063	24,403,540	24,819,971	416,431	2%

Discussions of each division's budget and 2022 priorities follow.

Maintenance Administration Division

The Maintenance Administration Division supports the day-to-day operations of Community Transit. The maintenance of all vehicles is a continuous and challenging endeavor, and the division’s efforts focus on providing staff and customers with a quality product each and every day. The Maintenance Administration Division provides general management and guidance for the department, major project and vehicle purchase management, and administrative support.

Maintenance Administration 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	363,987	400,371	355,015	318,496	(36,519)	-10%
Benefits	137,259	133,386	140,827	117,659	(23,168)	-16%
Subtotal: Employee Expense	501,246	533,757	495,842	436,155	(59,687)	-12%
Services	23,342	8,757	7,400	25,280	17,880	242%
Supplies	209	295	700	700	-	0%
Total Operating Expense	524,797	542,809	503,942	462,135	(41,807)	-8%

Personnel expenditures constitute 94 percent of this budget. Travel has been limited to participate in the American Public Transit Association (APTA) Maintenance Roadeo team event should it occur in 2022.

Maintenance Administration 2021 Accomplishments

- Prepared for the integration of the Next Generation ORCA system into the fleet.
- Directed the purchase and delivery of buses and support vehicles.
- Ordered and managed the production and place into service 13 DART vehicles and 8 sixty-foot coaches. The 8 sixty-foot coaches will be delivered at the end of 2021 and the beginning of 2022.
- Directed, coordinated, and managed the activities of the Maintenance Department. Worked with and supported projects and activities of other departments in the company.
- Directed the purchase and managed the expansion of our Diesel Exhaust Fluid storage capabilities, so we are prepared to support the fleet.
- Directed, coordinated, and managed the heavy-duty bus request for proposals (RFP) process for the next five-year contract of forty-, sixty- and sixty-foot bus rapid transit buses.
- Directed and coordinated with other departments on the air purification RFP.

Maintenance Administration 2022 Priorities

- Direct the purchase and delivery of buses and support vehicles.
- Direct, coordinate, and manage the activities of the Maintenance Department. Work with and support projects and activities of other departments in the company.
- Place into service any remaining vehicles from 2021 order of 8 sixty-foot coaches.
- Prepare and manage Kasch Park Operating Base farebox replacement project.
- Manage production and place into service 13 paratransit vehicles. Order 11 paratransit vehicles for 2023 delivery.
- Prepare and manage the installation of Next Generation ORCA equipment in preparation for the cutover.
- Order and manage pre-production of 12 forty-foot coaches and 21 bus rapid transit coaches.
- Oversee installation of air purification system on all revenue vehicles.

Vehicle Maintenance Division

The Vehicle Maintenance Division includes five budget centers.

Automotive Maintenance

Automotive Maintenance staff perform preventive and corrective maintenance on all vehicles other than coaches, including vanpool vehicles and equipment. This includes oil changes, brakes, transmission overhauls, and other minor engine repairs. They also oversee maintenance performed by our contracted paratransit service provider.

Body Shop

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

Contracted Commuter Vehicles

Contracted Commuter Vehicles budget provides funds for oil and special coach parts for our contracted commuter coach service.

General Repair Shop

Employees in the General Repair Shop perform preventive and corrective maintenance on all coaches and oversee maintenance performed by our contracted services provider.

Maintenance Support

Maintenance Support employees provide fleet project support, electronic maintenance, and rebuild of major and minor coach components, from fans to engines and transmissions.

Vehicle Maintenance 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
67061	General Shop	13,459,977	13,787,097	14,189,822	14,199,342	9,520	0%
67062	Maintenance Support	1,545,742	1,463,201	1,773,071	1,749,938	(23,133)	-1%
67063	Body Shop	684,356	727,781	757,013	753,963	(3,050)	0%
67065	Contracted Commuter Vehicles	168,345	156,810	195,000	211,500	16,500	8%
67066	Automotive Maintenance	1,358,587	1,521,925	1,421,322	1,453,087	31,765	2%
Total Operating Expense		17,217,007	17,656,814	18,336,228	18,367,830	31,602	0%

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	7,499,995	8,230,510	8,227,358	8,060,507	(166,851)	-2%
Benefits	3,974,306	4,163,782	4,119,188	3,993,623	(125,565)	-3%
Subtotal: Employee Expense	11,474,301	12,394,292	12,346,546	12,054,130	(292,416)	-2%
Contract Maintenance Services	497,469	528,784	633,219	648,800	15,581	2%
Other Services	33,195	131,350	42,000	45,000	3,000	7%
Motor Fuel - Support Vehicles	232,909	176,451	223,950	286,650	62,700	28%
Maintenance Supplies	1,391,059	1,350,588	1,561,713	1,670,150	108,437	7%
Parts	3,542,262	3,058,863	3,508,400	3,642,100	133,700	4%
Other Supplies	45,812	16,486	20,400	21,000	600	3%
Total Operating Expense	17,217,007	17,656,814	18,336,228	18,367,830	31,602	0%

Capital employee expense is related to federally funded bus procurements.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	11,474,301	12,394,292	12,346,546	12,054,130	(292,416)	-2%
Fund 45 Employee Expense				64,364	64,364	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	11,474,301	12,394,292	12,346,546	12,118,494	(228,052)	-2%

The most significant elements of this budget are employee expense which amounts to 66 percent of the budget and parts and other supplies which together amount to 29 percent of the budget. The 2022 budget adds no FTEs to the Vehicle Maintenance Division.

Diesel fuel is budgeted separately and not included in this division.

Vehicle Maintenance 2021 Accomplishments

- Planned and coordinated for building maintenance and construction requirements and changes to accommodate the expansion of the Merrill Creek Maintenance facilities.
- Maintained the directly operated coach fleet to reliably operate approximately 9,100,000 miles during the year.
- Provided oversight (safety inspections) of commuter and paratransit vehicles maintained and operated by our contracted service providers.
- Received, inspected, and prepared for service 16 sixty-foot coaches for directly operated service and 13 replacement DART vehicles for paratransit service.
- Prepared replacement Vanpool vans for service.
- Transitioned retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Prepared fleet for transition to Next Generation ORCA.
- Planned to install and maintain the Next Generation ORCA system, however region timeline has been adjusted so this will take place in 2022.
- Planned to install Drive Cam equipment in coaches, however timeline for project has been adjusted for start in 2022.

Vehicle Maintenance 2022 Priorities

- Plan and coordinate for building maintenance and construction requirements, activities, and changes to accommodate the expansion of the Merrill Creek Maintenance facilities.
- Maintain the directly operated coach fleet to reliably operate approximately 9,500,000 miles during the year.
- Provide oversight (safety inspections) of commuter and paratransit vehicles maintained and operated by our contracted service providers.
- Receive, inspect, and prepare for service 13 replacement DART vehicles for paratransit service.
- Prepare replacement Vanpool vans for service.
- Transition retiring vehicles to contingent fleet, surplus, or transfer as appropriate.
- Install and maintain the Next Generation ORCA system as carried over from 2021.
- Install Drive Cam equipment in coaches as carried over from 2021.

Facilities Maintenance Division

Facilities Maintenance staff maintain and repair Community Transit assets such as property, buildings, major equipment, park-and-ride lots, bus shelters, and bus stops. The Facilities Maintenance Division delivers on the core values of the agency by providing employees and customers with a clean and safe environment while working at or using Community Transit services.

Facilities Maintenance 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	1,678,462	1,821,592	1,820,522	1,977,853	157,331	9%
Benefits	820,881	825,520	866,498	909,703	43,205	5%
Subtotal: Employee Expense	2,499,343	2,647,112	2,687,020	2,887,556	200,536	7%
Contract Maintenance Services	1,364,048	1,274,250	1,481,500	1,668,500	187,000	13%
Utilities	724,101	718,983	865,000	850,000	(15,000)	-2%
Other Services	58,845	60,607	71,850	12,350	(59,500)	-83%
Intergovernmental Services	52,293	55,778	55,000	69,600	14,600	27%
Maintenance Supplies	294,287	268,482	390,000	489,000	99,000	25%
Other Supplies	8,836	12,228	13,000	13,000	-	0%
Total Operating Expense	5,001,753	5,037,440	5,563,370	5,990,006	426,636	8%

In 2022 Facilities Maintenance will add two FTEs to support the opening of the Kasch Park Casino Road building and increase our ability to maintain our local route shelter program. We also had increases of \$20,000 for the parking lot sweeping contract and \$40,000 for our janitorial services with the addition of the Kasch Park Casino Road building in 2022. We are continuing additional services for COVID for janitorial and *Swift* station disinfecting. It is important to note that reacting to the pandemic increased expenses in most areas, and we are seeing increases in material cost from all of our suppliers. The end result is an 8 percent increase in the 2022 budget.

Facilities Maintenance 2021 Accomplishments

- Provided support to various departments for the planned remodel of the Kasch Park Casino Road property.
- Provided support for construction project for the Maintenance building expansion.

- Continued to participate in the design, planning and implementation of the *Swift Orange Line*.
- Completed exterior painting of Kasch Park Building C and the bus wash and steam bay.
- Executed Job Order Contracting projects for the Merrill Creek diesel fuel tank valve replacements and the Merrill Creek concrete repair at the Operations building.

Facilities Maintenance 2022 Priorities

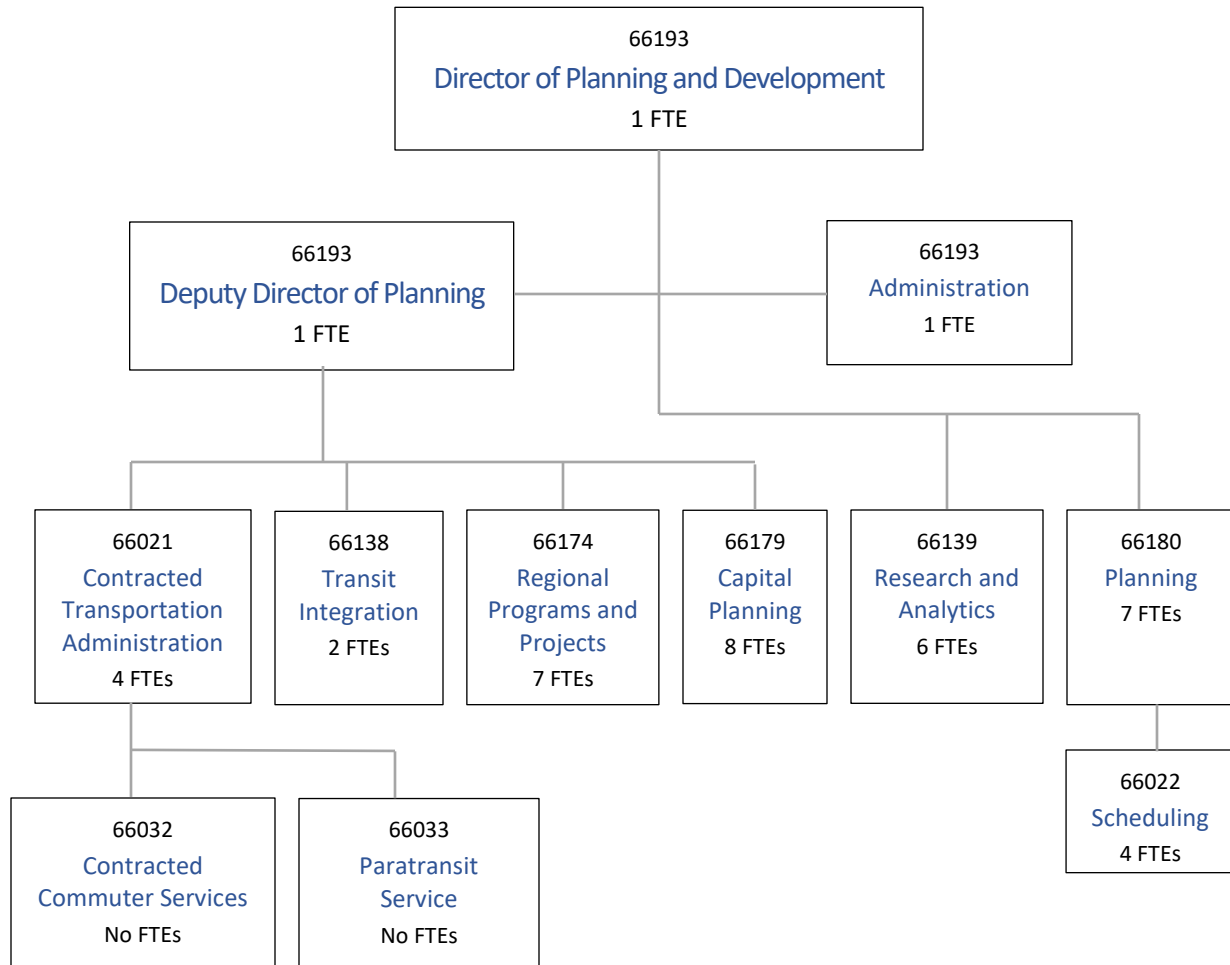
- Provide support for the transition of employees to the Kasch Park Casino Road building.
- Provide support for the Merrill Creek Maintenance building expansion project (continued from 2021).
- Provide support for the remodel of the Administration Building and Training Center.
- Participate in the design, planning, and implementation of the *Swift Orange Line* (continued from 2021).
- Increase the maintenance on the local route shelters to provide the customers with clean, safe stops.
- Execute Job Order Contract projects to maintain our facilities in a state of good repair. Update the unleaded fuel pumps at both bases and evaluate the Kasch Park Building A HVAC system for potential replacement.

Planning and Development Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

10 Budget Centers

41 FTEs



Planning and Development Department

Planning and Development Department staff provide for research and analysis to understand customer needs and help drive service innovation; plan services to efficiently meet those needs; manage near-term and long-range planning initiatives; ensure integration with partner transportation agencies; manage financial modeling for long-term sustainability; design, construct, and preserve major capital facilities; plan the buildout of the *Swift* bus rapid transit network; secure and administer grant funding; and manage commuter bus and DART service contracts.

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

Major Department Accomplishments for 2021

- Supported contractors in a dynamic service environment, responding to changes related to the COVID-19 pandemic, Lynnwood Link extension construction activities, and connection to Link light rail at Northgate.
- Completed an extension of the Sound Transit ST Express Operations agreement.
- Coordinated internally and with partner agencies on the October 2, 2021, opening of the Northgate Station for Link Light Rail. Facilitated internal and external working groups to address operational, capital, planning, training, and safety concerns. Organized on-site operational testing of new transit center for Community Transit and Sound Transit bus services. Designed schedules and run-cut of driver work assignments integrating 800-series bus routes with light rail. Participated in successful launch of service changes.
- Designed service changes and created schedule and run-cut of driver work assignments for March 2021, October 2021, and March 2022.
- Completed first phase of development and public outreach for 2024 multimodal service plan, describing integration of fixed-route services with Lynnwood Link light rail and incorporation of innovative new service options. Framework shared with Board in September 2021.
- Completed 2021-2026 Transit Development Plan (TDP) update. Conducted public outreach and secured Board adoption in September 2021.
- Supported the City of Everett's Re-Think Everett Transit study of future options for provision of transit service in the city.
- Coordinated with Sound Transit to ensure integration of Community Transit operational and customer requirements into Lynnwood Link extension, Everett Link extension and Stride bus

rapid transit projects. Worked to minimize and mitigate project construction impacts on Community Transit customers and services.

- Continued to drive agencywide coordination of research in support of innovation and improvement of products and services.
- Conducted two customer “pulse” surveys (February and August) to understand changes in customer and noncustomer attitudes and perceptions toward and about public transit during the COVID-19 pandemic and customer barriers to using Community Transit services.
- Developed special reporting tools to support Community Transit’s COVID-19 pandemic response, including dashboards to monitor passenger capacity on buses, tracking customer mask compliance, and tracking employee COVID-19 testing and case counts.
- Advanced the *Swift* Orange Line project, completing project development, 100 percent design, acquisition of right-of-way, and award of a \$37.17 million Federal Transit Administration (FTA) Capital Investment Small Starts grant. Project is ready for construction.
- Began design and engineering for Phase 1 of the *Swift* Blue Line expansion project.
- Obligated all federal Coronavirus Aid, Relief, and Economic Security Act (CARES) and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), stimulus funds. Coordinated on final obligation of American Rescue Plan Act (ARPA) stimulus funding.
- Advanced the Facility Master Plan program for upgrade and expansion of operating and administrative facilities. Substantially completed construction for Phase 1 (Kasch Park Casino Road Administration Building), 100 percent design of Phase 2 (the Administration Building at the Merrill Creek Operating Base (MCOB) Administration Building will become the new Transportation headquarters), initiated construction on Phase 3A (MCOB Maintenance and Body Shop), acquired property and began design for Phase 5 (vehicle storage and training), and started design on Phase 6 (Ridestore remodel).
- Began light emitting diode (LED) lighting project at park-and-ride facilities to upgrade all lighting.

Department Priorities for 2022

- Provide safe, reliable commuter service transportation for Snohomish County.
- Provide safe and reliable transportation for those with disabilities who cannot use our fixed route system.
- Create schedule and run-cut of driver work assignments for September 2022 and March 2023 service changes.

- Update agency's four-year Transit Asset Management (TAM) plan and required asset management analysis.
- Complete final development and public outreach of 2024 multimodal service plan, including the implementation of integration of fixed-route services with Lynnwood Link light rail and incorporation of innovative new alternative services. Complete public outreach and secure Board adoption.
- Develop 2022-2027 Transit Development Plan, including the draft service plan for 2024 and *Swift* Gold Line service in 2027. Conduct public outreach and secure Board adoption.
- Complete development of Community Transit's updated Long-Range Plan. Board adoption of final plan targeted for the first quarter of 2023.
- Partner with the City of Everett to develop an implementation plan for the potential Growth Through Consolidation option for future provision of transit in Everett.
- Coordinate with Sound Transit to ensure integration of Community Transit operational and customer requirements into the Lynnwood Link extension, Everett Link extension and Stride bus rapid transit projects. Work to minimize and mitigate project construction impacts on Community Transit customers and services.
- Conduct customer experience tracking surveys to understand Community Transit's customers (including nonriders), their needs, and their barriers to using Community Transit services. These surveys will also focus on the evolving needs of Community Transit customers specific to the COVID-19 pandemic.
- Conduct customer segmentation research to guide marketing strategies and inform system planning.
- Award all contracts for the *Swift* Orange Line project and begin construction activities.
- Complete design and engineering for the *Swift* Blue Line expansion project.
- Begin scoping study for the *Swift* Gold Line project.
- Pursue state and other federal funds for continued buildout of the *Swift* bus rapid transit program and other agency initiatives.
- Continue to advance the Facility Master Plan (FMP) program for upgrade and expansion of operating and administrative facilities. Complete construction of FMP Phase 1—Kasch Park Casino Road and move administrative staff to new headquarters. Begin construction on FMP Phase 2—MCOB Administration Building. Continue FMP Phase 3a -MCOB operations, maintenance, and body shop construction. Start design on FMP Phase 3B—MCOB operations office renovation. Begin construction of FMP Phase 5 - new vehicle storage and training facility. Advance design on FMP Phase 6—Ridestore—and continue coordination with agency partners.
- Begin design on Lake Stevens Park & Ride refresh.

- Begin construction on *Swift* Orange Line.
- Expand bus stop program.

Planning and Development Department 2022 Budget

The Planning and Development Department budget and work program support agency priorities in four primary areas:

- Provide easy access and connectivity to Link light rail by building out the *Swift* network and designing high quality fixed-route and new service options to connect and integrate with Link light rail at Lynnwood in 2024.
- Innovate to improve products and services that make travel easy and safe for all by engaging the agency, partners, and community in long-range planning to guide the future direction of Community Transit; studying options for zero emission vehicle technology and conversion of all or part of our fleet; implementing a robust agencywide program of customer research and performance assessment to inform development of innovative products and services; overseeing delivery of more than 200,000 hours of contracted bus and paratransit service; and strive for improved customer experience in all functions.
- Modernize and expand our base facilities to support growth by advancing all phases of the Facilities Master Plan project.
- Invest in the employee experience by ensuring that design of the Facilities Master Plan project provides a quality work environment to enhance the employee experience.

This table shows the complete department budget, including contracted transportation services. The contracted transportation budget is based on negotiated contract rates and is the largest element in this department’s budget.

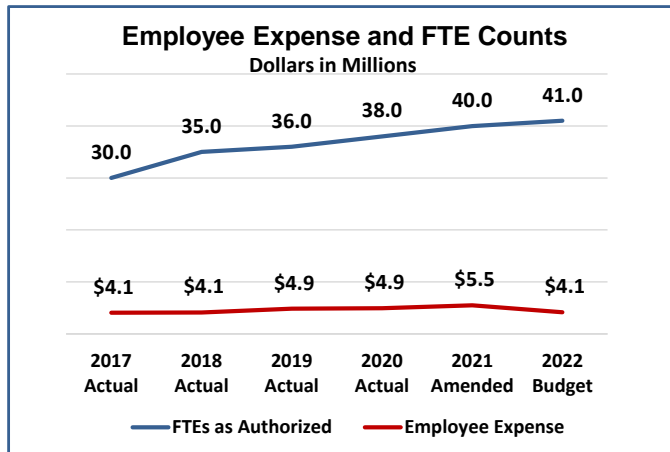
	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	3,520,553	3,642,062	3,964,159	3,008,830	(955,329)	-24%
Benefits	1,339,343	1,301,642	1,518,937	1,127,080	(391,857)	-26%
Subtotal: Employee Expense	4,859,896	4,943,704	5,483,096	4,135,910	(1,347,186)	-25%
Services	398,234	651,070	949,180	1,253,230	304,050	32%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Contracted Transportation	29,539,633	32,488,901	30,518,225	30,909,311	391,086	1%
Supplies	223	3,180	950	1,000	50	5%
Total Operating Expense	34,808,986	38,097,855	36,962,451	36,310,451	(652,000)	-2%

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

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	3,520,553	3,642,062	3,964,159	3,008,830	(955,329)	-24%
Benefits	1,339,343	1,301,642	1,518,937	1,127,080	(391,857)	-26%
Subtotal: Employee Expense	4,859,896	4,943,704	5,483,096	4,135,910	(1,347,186)	-25%
Services	398,234	651,070	949,180	1,253,230	304,050	32%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Supplies	223	3,180	950	1,000	50	5%
Total Operating Expense	5,269,353	5,608,954	6,444,226	5,401,140	(1,043,086)	-16%

To enable analysis of year-over-year changes to this department’s budget, discussions concerning employee expense, services, intergovernmental services, and supplies exclude expenses in the contracted paratransit and commuter services budget centers.

Salaries, Wages, and Benefits



The 2022 budget adds one FTE over the 2021 amended budget. Overall, employee expense accounts for 77 percent of the Planning and Development Department budget. However, the Planning and Development budget shows a reduction of more than \$1.3 million in employee expense. The chart at left shows all FTEs, but the expense element displays only operating expense.

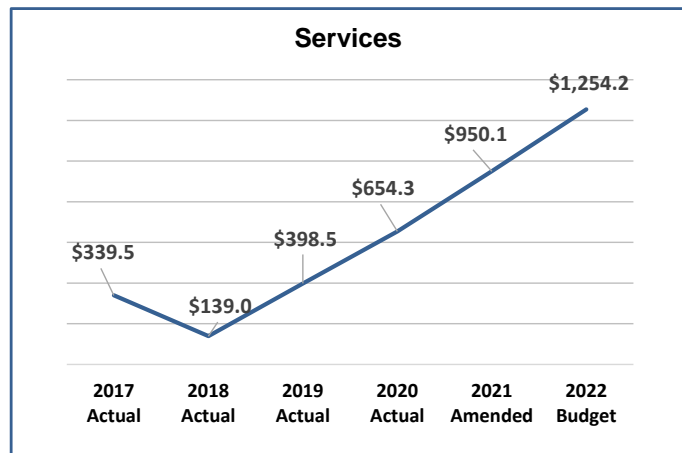
In recognition of the size and scope of the agency’s capital program—the largest in agency history—the Executive Leadership Team decided to redistribute some portion of employee expense from the General Fund (Fund 40) which funds all operating expense to other funds which support the agency’s capital program. Starting in 2022 a portion of employee expense is budgeted through various funds in the capital program. This redistribution more accurately reflects employee expense associated with operations and with the agency capital program. The next table shows total employee expense for the Planning and Development Department in both the operational fund (Fund 40) and the various capital funds. Overall, employee expense across all funds has increased by 11 percent

due to the addition of two FTEs in mid-2021 and the addition of one FTE effective with the adoption of the 2022 budget.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	4,859,896	4,943,704	5,483,096	4,135,910	(1,347,186)	-25%
Fund 45 Employee Expense				803,144	803,144	n/a
Fund 46 Employee Expense				139,517	139,517	n/a
Fund 48 Employee Expense				1,008,884	1,008,884	n/a
Total Personnel Expense	4,859,896	4,943,704	5,483,096	6,087,455	604,359	11%

Services

The services category comprises 23 percent of the total department budget. Professional services account for more than \$1.0 million (83 percent) of the services category. Professional services are budgeted for the long-range plan, several customer-focused surveys, assistance with financial modeling, support for Link light rail, travel training and eligibility assessments for customers who use paratransit service, and evaluation of *Swift Green Line/Highway 99* security and safety improvements. Leased space to park unused vanpool vans amounts to \$178,000 (14 percent) of the services category. The remaining budget in this category funds park-and-ride lot agreements, and a variety of miscellaneous expenses such as public notices required by state and national environmental policy acts, professional memberships for planning staff certified in such fields as construction management, and printing services for architectural drawings and public notices.



Intergovernmental Services

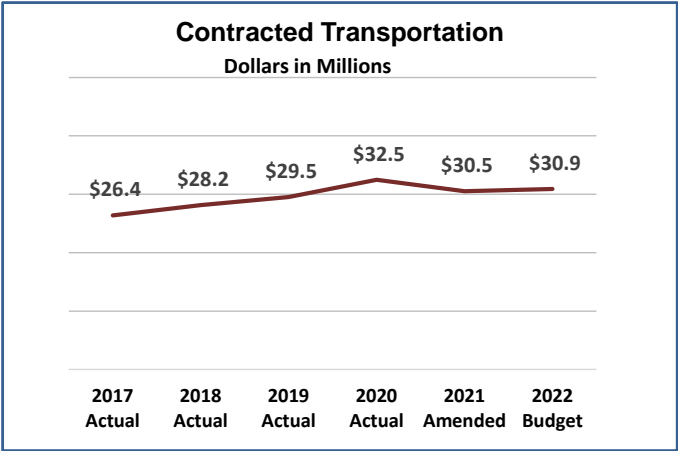
A small intergovernmental services budget (included in the Services chart) of \$11,000 covers expenditures associated with the Snohomish County Transportation Coalition agreement.

Supplies

The items budgeted for in the supply category include cost, code, and industry standard publications used in construction projects as well for general transit planning.

Contracted Transportation

Contracted transportation is the largest expense in the Planning and Development budget. Community Transit contracts with First Transit to provide most commuter bus services. Sound Transit contracts with Community Transit to provide Sound Transit’s ST Express bus service. Community Transit further contracts this service out to First Transit. DART paratransit service is contracted to Transdev, Inc.



Community Transit’s 2022 commuter bus service contract amounts to approximately \$7.0 million; for DART service, the 2022 contract is valued at \$9.0 million; and for Sound Transit ST Express bus service, the contract is valued at \$14.9 million, for a total contracted services budget of \$30.9 million. The contracted transportation budget reflects negotiated contract rates as well as the number of service hours operated. The reduction in contracted services expenses anticipated for 2021 and 2022 reflects service reductions due to the COVID-19 pandemic.

Planning and Development Division Summary

This summary compares each budget center's 2022 budget to its 2021 amended budget.

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
66021	Contract Transportation Administration	561,337	590,575	597,343	598,286	943	0%
66022	Scheduling	507,792	416,019	452,380	508,823	56,443	12%
66032	Contract Commuter Service	21,596,103	23,203,102	22,975,623	21,907,511	(1,068,112)	-5%
66033	Paratransit Service	7,979,563	9,334,554	7,602,602	9,061,800	1,459,198	19%
66138	Transit Integration	0	0	485,019	482,304	(2,715)	-1%
66139	Research and Analytics	0	0	969,492	1,119,470	149,978	15%
66174	Regional Programs and Projects	836,790	985,325	808,644	340,443	(468,201)	-58%
66179	Capital Development	1,198,598	1,198,378	1,231,474	350,751	(880,723)	-72%
66180	Planning	1,743,810	1,854,881	1,263,046	1,514,966	251,920	20%
66193	Planning and Development Administration	384,994	515,021	576,828	426,097	(150,731)	-26%
<i>Total Operating Expense</i>		<i>34,808,987</i>	<i>38,097,855</i>	<i>36,962,451</i>	<i>36,310,451</i>	<i>(652,000)</i>	<i>-2%</i>

Discussions of each division's 2022 budget and 2022 priorities follow.

Planning and Development Administration Division

The Planning and Development Administration Division provides executive management direction to the department and its division managers. Staff direct the work program and ensure appropriate staffing, budgets, and strategic alignment; they also provide support to the CEO with specific emphasis on matters of planning, research, service contracts, and regional coordination. The division head serves as executive sponsor for the Strategic Alignment & Capital Development Committee, the Snohomish County Transportation Coalition, the development of the *Swift* program, and the Master Plan expansion.

Planning and Development Administration 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	296,584	369,563	416,375	307,265	(109,110)	-26%
Benefits	76,612	132,931	148,303	106,682	(41,621)	-28%
Subtotal: Employee Expense	373,196	502,494	564,678	413,947	(150,731)	-27%
Services	797	1,468	1,150	1,150	-	0%
Intergovernmental Services	11,000	11,000	11,000	11,000	-	0%
Supplies	-	59	-	-	-	n/a
Total Operating Expense	384,993	515,021	576,828	426,097	(150,731)	-26%

This budget center included three FTEs in 2021. No changes to staff are anticipated in the 2022 budget. A portion of employee expense was transferred from operational expense to capital expense as demonstrated in the next table.

	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Fund 40 Employee Expense	373,196	502,494	564,678	413,947	(150,731)	-27%
Fund 45 Employee Expense				146,224	146,224	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				31,330	31,330	n/a
Total Personnel Expense	373,196	502,494	564,678	591,501	26,823	5%

Key priorities in 2022 include providing guidance and oversight for the agency's overall service and capital project implementation to connect with Lynnwood Link light rail in 2024; study of zero emission fleet technologies; and leading Community Transit's joint development of a Growth Through Consolidation implementation plan with Everett Transit to inform the city's decision making regarding the future of transit service in Everett.

Planning and Development Administration 2021 Accomplishments

- Ensure development of sustainable and integrated service plans that leverage *Swift* and Link light rail implementations and prepare the agency for 2024.
- Encourage development of research and analytics to support the agency wide priority on innovation and improvement of products and services.

- Oversee the Facility Master Plan expansion to provide the capacity for growth of fleet, staff, and services.
- Oversee coordination with the City of Everett in their Re-Think Everett Transit study.
- Ensure strategic alignment of work plans with agency vision and priorities.
- Champion partnerships and integration opportunities that deliver the best outcomes for our region, including the 2021 integration of commuter bus service with Link light rail at Northgate
- Support and oversee DART paratransit and commuter bus service provider contracts.
- Advance development of *Swift Orange* and Blue Lines to feed Link light rail by 2024.
- Initiate Zero Emission Technology Feasibility Study to consider strategies for agency transition to new technologies.

Planning and Development Administration 2022 Priorities

- Ensure development of sustainable and integrated service plans that leverage *Swift* and Link light rail implementations and prepare the agency for 2024.
- Continue development of research and analytics to support the agency wide priority on innovation and improvement of products and services.
- Oversee the Facility Master Plan expansion to provide the capacity for growth of fleet, staff, and services.
- Facilitate continued coordination with the City of Everett in their Re-Think Everett Transit study.
- Ensure strategic alignment of work plans with agency vision and priorities.
- Champion partnerships and integration opportunities that deliver the best outcomes for our region.
- Support and oversee DART paratransit service provider and Commuter contractor in the provision of service.
- Advance construction of *Swift Orange* and Blue Lines to feed Link light rail by 2024.
- Guide Zero Emission Technology Feasibility Study to consider strategies for agency transition to new technologies.

Capital Development Division

The Capital Development Division is responsible for the development and delivery of park-and-ride facilities, transit centers, bus rapid transit corridors, transit base facilities, and improvements related to updating these facilities. The division evaluates, prioritizes, and manages capital projects; refurbishes and carries out upgrades necessary to preserve existing facilities; assesses and reports on current facility conditions and future agency needs; and facilitates engineering assistance within the agency. Division staff manage the locations of bus stops, shelters, and leased parking facilities and maintain data associated with these locations to ensure safe, convenient, and cost-effective access to services. Additionally, division staff interact with other agencies and jurisdictions to collaborate, review, and partner on infrastructure projects.

Capital Development 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	796,110	832,627	707,607	107,500	(600,107)	-85%
Benefits	300,453	298,701	259,187	39,471	(219,716)	-85%
Subtotal: Employee Expense	1,096,563	1,131,328	966,794	146,971	(819,823)	-85%
Services	101,813	66,669	263,730	202,780	(60,950)	-23%
Supplies	223	381	950	1,000	50	5%
Total Operating Expense	1,198,599	1,198,378	1,231,474	350,751	(880,723)	-72%

This division includes eight FTEs. No additional staff are planned for 2022. Rental expense budgeted in the services category portion of this budget remains high in 2022 due to leasing and storage expenses for a significant number of excess vanpool vans. Vanpool ridership declined in 2020 due to the COVID-19 pandemic, and vans no longer in use must be parked in a secure location. None of the agency bases have the capacity on-site to store the excess vans.

Within the Planning and Development Department, the Capital Development Division was most impacted by the redistribution of employee expense from operational to capital as demonstrated by the 85 percent reduction in employee expense. The next table shows the distribution of employee expense across both operational and capital funds.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	1,096,563	1,131,328	966,794	146,971	(819,823)	-85%
Fund 45 Employee Expense				-	-	n/a
Fund 46 Employee Expense				139,517	139,517	n/a
Fund 48 Employee Expense				977,554	977,554	n/a
Total Personnel Expense	1,096,563	1,131,328	966,794	1,264,042	297,248	31%

Capital Development 2021 Accomplishments

- Construction for Facilities Master Plan (FMP) Phase 1, Kasch Park Casino Road New Administrative Building, continues on schedule and within budget for move-in Q1 2022.
- Completed 100 percent design for Facilities Master Plan (FMP) Phase 2, MCOB Administration Building.
- Completed design for FMP Phase 3A, MCOB Operations, Maintenance, and Body Shop. Construction began in Q3 2021.
- Acquired property and began design for FMP Phase 5, Vehicle Storage and Training Facility.
- Began design on FMP Phase 6, Ridestore Remodel.
- Began LED lighting project at park-and-ride facilities to upgrade all lighting.

Capital Development 2022 Priorities

- Complete construction of FMP Phase 1—Kasch Park Casino Road and move administrative staff to new headquarters.
- Begin construction on FMP Phase 2—MCOB Administration Building.
- Continue FMP Phase 3a—MCOB operations, maintenance, and body shop construction.
- Start design on FMP Phase 3B—MCOB operations office renovation.
- Begin construction of FMP Phase 5—new vehicle storage and training facility.
- Advance design on FMP Phase 6—Ridestore—and continue coordination with agency partners.
- Begin design on Lake Stevens Park & Ride refresh.
- Begin construction on *Swift* Orange Line.
- Expand Bus Stop program.

Contracted Transportation Division

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

Contracted Transportation Administration

The Contracted Transportation Division is responsible for development, administration, and oversight of Community Transit’s major transportation contracts including intercounty commuter bus service, paratransit service, and Sound Transit ST Express bus service.

The team provides and contracts for travel training for seniors and persons with disabilities. They work closely with schools, senior centers, colleges, and individuals within Snohomish County, both with and without special needs, to educate individuals on how to ride transit. The division also works with the Snohomish County Transportation Coalition to develop a more coordinated transportation system.

Contracted Commuter Service

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

Paratransit Service

In compliance with the Americans with Disabilities Act (ADA), division staff provide DART paratransit service operated through a contract with Transdev Services, Inc. The budget includes service delivery, as well as eligibility determination and travel instruction. Travel instruction is designed to enable customers with special needs to use the fixed-route network to the greatest extent possible with the goal of reducing their reliance on DART service.

Contracted Transportation 2022 Budget

This table shows all budget centers in this division.

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
66021	Contract Transportation Administration	561,337	590,575	597,343	598,286	943	0%
66032	Contract Commuter Service	21,596,103	23,203,102	22,975,623	21,907,511	(1,068,112)	-5%
66033	Paratransit Service	7,979,563	9,334,554	7,602,602	9,061,800	1,459,198	19%
Total Operating Expense		30,137,003	33,128,231	31,175,568	31,567,597	392,029	1%

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

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	413,835	432,265	431,650	436,774	5,124	1%
Benefits	146,046	155,860	163,843	159,162	(4,681)	-3%
Subtotal: Employee Expense	559,881	588,125	595,493	595,936	443	0%
Services	107,862	65,361	141,200	62,350	(78,850)	-56%
Purchased Transportation	29,539,633	32,488,901	30,518,225	30,909,311	391,086	1%
Supplies	-	2,740	-	-	-	n/a
Total Operating Expense	30,207,376	33,145,127	31,254,918	31,567,597	312,679	1%

This table shows expenses by budget category, but only for budget center 66021. Expenses in this table exclude those attributable to purchased transportation contracts.

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	413,835	432,265	431,657	436,774	5,117	1%
Benefits	146,046	155,860	163,850	159,162	(4,688)	-3%
Subtotal: Employee Expense	559,881	588,125	595,507	595,936	429	0%
Services	1,456	2,450	1,856	2,350	494	27%
Supplies	-	-	3	-	(3)	-100%
Total Operating Expense	561,337	590,575	597,366	598,286	920	0%

The Contracted Transportation Administration budget center includes costs associated with administering three contracted services contracts, essentially 100 percent of which is employee expense. Employee expense in this division is all operational. No employee expense was redistributed to the capital program. The 2021 staffing complement for this division was four full-time equivalent employees (FTEs). Staffing levels remain the same in the 2022 budget.

The Contracted Commuter Services budget center includes the First Transit contract cost of \$21.9 million comprised of \$7.0 million for Community Transit's contracted commuter service and \$14.9 million for ST Express service that Sound Transit contracts with Community Transit to operate and Community Transit sub-contracts to First Transit. The First Transit contract includes a 3.3 percent increase in the base hour rate, as well as a decreased service level equivalent to approximately 80 percent of the March 2020 service hours.

The Paratransit Service budget center includes the service contract cost of \$9.5 million with a fuel credit of \$0.5 million, as well as \$60,000 for travel training services designed to teach people how to use both fixed-route and paratransit services. The 2022 contract represents a significant increase as compared to the 2021 budget due to anticipated increased demand for service post pandemic. The budget was calculated at the full 81,000 contractual hours.

The 2022 budget for fuel (budgeted in the fuel division) estimates diesel fuel at \$2.40 per gallon for diesel for contracted commuter service and \$3.00 per gallon for gasoline for paratransit service.

Contracted Transportation 2021 Accomplishments

- Provided safe, reliable commuter service transportation for Snohomish County.
 - Coordinated service changes due to the opening of the new Mukilteo multimodal ferry terminal.
 - Began direct rail connections at the Northgate Transit Center (Oct. 2021).
 - All coaches prepped/equipped for the launch of Next Generation ORCA in Q3 2021.
- Provided safe and reliable transportation for those with disabilities who cannot use our fixed route system.
 - Provide travel training to those who wish to learn our system to promote independence.
 - Implemented the paratransit mobile app that give the paratransit customers new option to self-service on booking and canceling trips along with real time information about where their bus is in relation with their upcoming trip.
- Using our Mission, Vision and Core Values, look for ways to improve our system, keeping customer service always in mind.
 - Implemented new procedures to audit data in the new paratransit contractor's Ecolane software.
 - Provided an analysis of fuel cost for paratransit to implement cost savings with a new fueling procedure.
- Continue to build partnerships within the industry and our communities—chaired the WSTA Operations Committee

Contracted Transportation 2022 Priorities

- Provide safe, reliable commuter service transportation for Snohomish County.
- Provide safe and reliable transportation for those with disabilities who cannot use our fixed route system.
- Provide travel training to those who wish to learn our system to promote independence.

- Using our Mission, Vision and Core Values, look for ways to improve our system, keeping customer service always in mind.
- Continue to build partnerships within the industry and our communities.
- Support contractors in a dynamic service environment, responding to changes related to the COVID-19 pandemic, and Lynnwood Link extension construction activities.

Planning and Scheduling Division

Planning

The Planning Division and System Planning and Long-Range Planning teams within the division, are responsible for near-term and long-term plans for market development, service design, fare policy, and transit asset management. This division coordinates agency service plans with other jurisdictions, transit authorities, and large employment and education sites such as the University of Washington, Edmonds College, and Boeing. Planning provides financial analysis of service performance and long-range forecasting of revenues and costs, research, analysis, financial modeling, and reporting support for the agency.

Scheduling

The Scheduling team develops transit route schedules, analyzes service performance, develops the run-cut of driver work assignments, and assures efficient use of the agency’s service assets, including buses.

Planning and Scheduling 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
66022	Scheduling	507,792	416,019	452,380	508,823	56,443	12%
66180	Planning	1,743,810	1,854,881	1,263,046	1,514,966	251,920	20%
Total Operating Expense		2,251,602	2,270,900	1,715,426	2,023,789	308,363	18%

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	1,435,006	1,347,820	1,071,277	1,134,887	63,610	6%
Benefits	591,403	473,031	418,149	425,202	7,053	2%
Subtotal: Employee Expense	2,026,409	1,820,851	1,489,426	1,560,089	70,663	5%
Services	225,193	450,049	226,000	463,700	237,700	105%
Total Operating Expense	2,251,602	2,270,900	1,715,426	2,023,789	308,363	18%

The 2021 staffing complement for this division was 11 FTEs: 4 in scheduling and 7 in Planning. Staffing levels remain the same in the 2022 budget. Employee expense represents 77 percent of the division's total budget. Professional services represent 98 percent of the services category (22 percent of the entire division budget). Professional services are used primarily for the long-range plan and 2024 network projects.

Planning and Scheduling 2021 Accomplishments

- Work with KCM, ST, SDOT and various internal stakeholders to activate integrated bus-light rail service at Northgate Station. The culmination of this effort was an on-site testing event all day on Saturday, April 10, 2021.
- Created schedule and run-cut of driver work assignments for March 2022 service changes. Framework of scenarios was shared with Board in September 2021.
- Completed required FTA public process to update and formalize new baseline service level September 2020—March 2022 with accompanying Title VI analysis.
- Completed procurement and started update to Community Transit's Long-Range Plan.
- In coordination with Finance, continued dynamic modeling of future revenues and expenses to inform sustainable agency service and capital planning.
- Coordinated with cities, Snohomish County, Washington State Department of Transportation (WSDOT), transit partners, and the Puget Sound Regional Council on regional transportation and land use planning. Work is ongoing.
- Coordinated with other agencies in design and implementation of the ST2 and ST3 regional transit system. Started to support preliminary station planning for Everett Link extension in summer 2021 after ST3 realignment was adopted.

Planning and Scheduling 2022 Priorities

- Implement March 2022 service change.
- Create schedule and run-cut of driver work assignments for September 2022 service changes.
- Create schedule and run-cut of driver work assignments for March 2023 service changes.
- Update agency's three-year Title VI program and policies, conduct public hearing and required analysis.
- Update agency's four-year Transit Asset Management (TAM) plan and required asset management analysis.
- Complete final development and public outreach of 2024 multimodal service plan, including the implementation of integration of fixed-route services with Lynnwood Link light rail and

incorporation of innovative new alternative services. Complete public outreach and secure Board adoption.

- Develop 2022-2027 Transit Development Plan, including the draft service plan for 2024 and Swift Gold Line service in 2027. Conduct public outreach and secure Board adoption.
- Complete development of Community Transit’s updated Long-Range Plan. Board adoption of final plan targeted for Q1 of 2023.
- In coordination with Finance, continue dynamic modeling of future revenues and expenses to inform sustainable agency service and capital planning.
- Advance recommendations from 2020 fare study to inform fare policy related to service integration with Lynnwood Link in 2024.
- Coordinate with cities, Snohomish County, Washington State Department of Transportation (WSDOT), transit partners, and the Puget Sound Regional Council on regional transportation and land use planning.
- Coordinate with other agencies in design and implementation of the ST2 and ST3 regional transit system.

Regional Programs and Projects Division

This division is responsible for the buildout of the *Swift* bus rapid transit network, and the pursuit and administration of the agency’s grant program. In the coordination of major initiatives affecting Community Transit, division staff manages the planning, development, and buildout of the *Swift* bus rapid transit network. The second aspect of the division’s mission is to develop and pursue grant strategies and manage the agency’s grant portfolio to maximize opportunities to fund major projects and initiatives.

Regional Programs and Projects 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	579,019	659,787	585,327	243,800	(341,527)	-58%
Benefits	224,828	241,119	222,717	95,893	(126,824)	-57%
Subtotal: Employee Expense	803,847	900,906	808,044	339,693	(468,351)	-58%
Services	32,943	84,419	600	750	150	25%
Total Operating Expense	836,790	985,325	808,644	340,443	(468,201)	-58%

Services budgeted for 2022 is such a small amount that employee expense is essentially 100 percent of this division’s budget. The 2022 budget adds one FTE to this division, bringing the 2022 staffing complement to seven. The reduction in employee expense in this division (shown in the table above) results from the redistribution of a portion of employee expense from operations to capital. Total employee expense across all funds is shown in the next table.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Fund 40 Employee Expense	803,847	900,906	808,044	339,693	(468,351)	-58%
Fund 45 Employee Expense				656,920	656,920	n/a
Fund 46 Employee Expense				-	-	n/a
Fund 48 Employee Expense				-	-	n/a
Total Personnel Expense	803,847	900,906	808,044	996,613	188,569	23%

The 23 percent overall increase in employee expense results from adding one FTE in early 2021 as well as the new FTE the 2022 budget adds.

Regional Programs and Projects 2021 Accomplishments

- Received rating of medium-high for the *Swift* Orange Line project from the FTA Capital Investment Grant program to be eligible for Small Starts funding.
- Secured FTA Capital Investment Small Starts grant in the amount of \$37.17 million for the *Swift* Orange Line project.
- Execute FTA Small Starts grant by December 2021.
- Nearing 100 percent on the design and engineering phase of the *Swift* Orange Line, thereby completing the project development phase—completion December 2021.
- Currently on track to complete all right-of-way activities for the *Swift* Orange Line project by the end of 2021.
- Coordination with local jurisdictions and transit agencies on infrastructure that impacts *Swift* service.
- Obligated all federal CARES and CRRSSA Stimulus funds. Coordinating on final obligation of ARPA Stimulus funding.

Regional Programs and Projects 2022 Priorities

- Award all contracts for the *Swift* Orange Line project and begin construction activities.
- Complete design and engineering for the *Swift* Blue Line expansion project.
- Begin scoping study for *Swift* Gold Line project.
- Pursue state and other federal funds for continued buildout of the *Swift* bus rapid transit program and other agency initiatives.

Research and Analytics Division

The Research and Analytics Division is an agency wide resource that leverages research and data to provide insights that help to improve customer experience, employee experience, and the overall efficiency and effectiveness of agency services. The division offers resources and expertise in business intelligence and analytics, key performance indicators, research, reporting, and data governance and integrity.

Research and Analytics 2022 Budget

Expense Type	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	-	-	526,554	552,783	26,229	5%
Benefits	-	-	222,538	219,687	(2,851)	-1%
Subtotal: Employee Expense	-	-	749,092	772,470	23,378	3%
Services	-	-	220,400	347,000	126,600	57%
Total Operating Expense	-	-	969,492	1,119,470	149,978	15%

The Research and Analytics Division consists of six full-time positions. Personnel expense constitutes 69 percent of the 2022 budget. The remaining 31 percent of the budget in the services category is comprised almost entirely of professional services to be used for research and survey efforts to assess customer needs and customer experience which will ultimately be used for improvement and planning of Community Transit services in the near and distant future. The increase in the services budget resulted from a consolidation and centralization of survey and research efforts across the agency into this division.

Research and Analytics 2021 Accomplishments

- Conduct a fixed route on-board survey to support the Title VI requirements and to understand customer experience, trip characteristics, rider demographics, and preferences. This project was deferred due to COVID-19 pandemic ridership impacts and safety concerns.
- Developed tools to monitor performance and drive improvements, including weekly and monthly ridership reports, KPI dashboards, and analysis of customer comments.
- Provide analysis to support FTA grant requirements.
- Reported services supplied and ridership information to the National Transit Database monthly and annually.
- Provide recurring reporting to support contractual obligations with Sound Transit and contracted service providers.

Research and Analytics 2022 Priorities

- Carried over from 2021: Conduct a fixed route on-board survey to support the Title VI requirements and to understand customer transit experience, trip characteristics, rider characteristics, and rider priorities. This survey will also measure customer reactions to the September 2021 service changes resulting from the opening of the Northgate Link extension by Sound Transit. This information will be used to plan for further restructuring of Community Transit's network in 2024 when Sound Transit opens the Lynnwood Link extension.
- Conduct three customer experience tracking surveys to understand Community Transit's customers (including non-riders), their needs, and their barriers to using Community Transit services. These surveys will also focus on the evolving needs of Community Transit customers specific to the COVID-19 pandemic.
- Conduct customer segmentation research. Customer segmentation divides individuals into groups that share demographic, behavioral, and psychological characteristics that drive underlying consumption behaviors. Using customer segmentation in marketing campaigns will improve the return on investment by appealing to specifically targeted groups rather than inefficiently treating all potential customers the same way. Customer segmentation will also be invaluable for system planning by identifying areas that would likely perform well if served by Community Transit.
- Provide data and analytical support to Community Transit's restructure and expansion of transit service for the 2024 connection to Lynnwood Link light rail.
- Develop tools to monitor performance and drive improvements.
- Provide analysis to support FTA grant requirements.
- Provide recurring reporting to support contractual obligations with Sound Transit and First Transit.

Transit Integration Division

The Transit Integration Division is responsible for cultivating and maintaining productive relationships with Sound Transit, Washington State Department of Transportation (WSDOT), Everett Transit, King County Metro, Snohomish County, various local jurisdictional partners, and transit-oriented developers. The division works with the aforementioned agencies to ensure consideration and incorporation of Community Transit priorities and operations in their projects, and to minimize disruption to the traveling public. Division staff represent the agency at all stages of regional capital projects, from initial planning to project closeout. For regional transportation projects, the division identifies opportunities for internal collaboration and provides leadership in managing these agency efforts.

Transit Integration 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	-	-	225,369	225,821	452	0%
Benefits	-	-	84,200	80,983	(3,217)	-4%
Subtotal: Employee Expense	-	-	309,569	306,804	(2,765)	-1%
Services	-	-	175,450	175,500	50	0%
Total Operating Expense	-	-	485,019	482,304	(2,715)	-1%

Staffing for the Transit Integration division in 2021 included two FTEs. The 2022 budget does not add any additional positions. Employee expense comprises 64 percent of this budget.

The services element of this budget (36 percent of the budget) consists of two contracts to provide engineering, construction coordination, and design review support to Community Transit to ensure continued operations with minimal customer impact during Lynnwood Link Extension construction. Division staff developed and negotiated a reimbursement task order with Sound Transit for revenue to offset these expenses.

Transit Integration 2021 Accomplishments

- Coordinated with regional and local jurisdictional partners to develop, advocate, and negotiate Community Transit’s interests in complex operating and capital transportation projects.
- Ensured Community Transit’s operations are minimally impacted during construction of the Lynnwood Link light rail extension and negotiated appropriate mitigation measures.
- Worked with WSDOT staff to ensure Community Transit’s current and future operations are considered within their projects, with a primary focus on the redevelopment of Canyon Park Park & Ride.
- Managed and facilitated ongoing coordination with Sound Transit bus rapid transit staff to ensure Community Transit local service is effectively integrated within their project.
- Represented Community Transit at the new Interagency Group for the Sound Transit extension of light rail to Everett. Communicated status and coordinated internal work groups.
- Organized, planned, and managed activities of internal working groups related to other regional transportation projects, as applicable.

Transit Integration 2022 Priorities

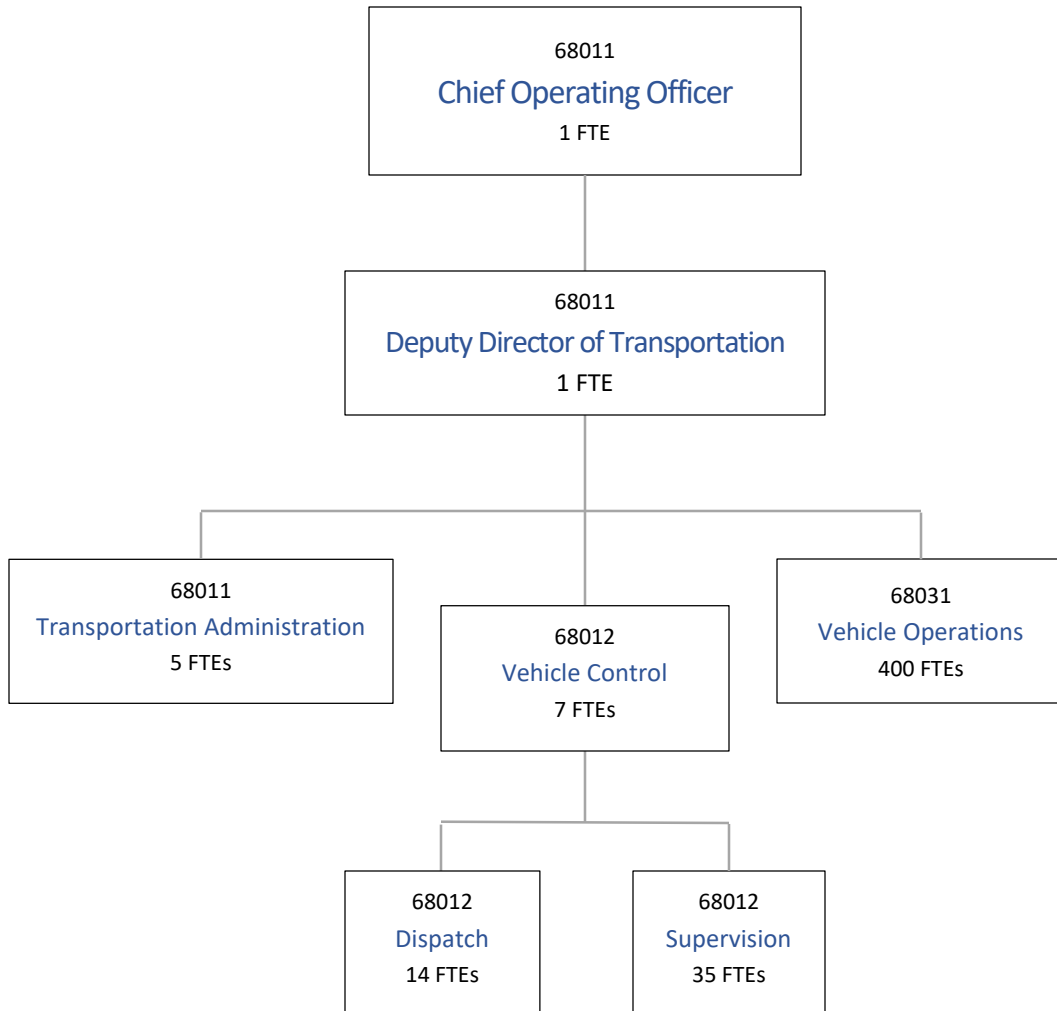
- Coordinate with regional and local jurisdictional partners to develop, advocate, and negotiate Community Transit's interests in complex operating and capital transportation projects.
- Ensure Community Transit's operations are minimally impacted during construction of the Lynnwood Link light rail extension and negotiate appropriate mitigation measures.
- Work with WSDOT staff to ensure Community Transit's current and future operations are considered within their projects, with a primary focus on the redevelopment of Canyon Park Park & Ride.
- Manage and facilitate ongoing coordination with Sound Transit bus rapid transit staff to ensure Community Transit local service is effectively integrated within their project.
- Represent Community Transit at the Interagency Group for the Sound Transit extension of light rail to Everett. Communicate status and coordinate internal work groups.
- Organize, plan, and manage activities of internal working groups related to other regional transportation projects, as applicable.

Transportation Department

2022 Chart of Organizational Hierarchy and Budget Center Responsibility

3 Budget Centers

463 FTEs



Transportation Department

The Transportation Department manages and supervises all Community Transit directly operated bus services. The department includes Transportation Administration and Transportation Operations. Transportation Administration provides operational support to the department, while Transportation Operations provides direct services. Transportation Operations is subdivided into Vehicle Control and Vehicle Operations. Vehicle Control staff manage, schedule, and dispatch all operations service, while Vehicle Operations consists of the coach operators who provide the service.

Major Department Accomplishments for 2021

- Focusing on employee/passenger safety and health while providing essential services to the public during a global pandemic.
 - Maintained service, equipment, and staffing for COVID-19 procedures.
 - Staffed a health check-in station to enter the building.
 - Supplied masks and other personal protection equipment to all employees.
- Continued improvement by utilizing and refining departmental key performance indicators to guide management decisions towards operational excellence:
 - Exceeding goals on average of 62 percent of the eleven indicators showing improvement when compared to the prior 12 months.
 - Accidents/100,000 Platform Miles (Safety)
 - Passenger Events/100,000 Revenue Miles (Safety)
 - Hazardous Driving Events (Safety)
 - Employee Injuries/100 FT Workers (Safety)
 - Missed Trips (Service)
 - Customer Comments/10,000 Boardings (Service)
 - Services Operated On-Time for Arrival (Service)
 - Services Operated On-Time – Swift Headway (Service)
 - Absenteeism (Service)
 - Vehicle Operations Overtime Hours (Service)
 - Vehicle Control Overtime Hours (Service)
- Welcomed 11 coach operator graduates to the department.
- Promoted Coach Operator Heather Ratley to dispatcher.
- Promoted Dispatcher Alex Askew and Coach Operators Constantin Movileanu and James Wagner employees to supervisor.
- Promoted Supervisor Trent Botham to Assistant Transportation Manager.

- Celebrated department awards:
 - 2020 Award recipients: Karren Hill, CEO Award; Don Smith, Excellence Award
 - Seven 1 Million Mile Operators: Jaswinder Bains, Perrin Hopkins, Eric Wilkinson, Quinton Middleton, Penny Hess, Linda Pitts, Sumit Rishi.
 - Six 2 Million Mile Operators: Vijay Sharma, Greg DeLosSantos Jr., Danise Enstrom, Scott Preston, Lisa Burdett, Reza Ghandhari
- Continued improvements to automate departmental data reporting analysis.
- Implemented Trapeze OPS WEB Bidding module to automate many manual processes for shift bids. It also enables employees to select their work preference from their Trapeze employee profile. This software tool reduces the time spent conducting and entering bids and aids in the safety of employees during the pandemic by reducing the number of participants in a room at one time.
- Used light detection and ranging technology (LiDAR) sensors for monitoring safe driving in the field. By examining data using time of travel between points through APTS, supervisors are deployed to monitor areas and provide coaching when applicable.

Department Priorities for 2022

- Coordinate with Transit Technology to implement DriveCam for monitoring driving behaviors and analyzing the data to proactively manage safety and service.
- Redefine the roles of the department to align with the strategic goals.
- Continue process development and improvement for vacation and daybook bidding and enabling OPS WEB Bidding capabilities outside of the agency firewall.
- Continue to focus on reducing unscheduled overtime and determining the root causes by looking at how the work is scheduled for on-time performance and addressing employee absenteeism.
- Continue to focus on employee needs, safety, and health as the agency navigates the ongoing pandemic.
- Enhance safety programs for driver training and education.
- Increase employee engagement and employee involvement in programs.
- Work closely with Capital Planning to ensure the new facilities meet the needs of the department.

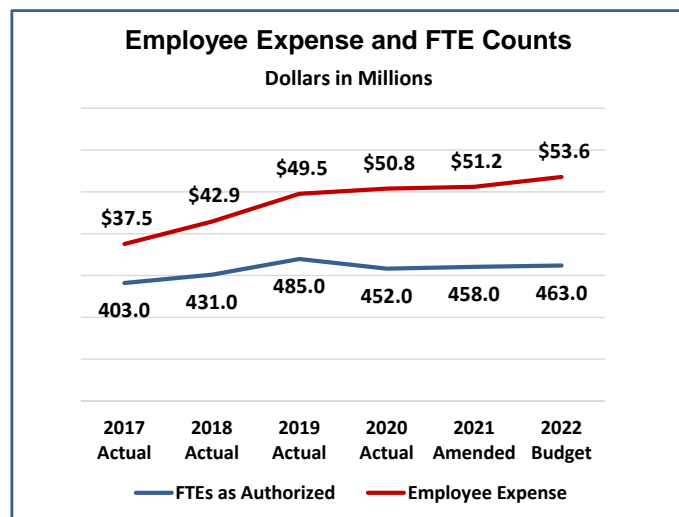
Transportation Department 2022 Budget

Community Transit’s mission is to help people get from where they are to where they want to be. The Transportation Department supports this mission by delivering reliable, safe, courteous service to Community Transit customers. The Transportation Department budget reflects the resources needed to support the 2022 service plan, which includes upcoming service expansions, service reliability and customer experience.

	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
Salaries & Wages	34,125,970	35,060,754	35,175,762	37,327,533	2,151,771	6%
Benefits	15,417,080	15,708,461	16,028,168	16,247,868	219,700	1%
Subtotal: Employee Expense	49,543,050	50,769,215	51,203,930	53,575,401	2,371,471	5%
Services	86,158	42,830	39,435	38,480	(955)	-2%
Supplies	11,485	11,974	19,350	16,050	(3,300)	-17%
Total Operating Expense	49,640,693	50,824,019	51,262,715	53,629,931	2,367,216	5%

Salaries, Wages, and Benefits

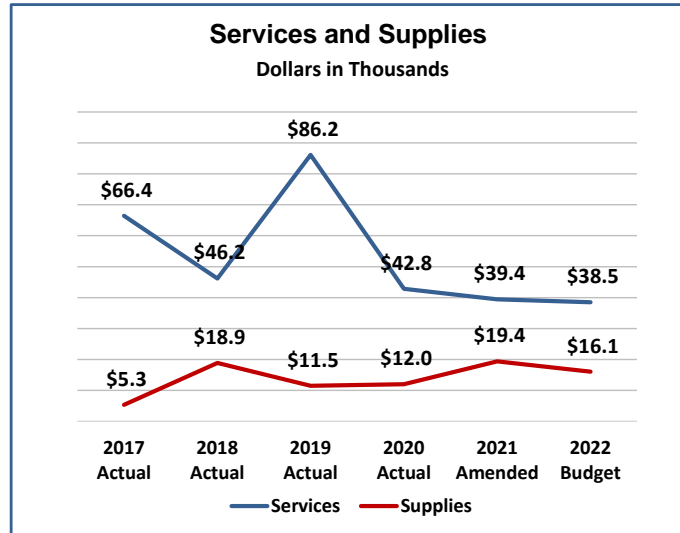
Salaries, wages, and benefits are the primary cost driver in the Transportation budget, comprising 99.9 percent of the department budget. Transportation Department total staffing was authorized at 452 FTEs in the original 2021 budget. As the need for additional staffing was identified, six FTEs were added to this department’s staffing complement during 2021. The 2022 budget adds five more FTEs, bringing the 2022 staffing complement to 463: 400 full and part-time coach operators, 35 transportation supervisors, 14 dispatchers, and 14 management and operations support staff.



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

Services

Services amount to 0.1 percent of the total Transportation budget and include expenses such as accident, safety, and rider alert supplies; printing for various forms, shakeup paperwork, and standard operating procedure manuals. During the budget review process, the agency made a preliminary commitment to continuing participation in the state and national coach operator Roadeos, should they be held in 2022. The Roadeos are skills tests for coach operators and mechanics. Community Transit boasts one national Roadeo champion among its coach operator employees.



Supplies

Supplies represent only 0.03 percent of the entire Transportation budget and reflect supply items needed for a specific year. The 2021 budget represents a 17 percent decrease in supply expense which is a normal fluctuation in supply needs.

Transportation Department Budget Center Summary

This summary compares each budget center's 2022 budget to its 2021 amended budget.

Budget Center ID	Description	2019 Actuals	2020 Actuals	2021 Amended Budget	2022 Budget	2022 Budget Over/Under 2021 Budget	% 2022 Budget Over/Under 2021 Budget
68011	Transportation Administration	999,921	902,107	1,201,381	1,065,113	(136,268)	-11%
68012	Vehicle Control	7,290,417	8,173,075	7,602,249	7,972,469	370,220	5%
68031	Vehicle Operations	41,350,354	41,748,837	42,459,085	44,592,349	2,133,264	5%
Total Operating Expense		49,640,692	50,824,019	51,262,715	53,629,931	2,367,216	5%

Transportation Administration Division

The Transportation Administration Division provides operational support to several work teams, both within the Transportation Department and for other departments. The team develops and implements department policies, procedures, and training manuals; provides support services for coach operators, supervisors, dispatchers, and operations management;

manages the department’s contracts and projects; provides reporting and statistical analysis of daily operations; and participates in labor contract negotiations.

Transportation Administration 2022 Budget

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	648,897	606,605	817,920	732,034	(85,886)	-11%
Benefits	253,736	240,698	324,676	278,549	(46,127)	-14%
Subtotal: Employee Expense	902,633	847,303	1,142,596	1,010,583	(132,013)	-12%
Services	85,803	42,830	39,435	38,480	(955)	-2%
Supplies	11,485	11,974	19,350	16,050	(3,300)	-17%
Total Operating Expense	999,921	902,107	1,201,381	1,065,113	(136,268)	-11%

Personnel expense accounts for 95 percent of this budget. All services and supplies for the department are budgeted in the Transportation Administration budget center.

Transportation Administration 2021 Accomplishments

- Continued reporting improvements to automate data collection and increase efficiency of performance analysis:
 - Key Performance Indicators (KPI) continue to be adjusted and refined. Worked with Facilities Maintenance to define KPIs and worked with Maintenance with access to shared data for ease of reporting.
 - Manual Dispatch logs were consolidated and moved to Smartsheet, creating better reporting functionalities.
 - Worked with Research and Analytics to move accident data to the data mart for automated access.
- Provide project oversight and management of Transportation tasks and process development/documentation:
 - The Coach Operator Standard Operating Procedures were revised to include new services with radio and APTS capabilities.
 - OPS WEB Bidding was implemented for use at base.
- Implement negotiated ATU and IAM contracts in coordination with Labor Relations. Some agreements were put in place through Memos of Understanding. Contracts were rolled over for a year and discussions continue.

Transportation Administration 2022 Priorities

- Continue reporting improvements to automate data collection and increase efficiency of performance analysis:
 - Focus on improving road supervisor logs.
 - Work with Research and Analytics team to share data seamlessly.
 - Automate OPS Daily Reports.
- Provide project oversight and management of Transportation tasks and process development/documentation:
 - Implement more features of OPS WEB Bidding to include vacation and daybook bids.
 - Continue development of Supervisor and Dispatch Standard Operating Procedures.
- Implement negotiated ATU and IAM contracts in coordination with Labor Relations.

Transportation Operations

Vehicle Control

Vehicle Control Division staff are responsible for operations management; the efficient scheduling and dispatching of operations service; the monitoring and enforcement of policies and procedures; and the resolution of service problems and emergencies. This division is also responsible for obtaining video recordings from coaches as requested.

Vehicle Operations

The Vehicle Operations Division is composed of coach operators. Coach operators are responsible for delivering reliable, safe, courteous service to Community Transit customers by following published routes and schedules. They are the core of the department’s daily operations.

Transportation Operations 2022 Budget

<i>Budget Center ID</i>	<i>Description</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
68012	Vehicle Control	7,290,417	8,173,075	7,602,249	7,972,469	370,220	5%
68031	Vehicle Operations	41,350,354	41,748,837	42,459,085	44,592,349	2,133,264	5%
<i>Total Operating Expense</i>		<i>48,640,771</i>	<i>49,921,912</i>	<i>50,061,334</i>	<i>52,564,818</i>	<i>2,503,484</i>	<i>5%</i>

<i>Expense Type</i>	<i>2019 Actuals</i>	<i>2020 Actuals</i>	<i>2021 Amended Budget</i>	<i>2022 Budget</i>	<i>2022 Budget Over/Under 2021 Budget</i>	<i>% 2022 Budget Over/Under 2021 Budget</i>
Salaries & Wages	33,477,073	34,454,149	34,357,842	36,595,499	2,237,657	7%
Benefits	15,163,343	15,467,763	15,703,492	15,969,319	265,827	2%
Subtotal: Employee Expense	48,640,416	49,921,912	50,061,334	52,564,818	2,503,484	5%
Services	355	-	-	-	-	n/a
Total Operating Expense	48,640,771	49,921,912	50,061,334	52,564,818	2,503,484	5%

As in prior years, the Vehicle Control 2022 budget includes only direct employee expenses. The 2022 budget consists of 56 full-time FTEs—2 managers, 5 assistant managers, 14 dispatchers, and 35 supervisors. The 35 supervisors include two new FTEs for 2022.

The Vehicle Operations budget consists entirely of wages and benefits expense for 400 coach operator FTEs: 396 full-time and 4 part-time (one part-time FTE equals two actual employees).

Transportation Operations 2021 Accomplishments

- Achieved adequate coach operator staffing levels to ensure the successful delivery of service. Adjustments are made each shakeup to ensure staffing levels remain appropriate.
- Monitored key performance indicators and provided opportunities for improvement. Adjustments are made monthly using measurable actions.
- Engaged with customers and employees to enhance the Community Transit experience. Management staff routinely schedule field presence and average 33 field engagements per month.
- Led efforts for successful operations at Northgate Light Rail Station and developed applicable Standard Operating Procedures.

Transportation Operations 2022 Priorities

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

Agency Profile

Community Transit, a special purpose municipal corporation providing public transportation services, began operations on October 4, 1976. The agency’s original service area consisted of Edmonds, Lynnwood, Marysville, Mountlake Terrace, Brier, Snohomish, and Woodway. The following table shows when residents of other Snohomish County communities approved annexation into Community Transit’s service area.

<u>Year</u>	<u>Communities Added to Community Transit’s Service Area</u>
1977	Lake Stevens and Monroe
1979	Granite Falls, Mukilteo, Stanwood, and Sultan
1980	Arlington
1981	Goldbar, Index, and Startup
1982	Oso and Darrington
1983	Mill Creek
1992	Snohomish County portion of Bothell
1997	Silver Firs and the Tulalip Indian Reservation

Today, Community Transit’s boundaries encompass a land area of 1,309 square miles including most of urbanized Snohomish County, except for the City of Everett. On the south, Community Transit borders King County, which includes the cities of Seattle and Bellevue. Community Transit serves about 613,000 residents, about 73 percent of Snohomish County’s population. The remainder of the county’s population resides in the City of Everett and in less populated areas in north and east Snohomish County. Snohomish County is one of the fastest growing counties in the nation.

Although the City of Everett is not part of Community Transit’s service area and taxing authority, Community Transit provides *Swift* Blue Line bus rapid transit service to Everett Station and receives payment from the City of Everett for this service.

Governing Body

Community Transit is governed by a Board of Directors consisting of nine voting members from within the PTBA and one nonvoting member. Voting board members are elected officials appointed by their respective jurisdictions and elected to two-year terms by representatives from similarly sized jurisdictions. Voting board members include:

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

- Three elected officials from cities Community Transit serves with population between 15,000 and 35,000.
- Two elected officials from cities Community Transit serves with populations of less than 15,000.

The nonvoting board member is a labor representative selected as specified in the Revised Code of Washington (RCW) 36.57A.050 by the bargaining units who represent approximately 75 percent of Community Transit’s workforce.

The Chair, Vice-Chair, and Secretary are elected from among the voting Board members. During 2021, Council Member Kim Daughtry from the City of Lake Stevens served as Board Chair, Council Member Joe Marine Mukilteo served as Board Vice-Chair, and Councilmember Jan Schuette from the City of Arlington as Board Secretary.

Community Transit’s Chief Executive Officer (CEO), Ric Ilgenfritz, is responsible for overall administration of the agency as directed through policy guidance issued by the Board of Directors. Ric Ilgenfritz succeeded Emmett Heath as the agency’s CEO effective January 11, 2021. In addition to the CEO, the agency’s principal officers in 2021 were the Director of Administration (Geri Beardsley), Director of Communications and Public Affairs (Mary Beth Lowell), Director of Customer Experience (Molly Marsicek), Director of Employee Engagement (Cesar Portillo), Director of Planning and Development (Roland Behee), Chief Operating Officer (Steve Kim), and Chief Technology Officer (Tim Chrobuck).

Community Transit’s Services

Community Transit’s local, commuter, paratransit, and vanpool services provide customers with a variety of options to meet their transportation needs. Local fixed-route service provides all-day coverage which links most communities in Snohomish County. The agency provides commuter service within Snohomish County and to major destinations in King County. The Everett Boeing facility is a primary destination for Snohomish County commuter routes, while commuter routes to King County serve the Seattle central business district and the University of Washington. Both local and commuter services allow riders to connect with services provided by King County Metro, Sound Transit, Everett Transit, Skagit Transit, Amtrak, and the Washington State Ferry System.

Community Transit’s Dial-A-Ride-Transportation (DART) paratransit program serves those customers unable to use fixed-route service. Vanpool and ride-matching services enable commuter groups to use vanpools and carpools to travel to and from Snohomish and King County destinations that are less accessible by local or commuter bus routes. Community Transit also provides information and technical support to employers affected by the state’s commute trip reduction legislation.

Sound Transit contracts with Community Transit to operate its Snohomish County Express bus service. In the Statistics and Demographics section, if Sound Transit data is reported, it has been broken out separately. Community Transit contracts with Transdev North America to operate all paratransit services. Community Transit also contracts with First Transit to operate most of its commuter bus service, including Sound Transit's Snohomish County Express bus service.

Much of the data provided in the following sections covers the year ending December 31, 2020, which, at the time this budget document was drafted, was the last complete year of actual service and fiscal results.

Ridership

As reported in the Federal Transit Administration's (FTA) National Transit Database Report, for the last full year of data available, Community Transit provided 5.7 million passenger trips in 2020 on bus, DART paratransit, and vanpool services. Overall ridership decreased by 49 percent from 11.1 million in 2020 from 2019. Bus boardings decreased by 47 percent from 10.1 million to 5.3 million. Vanpool boardings decreased by 63 percent, from 824,000 in 2019 down to 302,000 in 2020. Transit demand (DART) boardings decreased 64 percent, from 191,000 in 2019 down to 69,000 in 2020. Weekday bus ridership averaged 17,300 boardings (a 51 percent decrease from 35,500 boardings in 2019). Saturday ridership decreased by 27 percent (an average of 9,300 boardings in 2020, compared to 12,700 boardings in 2019), and Sunday ridership decreased by 19 percent (7,000 boardings in 2020, down from 8,700 boardings in 2019).

The statistical section of this report contains additional detailed operating information concerning ridership, service hours, and fares.

Agency Summary

General Information

Date of Incorporation	1976
Form of Government	Public Transportation Benefit Area Corporation (PTBA)
Began Operation	October 4, 1976
Number of Board of Directors	10—nine voting and one nonvoting
Type of Tax Support	Local sales tax 1.2 percent
County in Which PTBA Operates	Snohomish County
Population - County	844,400
Population - PTBA	613,289
Major Park-and-Ride Lots (250 or more parking stalls)	16
Minor Park-and-Ride Lots (fewer than 250 parking stalls)	14

Budgeted Employees

Operations	513.5
Maintenance	128
General and Administrative	182.5
Total	824

Active Revenue Vehicles

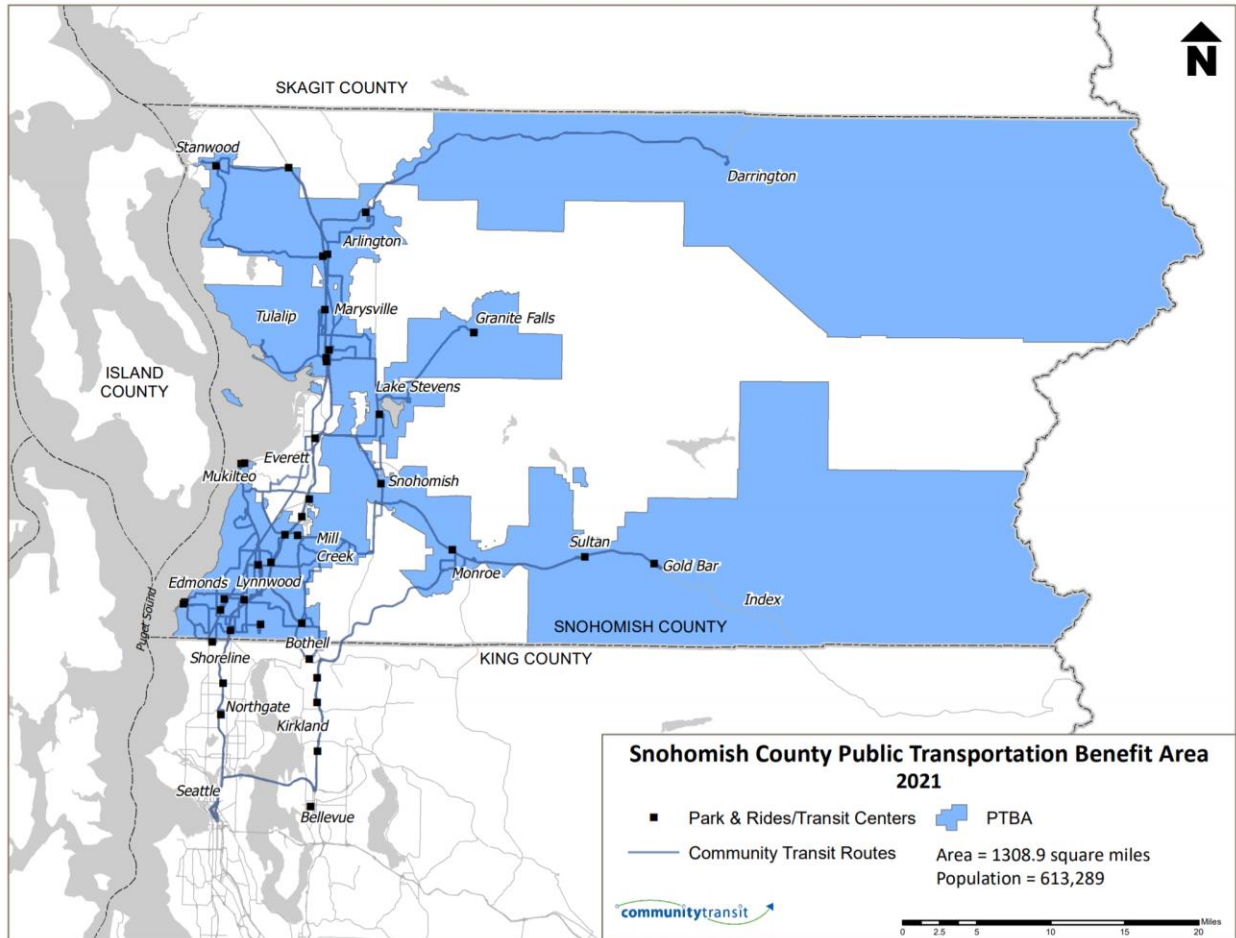
Directly Operated	151
Commuter Service	70
Vanpool Vans	461
Contract Commuter	85
DART/Paratransit	52
Total	819

Number of Scheduled Routes

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

*Information is as of October 2021, except for vehicles and schedules, which are up to date as of 12/31/2020,

Snohomish County Public Transportation Benefit Area Map



*Information is current as of October 2021, from Community Transit’s Planning and Development Department.

Economic Conditions and Future Outlook

Local Economy—Snohomish County¹

Snohomish County is the third most populous county in the state, with an estimated population of 844,400 in 2021, per the Washington State Office of Financial Management. Over the past ten years, the county’s population has grown an average of 1.6 percent per year, in the 2010–2020 timeframe.

Snohomish County is home to over 20,100 businesses, ranging from small family farms to the world’s largest advanced manufacturing facility producing state-of-the-art aerospace equipment. The county boasts a labor force of about 411,000 workers, and the median household income is \$87,440.

Snohomish County is the manufacturing center of Washington State with 20 percent of the county’s workforce engaged in manufacturing jobs. The aerospace industry accounts for about 37,000 jobs in the county. South Snohomish County includes a cluster of medical device, research and biopharmaceutical companies. Boeing, Providence Regional Medical Center, Snohomish County government, the Tulalip Tribes Enterprises, and Naval Station Everett are the top five employers in the county.

Community Transit’s primary operating revenue source is retail sales tax, which is driven by personal income, consumer confidence, local business purchases, and construction projects. The State of Washington Department of Revenue distributes sales tax revenues two months after the month in which the sale took place.

Sales tax revenues received for January through April of 2020 were greater than 2019 sales tax revenues for the same months. However, COVID lock downs resulted in a decline in sales tax revenues collected, by 20 and 10 percent, respectively, during May and June 2020 as compared to May and June in the prior year. Starting in July and continuing through the end of 2020, sales tax revenues exceeded prior year collections in the same period. Overall, 2020 sales tax collections exceeded 2019’s collections by \$3.3 million (2 percent). Community Transit continues to monitor and evaluate the economic situation in Snohomish County.

Economic Outlook—Regional and Statewide Factors

The Washington State Economic and Revenue Forecast Council measures changes in the state’s economy. The following table provides a summary of key statewide economic indicators from the Council’s September 2021 forecast which considers the effect of the COVID-19 pandemic.

¹ This data in this section is available at the Economic Alliance Snohomish County website.

<u>Washington State Economic Indicators</u> <i>(As of September 2021)</i>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Unemployment	8.4%	5.2%	4.5%	4.2%	4.3%	4.3%
Percent Change in Real Per Capita Income	4.3%	2.0%	-1.5%	2.7%	2.2%	2.0%
Percent Change in Personal Income	6.7%	6.5%	1.7%	5.4%	5.2%	5.1%

Statistics and Demographics

Snohomish County Demographic and Economic Statistics Ten-Year Comparison

Year	County Population (1)	Household Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2011	717,000	\$ 62,687	\$ 43,281	8.6%
2012	722,900	64,033	45,796	7.5%
2013	730,500	64,391	46,733	6.7%
2014	741,000	68,637	44,967	4.6%
2015	757,600	75,292	47,713	5.0%
2016	772,860	77,985	49,511	3.9%
2017	789,400	80,579	52,349	4.0%
2018	805,120	85,758	55,982	3.6%
2019	822,083	88,442	58,729	2.8%
2020	831,107	90,497	Not Available	6.7%

Data Sources:

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

Snohomish County Principal Employers Fiscal Years Ending December 31, 2020 and 2011

<i>Employer</i>	2020			2011		
	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percent of Total County Employment</i>
Boeing	29,800	1	10.70%	39,000	1	10.61%
Providence Regional Med. Ctr.	10,154	2	3.65%	3,500	4	0.95%
Snohomish County Government	5,243	3	1.88%	2,500	6	n/a
Tulalip Tribes Enterprises	4,171	4	1.50%	3,100	5	0.84%
Everett Naval Station	3,850	5	1.38%	6,000	2	1.63%
Washington State Government	3,444	6	1.24%	6,000	3	1.63%
Fred Meyer/QFC	3,207	7	1.15%	-	-	n/a
Walmart	3,049	8	1.09%	-	-	n/a
Edmonds School District	2,750	9	0.99%	2,000	9	0.54%
Premera Blue Cross	2,519	10	0.90%	2,400	7	0.65%
Phillips Medical Systems	-	-	n/a	2,000	10	0.54%
Everett Clinic	-	-	n/a	2,100	8	0.57%
Total, Principal Employers	68,187			68,600		
Total County Employment	278,500			367,481		
Percentage of Principal Employers to Total County Employment	24.48%			18.67%		

Data Source:

Snohomish County Economic Alliance

Snohomish County Population Demographic Statistics Ten-Year Comparison

<i>Year</i>	<i>County Population</i>	<i>PTBA Population</i>	<i>Age Distribution for Snohomish County</i>		
			<i>0-19</i>	<i>20-64</i>	<i>65+</i>
2011	717,000	524,954	26.8%	62.7%	10.5%
2012	722,900	528,849	26.0%	62.9%	11.1%
2013	730,500	533,746	25.7%	62.7%	11.6%
2014	741,000	542,727	25.3%	62.6%	12.1%
2015	757,600	555,637	25.0%	62.4%	12.6%
2016	772,860	565,244	24.9%	61.9%	13.2%
2017	789,400	576,493	24.8%	61.5%	13.7%
2018	805,120	587,366	25.0%	61.6%	13.4%
2019	822,083	598,002	25.0%	61.6%	13.4%
2020	831,107	607,522	25.0%	61.6%	13.4%

Note: 2019 and 2020 age distribution data was not available due to COVID19. Thus, 2018 data was used for both 2019 and 2020.

Data Sources:

U.S. Census Bureau

County population by age and gender: <https://www.economicalliancesc.org/>

Service and Operating Information

Service Statistical Data: Ten-Year Comparison

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Directly Operated Service										
Average Weekly Ridership	133,676	124,481								
Passengers per Hour	17.10	19.94								
Fare Revenue per Passenger	\$ 1.38	\$ 1.50								
Cost per Passenger	\$ 9.38	\$ 9.19								
Cost per Mile	\$ 10.13	\$ 11.42								
Farebox Return	14.7%	16.3%								
Motor Bus Directly Operated										
Average Weekly Ridership			102,143	112,920	117,368	121,575	123,343	126,618	134,599	85,498
Passengers per Hour			18.53	19.77	18.43	17.16	15.61	15.33	14.42	10.16
Fare Revenue per Passenger			\$ 1.41	\$ 1.28	\$ 1.27	\$ 1.26	\$ 1.27	\$ 1.28	\$ 1.28	\$ 0.95
Cost per Passenger			\$ 9.10	\$ 8.56	\$ 9.48	\$ 9.89	\$ 11.19	\$ 11.67	\$ 12.91	\$ 20.00
Cost per Mile			\$ 11.12	\$ 11.37	\$ 11.68	\$ 11.85	\$ 12.34	\$ 12.62	\$ 13.37	\$ 14.32
Farebox Return			15.4%	15.0%	13.4%	12.8%	11.3%	10.8%	9.9%	4.7%
Commuter Bus Directly Operated										
Average Weekly Ridership			22,489	22,980	22,613	22,784	22,463	23,528	23,634	6,951
Passengers per Hour			34.03	30.10	29.38	28.02	26.30	26.30	26.05	11.88
Fare Revenue per Passenger			\$ 2.97	\$ 3.20	\$ 3.44	\$ 3.80	\$ 3.72	\$ 3.60	\$ 3.53	\$ 3.78
Cost per Passenger			\$ 9.76	\$ 10.83	\$ 11.82	\$ 11.79	\$ 11.50	\$ 12.30	\$ 13.01	\$ 33.56
Cost per Mile			\$ 15.65	\$ 16.53	\$ 17.62	\$ 17.19	\$ 16.08	\$ 17.35	\$ 18.23	\$ 19.03
Farebox Return			30.5%	29.5%	29.1%	32.2%	32.3%	29.3%	27.1%	11.3%
Contract Commuter Service										
Average Weekly Ridership	30,899	28,951	28,838	31,269	31,851	32,373	33,111	34,052	35,591	9,587
Passengers per Hour	37.57	46.15	41.95	40.01	40.00	38.02	36.80	34.99	35.38	13.73
Fare Revenue per Passenger	\$ 3.74	\$ 3.36	\$ 3.54	\$ 3.26	\$ 3.45	\$ 3.70	\$ 3.61	\$ 3.57	\$ 3.42	\$ 4.12
Cost per Passenger	\$ 7.31	\$ 6.71	\$ 5.95	\$ 5.60	\$ 5.33	\$ 5.29	\$ 5.62	\$ 6.12	\$ 6.39	\$ 22.54
Cost per Mile	\$ 11.43	\$ 12.59	\$ 10.25	\$ 10.18	\$ 9.87	\$ 9.67	\$ 9.99	\$ 10.19	\$ 10.66	\$ 12.33
Farebox Return	51.1%	50.0%	59.6%	58.3%	64.7%	69.9%	64.2%	58.3%	53.5%	18.3%
DART/Paratransit										
Average Weekly Ridership	3,929	3,747	3,620	3,704	3,661	3,734	3,740	3,846	3,666	1,334
Passengers per Hour	2.31	2.28	2.27	2.28	2.24	2.35	2.39	2.29	2.24	1.91
Fare Revenue per Passenger	\$ 1.42	\$ 1.43	\$ 1.69	\$ 1.67	\$ 1.86	\$ 1.95	\$ 1.98	\$ 2.04	\$ 2.26	\$ 1.93
Cost per Passenger	\$ 41.33	\$ 37.60	\$ 38.48	\$ 39.22	\$ 38.93	\$ 39.49	\$ 42.15	\$ 44.16	\$ 47.08	\$ 143.06
Cost per Mile	\$ 5.28	\$ 4.62	\$ 4.64	\$ 4.83	\$ 4.73	\$ 4.99	\$ 5.41	\$ 5.48	\$ 5.68	\$ 14.60
Farebox Return	3.4%	3.8%	4.4%	4.3%	4.8%	4.9%	4.7%	4.6%	4.8%	1.4%
Vanpool										
Average Weekly Ridership	17,172	17,697	17,840	17,787	17,551	16,688	16,565	16,719	15,842	5,808
Passengers per Hour	5.76	6.13	6.25	6.26	6.37	6.13	6.13	6.02	5.54	4.65
Fare Revenue per Passenger	\$ 3.30	\$ 2.85	\$ 2.97	\$ 3.02	\$ 3.21	\$ 3.22	\$ 3.22	\$ 3.45	\$ 3.78	\$ 5.00
Cost per Passenger	\$ 4.44	\$ 4.17	\$ 4.27	\$ 4.65	\$ 4.39	\$ 4.93	\$ 5.09	\$ 5.20	\$ 5.32	\$ 11.22
Cost per Mile	\$ 0.82	\$ 0.78	\$ 0.82	\$ 0.89	\$ 0.85	\$ 0.93	\$ 0.96	\$ 0.98	\$ 0.93	\$ 1.64
Farebox Return	74.4%	68.4%	69.4%	64.9%	73.2%	65.3%	63.2%	66.3%	71.0%	44.6%

Data Source: FTA National Transit Database Report

Notes:

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.
- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.
- Cost per passenger is not net of fare revenue.
- Cost per Passenger and Cost per Mile for 2017 are different than originally reported because the FTA changed how cloud software expense should be reported.

Ridership: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
2011	6,951,171	-	-	1,606,732	204,291	892,936	9,655,130	3,136,037
2012	6,473,033	-	-	1,505,441	194,862	920,252	9,093,588	3,467,994
2013	-	5,311,451	1,169,446	1,499,566	188,222	927,660	9,096,345	3,226,043
2014	-	5,871,816	1,194,937	1,625,988	192,633	924,912	9,810,286	3,676,480
2015	-	6,103,118	1,175,876	1,656,233	190,366	912,637	10,038,230	3,646,063
2016	-	6,321,906	1,184,766	1,683,375	194,175	867,776	10,251,998	3,645,267
2017	-	6,413,837	1,168,082	1,721,767	194,471	861,372	10,359,529	3,648,400
2018	-	6,584,139	1,223,332	1,770,703	200,010	869,370	10,647,554	3,732,917
2019	-	6,999,159	1,228,991	1,850,710	190,637	823,759	11,093,256	3,781,076
2020	-	4,445,897	361,446	498,511	69,387	302,038	5,677,279	1,321,028

Data Source: FTA National Transit Database Report

Note:

- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Service Hours: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
2011	406,586	-	-	42,766	88,623	155,119	693,094	90,976
2012	324,576	-	-	32,623	85,353	150,057	592,609	91,982
2013	-	286,645	34,365	35,745	82,832	148,411	587,998	89,822
2014	-	297,021	39,699	40,635	84,349	147,749	609,453	113,606
2015	-	331,147	40,022	41,403	85,057	143,209	640,838	114,896
2016	-	368,327	42,286	44,280	82,632	141,557	679,082	114,183
2017	-	410,763	44,419	46,789	81,264	140,624	723,859	115,418
2018	-	429,526	46,519	50,602	87,521	144,352	758,520	117,661
2019	-	485,337	47,182	52,315	84,937	148,683	818,454	123,556
2020	-	437,507	30,419	36,308	36,370	64,978	605,582	102,510

Data Source: FTA National Transit Database Report

Notes:

- Service hours are defined as active vehicle revenue hours per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Service Miles: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>	<i>Sound Transit</i>
2011	6,433,509	-	-	1,027,925	1,598,833	4,866,450	13,926,717	2,433,091
2012	5,212,202	-	-	802,860	1,587,283	4,906,497	12,508,842	2,444,935
2013	-	4,348,641	729,406	870,208	1,560,027	4,857,847	12,366,129	2,448,842
2014	-	4,422,817	783,031	893,801	1,565,104	4,817,228	12,481,981	2,512,980
2015	-	4,953,326	789,259	894,394	1,566,883	4,711,901	12,915,763	2,510,798
2016	-	5,368,515	812,772	921,961	1,537,407	4,586,434	13,227,089	2,524,196
2017	-	5,817,556	835,800	968,627	1,514,562	4,557,911	13,694,456	2,514,666
2018	-	6,089,771	867,711	1,062,808	1,612,142	4,595,894	14,228,326	2,530,802
2019	-	6,757,561	876,755	1,109,964	1,580,703	4,712,129	15,037,112	2,558,859
2020	-	6,207,498	637,568	911,051	679,859	2,068,568	10,504,544	2,299,292

Data Source: FTA National Transit Database Report

Notes:

- Service miles are defined as active vehicle revenue miles per the FTA National Transit Database.
- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Fare Structure: Ten-Year Comparison

Year	Local Service			Commuter: South County			Commuter: North & East County			
	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
2011	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
2012	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Jan 2013	1.75	1.25	0.75	3.50	2.75	1.50	4.50	3.75	1.75	1.75
Feb–Dec 2013	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
2014	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
Jan-Jun 2015	2.00	1.50	1.00	4.00	3.00	2.00	5.25	4.00	2.50	2.00
July-Dec 2015	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2016	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
2017	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25
Jan-Sep 2018	2.25	1.50	1.00	4.25	3.00	2.00	5.50	4.00	2.50	2.25

Effective October 1, 2018, Community Transit eliminated zone-based fares in accordance with a regional fare policy initiative.

Year	Local Service			Commuter			DART
	Regular	Youth	Senior/ Disabled	Regular	Youth	Senior/ Disabled	Paratransit Fares
Oct-Dec 2018	2.50	1.75	1.25	4.25	3.00	2.00	2.50
2019	2.50	1.75	1.25	4.25	3.00	2.00	2.50

Effective July 1, 2019, Community Transit adopted a low income bus fare. This fare is available only with the ORCA LIFT card and to households that make no more than 200% of the Federal Poverty Level, as set by the Federal Department of Health and Human Services. All other fares remain the same.

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

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

Capital Assets Active Revenue Vehicles: Ten-Year Comparison

<i>Year</i>	<i>Directly Operated</i>	<i>Motor Bus Directly Operated</i>	<i>Commuter Bus Directly Operated</i>	<i>Contract Commuter</i>	<i>DART Paratransit</i>	<i>Vanpool</i>	<i>Total: Community Transit Service</i>
2011	174	-	-	65	54	396	689
2012	159	-	-	65	54	395	673
2013	-	97	63	65	54	414	693
2014	-	99	63	65	54	412	693
2015	-	124	70	73	52	408	727
2016	-	121	69	73	52	432	747
2017	-	109	91	83	52	437	772
2018	-	111	91	84	52	469	807
2019	-	127	91	85	51	477	831
2020	-	151	70	85	52	461	819

Data Source: FTA National Transit Database Report

Note:

- Beginning in 2013, the FTA National Transit Database split the Directly Operated category into two new categories: Motor Bus Directly Operated and Commuter Bus Directly Operated.

Key Performance Indicators

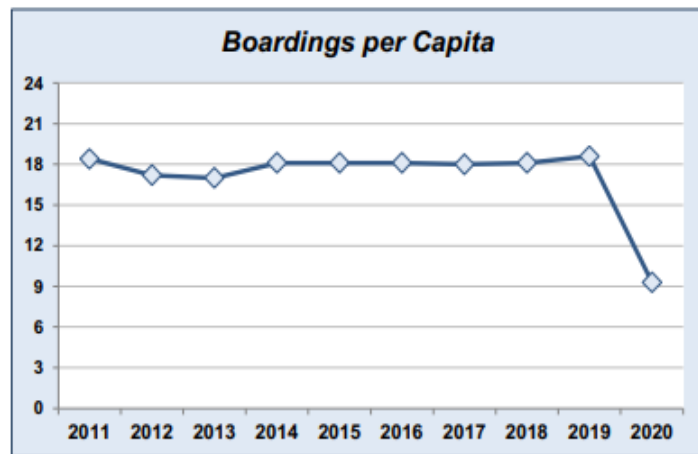
In 2003, Community Transit developed a series of key performance indicators to measure the agency's performance. Key performance indicators provide a means of evaluating how effectively and efficiently the agency performs over time. The Board of Directors originally adopted performance indicators in two categories: Customer Satisfaction/Ridership Growth and Good Stewards of Public Funds. The charts that follow show trends for each performance indicator based on data for ten years. These charts exclude Sound Transit service, since Community Transit operates that service on a contract basis.

The COVID-19 pandemic had significant negative impacts on ridership, service hours, and fare revenue. At the same time, there were unanticipated expenses for substantially increased cleaning, personal protective equipment, employee leave benefits, and premium pay for front-line employees. While cost containment was put in place, the additional costs and other operational factors associated with the pandemic minimized the reduction in expenses. Ridership, service hours, fare revenue, and operating expenses affect every performance indicator, and as one would expect, the statistics for 2020 are an anomaly when compared to a normal year. We expect these key performance indicators to return to more usual trends as we recover from the pandemic impacts in 2021 and 2022.

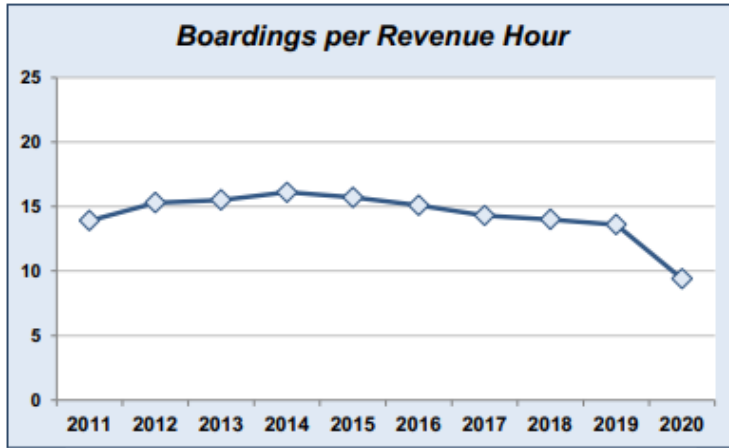
Customer Satisfaction and Ridership Growth

Boardings per Capita

Between 2019 and 2020, the population within Community Transit's public transportation benefit area (PTBA) grew by about 1.7 percent, which is close to the 10-year average population growth rate in the PTBA. From 2014 through 2018, the system boardings per capita rate remained stable at 18.1. It increased to 18.6 in 2019, suggesting that as population grows, ridership follows. Due to the COVID-19 pandemic, 2020 ridership declined by 49 percent which caused the system boardings per capita rate to fall to 9.3, half of the 2019 rate. Although bus ridership is returning, it is difficult to predict when all service modes will reach pre-pandemic levels.



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



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

Boardings per Revenue Hour

This performance indicator is a ratio of the number of passenger boardings across all modes (bus, commuter bus, demand response, and vanpool) divided by the number of revenue hours operated in all modes. Before the pandemic, the 10-year average across all modes was 14.8 boardings per revenue hour. Because of restrictions imposed by Washington State, significantly

fewer people used transit service in 2020, and 2020 boardings per revenue hour decreased by 31 percent, from 13.6 in 2019 to 9.4 in 2020. Bus only boardings per revenue hour averaged 20 boardings per revenue hour over the previous 10 years and were down by 39 percent from 17.2 in 2019, to 10.5 in 2020. In 2020, Community Transit operated 213,000 fewer revenue hours across all modes than in 2019, a decrease of 26 percent.

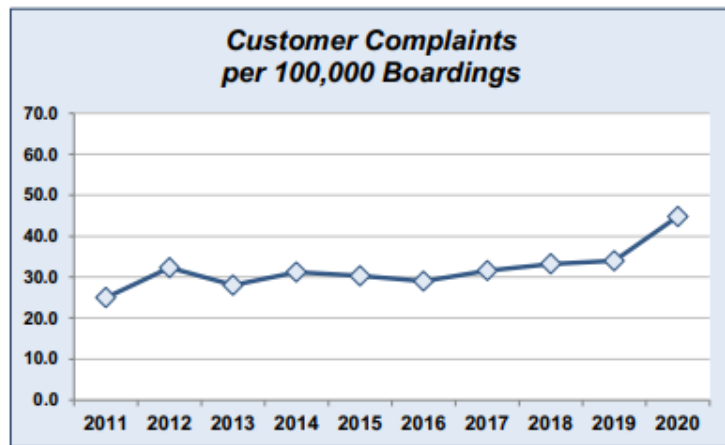
From 2014 through 2019 Community Transit added 230,000 revenue hours across all modes. Of those 209,000 revenue hours, 228,000 were for bus only service, an average addition of 38,000 bus only revenue hours each year.

In 2020, Community Transit operated 504,000 hours of bus only service, down from 585,000 bus only hours in 2019. System ridership was significantly impacted by the COVID-19 pandemic. Ridership declines began during the first week of March 2020 and plunged to 30 percent of pre-pandemic levels by the end of March 2020. Weekday service (including commuter service) was reduced due to declining demand.

Customer Complaints

Customer complaints run a gamut, from scheduling concerns to frequency of stops, to behavior of other riders on a bus. During the first week of June 2020, daily demonstrations in Seattle disrupted commuter service.

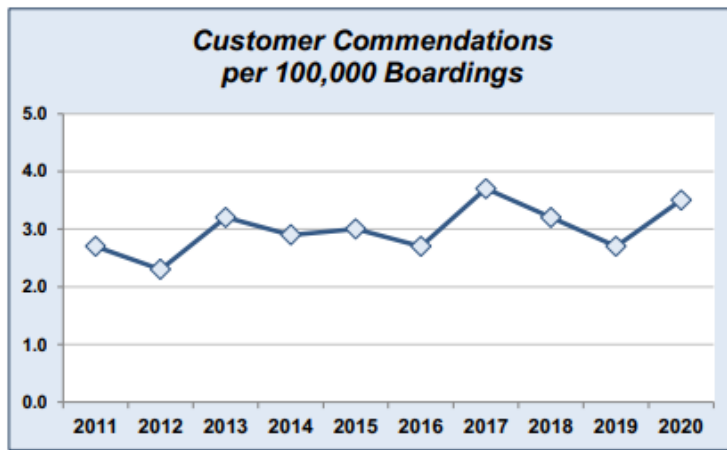
To comply with health and safety requirements due to the pandemic, seating was cordoned off to



Considered an indicator of customer interest in, concern about, or satisfaction with Community Transit services.

encourage six-foot distancing, and customers were required to wear masks on all buses. Face coverings were provided as needed.

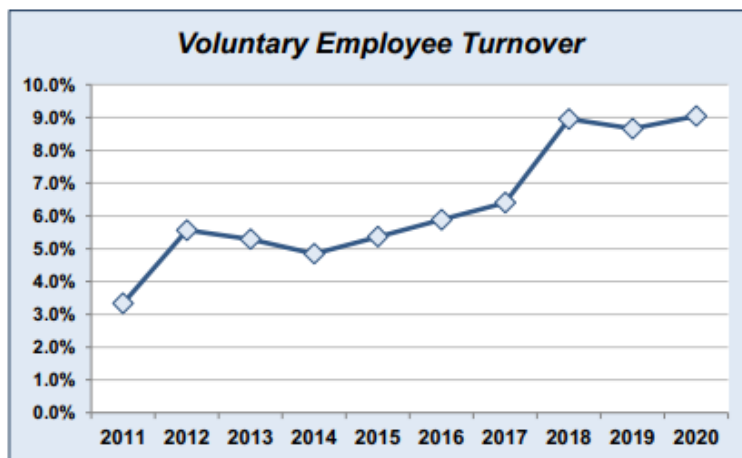
Customer complaints increased by 32 percent from 34.0 complaints per 100,000 boardings in 2019 to 44.8 complaints per 100,000 boardings in 2020. Over 250 complaints were received regarding mask requirements, social distancing, and route reductions. The largest number of complaints received were about buses coming too early or too late. Over the 10-year period of 2011 to 2020 inclusive, the agency received an average of 31.9 complaints per 100,000 boardings per year.



Considered an indicator of customer satisfaction with Community Transit services.

Customer Commendations

In 2020 Community Transit received 3.5 commendations per 100,000 boardings, compared to 2.7 commendations per 100,000 boardings in 2019. Customer commendations fluctuate from year to year depending on factors such as service changes, inclement weather, and even the number of new bus drivers or new services.



The total number of voluntary resignations (including retirements) expressed as a percent of the total number of employees.

Voluntary Employee Turnover

This performance indicator tracks the number of employees who voluntarily resign or retire from employment at Community Transit. These separations are influenced by factors such as family relocations, competition in the job market, career changes, job satisfaction, and retirements.

Voluntary turnover totaled 72 employees in 2020, the same as 2019. Voluntary employee turnover statistics do not include employees laid off because service was reduced due to the COVID-19 pandemic. At the time this report was prepared, all employees laid off due to the pandemic have been offered a recall to their former positions.

Good Stewards of Public Funds

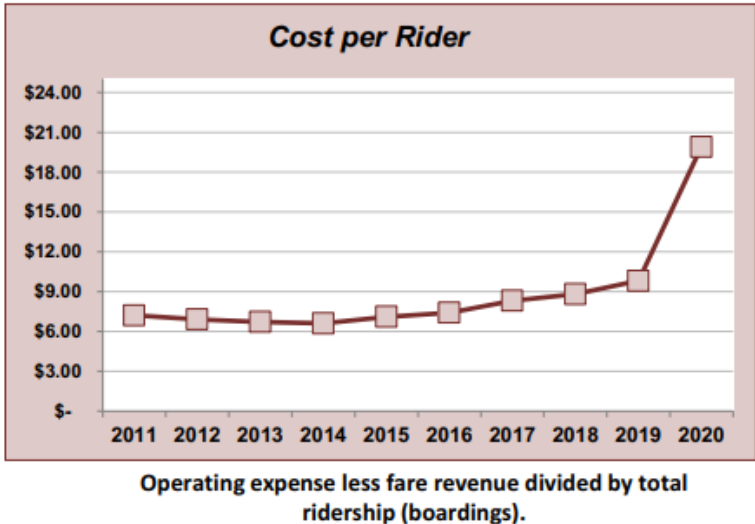
Cost performance indicators are influenced by factors such as changes in the number of revenue hours (service hours) the agency operates, changes in the cost of operating the services provided, and changes in fare revenue.

Service Changes: Community Transit was in a growth mode when the COVID-19 pandemic hit. Between January 1, 2016, and December 31, 2019, Community Transit added 178,000 hours of new service, and 172,000 of those hours were for bus service. In response to the COVID-19 pandemic, Community Transit deferred service increases, and instead reduced service across all modes by 213,000 hours, but by only 80,600 hours in bus modes.

Operating Expenses: Adding service increases operating expense, often in advance of the actual service increase, but reducing service does not equate to a proportionate reduction in expenses. During the growth period of 2014 through 2019, total operating expenses increased by an average of 8.7 percent a year while total revenue hours increased by an average of 5.7 percent. In the adopted 2020 (pre-pandemic) budget, operating expenses were projected to increase in line with prior growth periods. However, very early in the pandemic, Community Transit deferred service increases and controlled costs in other ways. These reductions were offset by unplanned COVID-19 related costs, resulting in 2020 total operating expenses decreasing by 4.5 percent (compared to revenue hours decreasing by 26.0 percent).

Fare Revenue: Changes in the amount of fare revenue depend on multiple factors which may occur individually or at the same time: a change in the fare rates charged, a change in the number of riders, a change in the mix of riders by fare type, or a change in agency fare collection policy. Effective March 20, 2020, Community Transit suspended fare collection on all bus and demand response services. Fare collections resumed June 1 on *Swift* routes and July 1 on all other routes.

The charts that follow show how these factors affected Community Transit’s 2020 performance.



Cost per Rider measures the net cost after fare payment for delivery of one passenger trip. It is an indicator of cost efficiency.

Between 2011 and 2019, the average cost per rider was \$7.62. During the pandemic, the cost per rider rose to \$19.89, a pandemic related anomaly which we anticipated. Ridership declined precipitously in March 2020 as

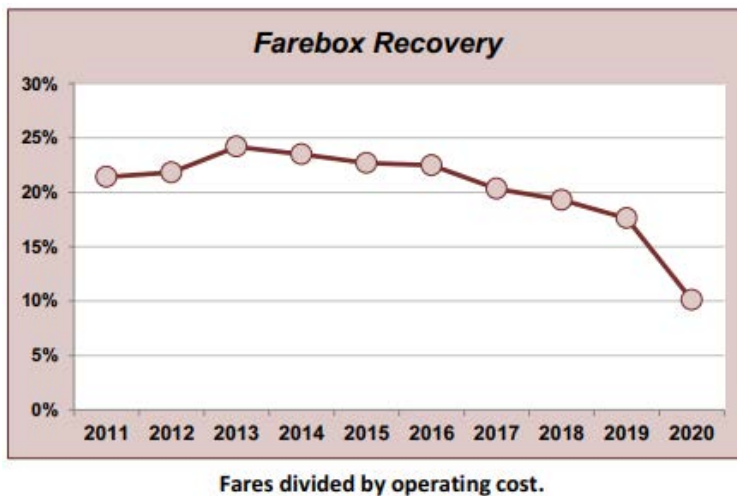
Governor Jay Inslee ordered a statewide, two-week, stay-at-home order to combat the pandemic. Fares were suspended between March and July of 2020. Many employers, including Community Transit, began work-from-home programs for employees whose work could be completed remotely. These factors reduced the number of riders who used our services in 2020, and that caused the 2020 cost per rider to spike.

Cost per Passenger Mile measures the cost of operations to carry one passenger for one mile. Beginning in March 2020, weekday service was reduced 30 percent. In July, service was restored to 78 percent of pre-pandemic levels, and in September commuter trips to Seattle were restored.



However, the same factors that impacted cost per rider also affected cost per passenger mile.

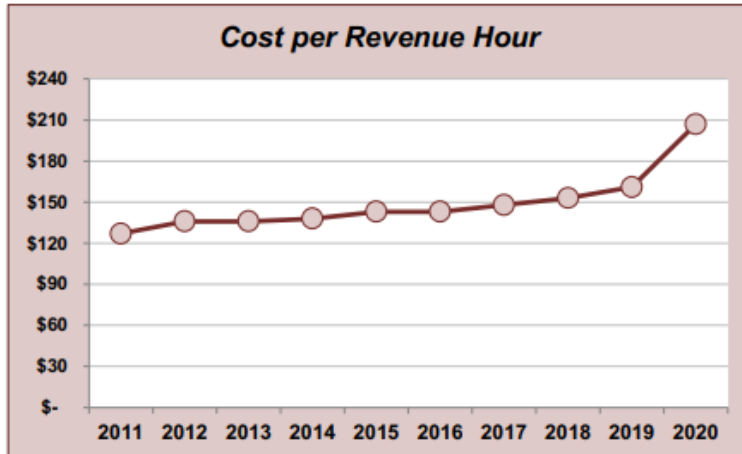
Community Transit’s longest routes are commuter routes into Seattle and the University district. Service was reduced on these routes because demand declined due to the pandemic. With fewer miles to absorb operating expense, the cost per passenger mile increased.



Farebox Recovery measures the proportion of operating costs paid for by passenger fare revenue. The 2020 fare recovery rate was 10 percent. Suspension of fare collection between March and July contributed to the sharp decrease in the farebox recovery rate as did the significant drop in ridership.

The 2014 to 2019 growth period shows a trend of declining fare recovery. During periods of service

growth, fare recovery does not always keep pace because it takes time for new service to mature and attract ridership. The 2019 fare recovery rate was also affected by a policy change to offer low income fares.



Operating cost divided by revenue hours.

Cost per Revenue Hour measures the cost of operations for one revenue hour of service. This performance measure indicates efficiency of the unit cost of operations. The 2020 cost per revenue hour increased by 29.0 percent from \$161 in 2019 to \$207 in 2020.

Due to the pandemic, Community Transit operated 26 percent fewer revenue hours in 2020. However,

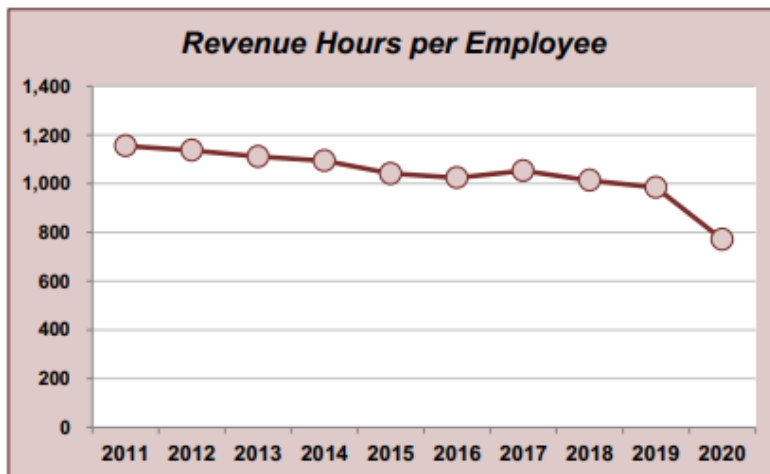
operating expense did not decrease substantially because the agency’s fixed expenses did not substantially change. Maintenance expense for facilities and coaches increased because of additional COVID cleaning protocols necessary to ensure passenger and employee safety.

Revenue Hours per Employee

measures how much service Community Transit operates per employee and is one indicator of workforce labor efficiency.

Revenue hours per employee increase when the number of employees increases at a slower rate than the rate of change in revenue hours. Revenue hours per employee decrease when the number of employees

increases at a greater rate than the rate of change in revenue hours or the number of employees stays the same while revenue hours decrease. The 22 percent decline between 2019 and 2020 results from the reduction in revenue hours due to the pandemic. Community Transit made a policy decision to retain as many employees as possible during the pandemic, but eliminated over 50 positions, and either froze or delayed hiring for other positions.



Revenue hours divided by year-end employee count.

Budget Process

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

Staff develops the budget based on agencywide goals and departmental programs and objectives. Budget development consists of a multiphase process beginning in the spring of the current fiscal year and ending with the December Board budget adoption, to create and implement the annual budget for the upcoming fiscal year.

Strategic Planning Process

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

During 2018 and 2019, Community Transit's Executive Leadership Team met in a series of retreats to redevelop new Mission and Vision statements for Community Transit. In addition, the team refreshed the agency's core values, which guide how we interact internally and externally with coworkers, customers, vendors and the community.

When these statements were in nearly final format, mid-year 2019, the Mission, Vision, and Core Values were rolled out to middle management for further refinement. By year end 2019, these were finalized and communicated to all Community Transit employees. Additionally, Agency Priorities were developed to add action to the Mission, Vision and Core Values, and to guide the long-range planning process.

The following graphic shows Community Transit's updated Mission, Vision, Core Values, and Agency Priorities.

OUR ► VISION
Travel made easy for all.

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

► CORE VALUES
Accountability
Equity & Inclusion Initiative
Integrity
Mutual Respect
Service-Focused
Teamwork

► AGENCY PRIORITIES

- Provide easy access and connectivity to Link light rail
- Invest in the employee experience
- Innovate to improve products and services that make travel easy and safe for all
- Modernize and expand our base facilities to support growth

Six-Year Transit Development Plan

On an annual basis, pursuant to RCW 36.57A.060, Community Transit’s Strategic Planning staff develops its annual transit development plan, which represents an annual update to the agency’s six-year transportation plan. Updates provide a refreshed six-year forecast of agency financials, service levels, and capital projects. The transit development plan represents an important forum for developing strategic goals and helps set the tone for many agency work programs. The Washington State Department of Transportation requires transit agencies to submit an updated plan approved via a public process in the spring each year. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens. The transit development plan also serves as an important communication tool to internal staff, community partners, and citizens.

The transit development plan is adopted by resolution of the Board of Directors each year, generally preceding the development and adoption of Community Transit’s annual budget. The plan contains a six year financial projection that:

- Provides estimates of retail sales tax growth for the six-year period along with associated revenue projections.
- Estimates cash flows and annual fund balances for all Community Transit funds.
- Plans for reserves required for new and replacement capital.

- Provides a financial roadmap for the delivery of Community Transit’s service delivery plan over the next six years.
- Ensures financial stability and continuity to accommodate fluctuating economic conditions, support future growth and expansion needs, to allow the agency to continue to deliver on its mission and vision.

General Fund -- Six Year Forecast

	2021 <i>Forecast</i>	2022 <i>Budget</i>	2023 <i>Transit Development Plan - Financial Plan</i>	2024	2025	2026
Sales Tax	\$176,252,662	\$185,065,000	\$190,617,000	\$198,242,000	\$206,172,000	\$214,419,000
Fares	8,632,828	13,190,100	21,672,496	24,129,426	24,787,464	25,290,086
Other Revenues	60,507,619	64,811,869	44,344,453	18,846,699	18,230,242	16,945,833
Total Revenues	245,393,109	263,066,969	256,633,949	241,218,125	249,189,706	256,654,919
Department Operating Exp ¹	158,614,892	164,144,179	182,157,931	198,717,743	212,765,542	225,743,928
Other Operating	4,430,267	4,431,292	4,761,563	4,871,554	4,985,174	5,102,545
Cost Pools	-	7,716,707	-	-	-	-
Total Expenses	163,045,159	176,292,178	186,919,494	203,589,297	217,750,716	230,846,473
Surplus	\$ 82,347,950	\$ 86,774,791	\$ 69,714,455	\$ 37,628,828	\$ 31,438,990	\$ 25,808,446
Interfund Transfers ²	37,988,240	164,740,174	42,536,728	39,816,898	42,043,150	27,227,489
Net Change to Cash Balance	44,359,710	(77,965,383)	27,177,727	(2,188,070)	(10,604,160)	(1,419,043)
Projected Ending Cash Balance	\$191,461,390	\$113,496,007	\$140,673,734	\$138,485,664	\$127,881,504	\$126,462,460

¹ Department Operating Expenses include Fuel Expense and Insurance

² Transfers for Workers' Compensation and Debt Service are included in Other Operating for consistency with Transit Development Plan (TDP)
For purposes of this presentation, interfund revenues, which occur on a variable basis, have been netted against interfund expenditures

The transit development plan, the completion of which is timed, ideally, to coincide with the inception of the budget process, provides a blueprint and guidance for the organization in the creation of its annual budget. Planning and Finance staff then work cooperatively to meld the higher level transit development plan projections with the more specific budget instructions and detailed budget estimates made for the current year’s budget process. Consensus, analysis, and best available economic projections drive the projections for the more detailed budget that Finance staff will develop. The link to the most current adopted transit development plan may be viewed at: <https://www.communitytransit.org/about/projects>.

Business Planning Process

Annually, staff completes an internal process known as business planning in advance of the annual budget process. Business planning includes mapping out the specific activities and projects for the upcoming year that will be undertaken to achieve the objectives established in the transit development plan or to achieve departmental goals and other business requirements. The business planning process allows for better coordination between departments and more effective allocation of staff resources. The process encourages staff agencywide to collaborate and communicate regarding priorities, workload, and assistance needed from other departments to support their projects and initiatives.

The business planning process culminates in an agencywide business plan that helps direct departmental budget development. Staff members complete individual business plans for each division and monitor them throughout the year.

Finance and Department Staff

Near the beginning of Community Transit's January to December fiscal year, Finance staff creates a calendar to map out the upcoming budget cycle. This calendar starts with budget system preparation in late spring and early summer and outlines the setting of parameters and assumptions with Planning and Executive staff. It also guides agency departments' budget development and submission timelines as well as review by the CEO and Executive team in late summer.

Service hour projections put forth by Planning staff drive, to a significant degree, staffing and other costs in departments that perform work driven by service or revenue hour volumes. Finance staff estimates budgeted revenues for the coming year in the early part of summer while departments prepare their budgets. Department employees present their FTE requests to the Executive team in early June, prior to the start of the departments' budget preparation. The Executive team reviews and makes tentative approvals by late June, depending on availability of funding and agency objectives.

Finance staff also prepares the budgets for workers' compensation, debt service, insurance, benefits, cost pools, and interfund transfers that cover capital project and nonoperating expenses. Budget labs during the month of July provide hands-on assistance to agency budget preparers who may need technical assistance when creating and entering data for their departments' budgets. Department budget preparation generally begins around the end of June, with an approximately four-week timeline to complete these budgets.

Capital projects are budgeted on an individual project basis, and project budgets may span multiple years. Departments submit plans for projects in approximately February for the next budget year. The Business Planning team reviews the capital project proposals for completeness, and the CEO and Executive staff review and approve these in the spring, in advance of budget development. Departments budget for their approved capital projects concurrently with the preparation of their department budgets. Capital projects are budgeted and funded in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is included in the next fiscal year's budget.

Links to Community Transit's recently adopted budgets and other financial information can be viewed at: <https://www.communitytransit.org/budget>.

CEO and Executive Review

During early August, Finance staff reviews and analyzes budget submissions to ensure an accurate and complete draft budget. Budget review with the CEO and Executive Team begins in mid-August and continues until approximately early September, depending on the need for multiple rounds of review. The Executive Team makes recommendations to the CEO, who approves the budget that will be submitted to the Board of Directors. Finance and Administrative staff create reports and presentation materials for the Board of Directors from mid-September to mid-October.

The Board of Directors' Role

The Board of Directors adopts the annual budget. The Board of Directors then monitors the annual budget through quarterly financial reports, monthly review of expenditure listings, and authorization of all expenditures exceeding \$150,000. The Board Finance, Performance, and Oversight Committee receives a monthly fund status report for review and discussion with staff.

Budgetary control is maintained at varying levels. Operating expenses are monitored by department heads who are assigned responsibility for controlling their budgeted appropriations. Emphasis is placed on the total appropriation for the department, and for the divisions within each department. Budget overruns at the agency level must be authorized by the Board of Directors; at lower levels they are the responsibility of the CEO.

Presentation to the Finance, Performance, and Oversight Committee and Board of Directors

Community Transit's Director of Administration and Finance staff present an overview of the proposed budget to the Board of Directors in October. The budget is released first to the Finance, Performance, and Oversight Committee members, and then to the Board of Directors at the October Board workshop.

The budget allocates resources among critical and competing interests, efforts, and initiatives on behalf of residents of Community Transit's public transportation benefit area, which includes most of Snohomish County. The proposed budget also includes a CEO message and an Executive Summary explanation of the budget document. Detail concerning budgets specific to each agency department is also provided.

It is management's responsibility to present a preliminary budget that strikes the right balance between any competing interests at Community Transit, and between anticipated resources and planned expenditures.

Community Transit also uses the budget document to share information with members of the community and others who desire information about how Community Transit spends its resources.

Board of Directors' Budget Review Process

The Board of Directors receives a notebook containing Community Transit's proposed budget and related information (such as CEO Message, Executive Summary, and department-specific information) in late October at or before the Board workshop. Board members review the proposed budget and submit questions to the Budget Manager, Controller, or Director of Administration by a date specified in approximately mid-November. The Board holds a public hearing on the budget during the November Board meeting, which gives members an opportunity to take public feedback regarding the budget, further formulate questions, and consider any additional or new information that may surface.

Agency staff answer the Board members' budget questions and provide a document on or before a predetermined date in November, usually during the third week in November prior to the Thanksgiving holiday. During the December Board meeting, the Board of Directors votes on the resolution that adopts the budget. If for some reason the Board cannot adopt the budget at their December board meeting, a special meeting must be held prior to December 31st whereby the Board adopts a budget for Community Transit.

Budget Amendment

During the course of the fiscal year, unanticipated events, including economic and other changes, may occur that warrant changes to Community Transit's Board-adopted budget. At least twice annually, the Budget Manager works with agency staff to develop amendments to the current year budget, based on agency needs. These include the appropriation of unanticipated revenues, emergency or unexpected operational needs, and capital project requirements.

One or more amendments are processed in advance of the annual budget process. These amendments usually include such elements as off-cycle project requests or adjustments to the service plan. In some years, an amendment is presented in the fall, which also accommodates known budget adjustments for revenue updates, unanticipated costs, and/or off-cycle project requests. A final year-end amendment is processed near the close of the fiscal year. This amendment often includes additional updates to the revenue budget and/or adjustments needed to existing project budgets. The budget manager compiles items for each amendment and prepares the resolution and associated attachments. The Board of Directors reviews and approves budget amendments. This process occurs at a regular Board of Directors meetings, which are public meetings held on the first Thursday of each month.

Budget Schedule

	<i>Task</i>	<i>Timeline</i>
	Executive Leadership and Financial Strategy Coordination group develop budget strategies	Late March to May
	Budget kickoff/parameter development occurs	Late April/Early May
	FTE request review process occurs	Early to Mid-June
	Budget workshops held	Mid-June
	Budget system released to department budget preparers	Late June
	Budget labs conducted (online or in person)	July – various dates
	Department Operating and Capital Budgets due	Late July
	Round 1 and 2 budget reviews occur	Round 1 – Mid-August Round 2 – Late August
	Executive Team approves budget	Early September
	Analysis and report preparation occur	September-October
	Budget preview presented to the Board	First Thursday in October on an as-needed basis.
	Budget presented to the Finance, Performance, and Oversight Committee	Third Thursday in October
	Budget presented to Board of Directors at quarterly workshop	Fourth Thursday in October
	Public hearing on the budget occurs	First Thursday in November
	Board adopts budget	First Thursday in December

Funds List

Community Transit uses a single enterprise fund to account for its operations and prepares its financial statements on the accrual basis of accounting according to generally accepted accounting principles. For budget purposes, as well as for tracking reserves and capital projects, the agency breaks this enterprise fund into multiple funds in its financial system. These budgetary funds include a general operating fund, several reserve funds, funds to cover debt service and the worker compensation program, and multiple capital project funds. All of Community Transit's funds are appropriated.

Most revenues and expenditures are budgeted on an accrual basis. Significant differences include sales tax revenue, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, debt service, capital projects, and depreciation and amortization.

Fund 40—General Fund

The General Fund accounts for Community Transit's operations. Revenues include retail sales tax, fares, grants and contributions, and other miscellaneous revenues. Operating expenses include salaries and wages, benefits, fuel, purchased transportation, services, utilities, and consumable supplies.

Fund 41—Replacement Reserve

The Replacement Reserve uses local revenues, primarily sales tax collections, to provide for the locally-funded portion of costs for the scheduled replacement of buses, paratransit vehicles, vanpool vans, and support vehicles. Vehicle purchases without grant funding may be recorded in Fund 41 while interfund transfers to other capital funds provide the local match portion required by grants.

Fund 42—Infrastructure Preservation Reserve

The Infrastructure Preservation Reserve sets aside a portion of local revenues, primarily sales tax collections, to accumulate funds for the needed repair and replacement of Community Transit's aging facilities and technology infrastructure.

Fund 43—Workers' Compensation Fund

Community Transit sets aside funds to pay for its workers' compensation program and related costs, including injury prevention. State law requires that all self-insured entities maintain a

minimum reserve balance to cover the estimated current and future claims costs. The minimum is determined by actuarial methods utilizing actual loss experience.

Fund 44—State Capital Projects

The State Capital Projects fund was newly created during the 2020 budget process for capital projects paid for, in part, by state grants which usually require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 45—FTA Capital Projects

This fund includes capital projects paid for primarily by Federal Transit Administration (FTA) grants that require Community Transit to contribute a partial match. The local match is usually funded with transfers from other capital reserves or the General Fund.

Fund 46—Local Capital Projects

Local Capital Projects includes capital projects paid for with locally generated funds, including minor routine capital purchases. It is primarily funded with transfers from capital reserves or the General Fund, with occasional local government contributions. Projects funded with state grants will be budgeted in the newly created Fund 44 beginning in 2020.

Fund 47—Bond Capital Projects

Bond Capital Projects includes capital projects paid for by bond proceeds or proceeds from other forms of public debt, which Community Transit may issue in future years. Once bond proceeds are fully spent, this fund is used for tracking assets and depreciation accounting; it is inactive for budgeting purposes.

Fund 48—Facility and Technology Expansion

This fund provides for specific facility and technology projects and accumulates a reserve for future facility and technology expansion.

Fund 50—Bond Debt Service

This fund accumulates the minimum necessary funds to cover annual principal and interest payments due on outstanding bonds. Funding is provided by sales tax revenue recorded in the General Fund and transferred to Fund 50. Community Transit's bond resolution requires that the agency set aside a portion of its sales tax revenue to meet bond debt service requirements.

Financial Policies

PURPOSE

The Financial Policies described herein are designed to provide a strategic and comprehensive framework for the management of the financial resources of Community Transit. They provide guidelines for decision-making on how financial resources shall be utilized to fulfill the mission of the transit, meet obligations and protect the public interest.

Significant Accounting Policies

Basis of Accounting and financial reporting

The accounting policies of Community Transit conform to generally accepted accounting principles applicable to governmental units. Community Transit applies all applicable GASB pronouncements. Community Transit is a stand-alone enterprise fund, and our financial statements report information using the accrual basis of accounting, a method similar to those used by private-sector businesses. Under this method, revenues are recorded when earned, and expenses are recorded as soon as they result in liabilities for benefits received.

Operating revenues and expenses generally result from providing transportation services. Community Transit's primary operating revenues include passenger fares (charges to customer for transportation services), reimbursements from Sound Transit for providing regional express bus service, and revenues earned from advertisements posted on buses. Operating expenses consist of service directly operated and service provided under contract, vehicle and facility maintenance, administrative expenses, depreciation and amortization of capital assets. Note that budgetary treatment of sales tax, grant revenues, investment income and various other sources of revenue differ from GAAP treatment, in that they are treated as operating revenues.

All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses and include subsidies such as tax revenues and operating grants, investment income, miscellaneous revenues, interest expense, and gains or losses on the sale of capital assets and maintenance parts inventory.

Community Transit's accounting records are maintained in accordance with methods prescribed by the State Auditor under the authority of Washington State law. Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Community Transit Fiscal Year is January 1 through December 31.

Budgeting

The Board of Directors adopts both short-term and long-range plans that define the financial and service goals for the agency. The Six-Year Transit Development Plan (TDP) is updated each year and provides parameters for the annual budget. Based on TDP goals, staff develop an agency business plan which is used to prepare the agency's annual budget. The Board of Directors adopts the agency budget after review and public comment.

Community Transit adopts its annual budget in December of the preceding fiscal year. The budget is based on agencywide goals and departmental programs and objectives, as well as revenue and service growth assumptions outlined in the Board adopted six-year transit development plan. Revenue estimates are used to determine the level of service to be provided the following year. It is agency policy that the annual budget is a balanced budget and that the proposed service level is sustainable.

Most operating revenues and expenditures are budgeted on the accrual basis. Significant differences include sales tax revenue, depreciation and amortization, compensated absences payable, actuarial accrual of future workers' compensation losses, postemployment benefits, and other revenues. Investment income is budgeted without accounting for changes in fair value. Debt service is budgeted on a cash basis.

Capital projects are budgeted on a project basis. Projects are budgeted in their entirety when approved, regardless of anticipated expenditure dates. Each year thereafter, the remaining unexpended portion of each project, as well as related grant reimbursements, is re-budgeted.

Community Transit encumbers expenditures for management information. Encumbrances do not constitute a legal reduction of appropriations and are not reported on the financial statements.

The annual budget fully funds that year's operating expenses and operating revenues; capital development; and reserves needed for preservation of capital assets, workers' compensation, replacement of vehicles, and funding for future facilities and technologies requirements. The Board monitors the annual budget and agency financial activities through review of monthly expenditure listings, quarterly financial reports, the annual comprehensive financial report, and a variety of other financial reports.

Cash and Short-Term Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments purchased with a remaining maturity of three months or less. Community Transit's investment policies are governed by regulations established for public funds by Washington State law.

Investments are reported at fair value except for investments in the Washington State Local Government Investment Pool (LGIP) which is reported at amortized cost. Changes in fair value are included as revenue in the financial statements.

Restricted Assets

Funds are classified as restricted assets when their use is limited by bond covenants, state requirements for workers' compensation, or other legally binding conditions. Currently, the only restricted assets the agency has is for self-insured workers' compensation.

Maintenance Parts Inventory

Vehicle maintenance parts are held for consumption and valued at cost using the weighted average method. The costs of maintenance parts are recorded as an expense when consumed rather than when purchased.

Capital Assets and Depreciation

Assets with a useful life in excess of one year are capitalized if the individual cost is at least \$5,000. Capital assets are recorded at historical cost. Donated assets are measured at acquisition value. Replacements which improve or extend the lives of property are capitalized. Repairs and maintenance are expensed as incurred.

Community Transit participates with the Washington State Department of Transportation in the construction of passenger park-and-ride facilities within the transit service area. Community Transit contributes funds to provide the local match required under the terms of federal construction grants. The State of Washington retains park-and-ride facility ownership, but Community Transit's contribution allows us to use these facilities. The rights are valued at the amount of the contribution made and are reported under capital assets as site improvements.

Depreciation is computed using the straight-line method (without salvage values) over the estimated useful life of the asset. When used assets are acquired, they are assigned a useful life of one-half the new life.

Newly acquired assets are assigned useful lives as follows:

- Land—not depreciated
- Work in Progress—not depreciated
- Intangible Property—easements not depreciated
- Buildings—5 to 30 years
- Site Improvements—5 to 30 years
- Buses—12 to 15 years
- Other Vehicles—5 to 8 years
- Machinery and Equipment—3 to 10 years
- Computer Equipment—3 to 7 years
- Intangible Property—3 to 10 years

Compensated Absences

Policies for the accrual and use of compensated absences vary depending on whether an employee is represented by a labor contract or subject to the personnel policy. All employees are covered in three plans: paid time off, major sick leave, and Washington State sick leave. Paid time off is payable upon an employee's termination. Major sick leave and Washington State sick leave is payable at 25 percent of the hours accrued with the exception of some union employees, who are paid out at 50 percent if retiring. The portion of both sick leave plans payable at termination represents the vested portion of major sick leave earned and is subject to accrual.

Unearned Revenue

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

Pensions

Information about the fiduciary net position of all state-sponsored pension plans and additions to or deductions from the fiduciary net position of those plans has been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. This information was used to measure net liability, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Calculating Community Transit's Reserve Balances

Community Transit's finances were significantly impacted by the global recession of 2007-2009 and the slow economic recovery following the recession. Revenues fell short of the agency's planned revenue forecasts. The agency took action to restore its financial strength and to continue to respond to economic conditions. Once again, in 2020, the Covid-19 pandemic hit. The agency's management had concerns regarding its revenue streams, particularly the strength of sales tax collections. The agency adjusted service and staffing in anticipation of declining revenues, though this concern did not materialize. A bright light during the early and uncertain days of the pandemic was the knowledge that the agency had built sufficient reserves it could rely on. One of our budget principles is to ensure that Community Transit develops a balanced and sustainable budget. Reserves are one key element that allows the agency to achieve this principle.

The original reserve recommendations were developed in 2012 by Moss Adams Advisory Services, who was engaged to evaluate Community Transit's reserve balances and strategies. The Moss Adams recommendations were fully implemented. As the pandemic started in 2020, Community Transit engaged the Government Finance Officers Association (GFOA) to reassess its reserve balances and ensure the reasonableness and appropriateness of each balance. The GFOA's consultants analyzed the following: the operating and fuel reserves, replacement, and infrastructure preservation reserves, as well as the agency's aggregate reserves.

The analysis was conducted by evaluating current funding levels for the various reserves and practices versus industry standards and practices. GFOA's consultants also performed risk analysis to evaluate the adequacy and the probability that reserves will cover likely risks. From the analysis, GFOA developed recommendations and suggested steps that might be taken to bridge any gaps between current and recommended funding levels. Reserve in this budget and in the Transit Development plan meet or exceed the recommendations of this study.

The Workers' Compensation fund reserves were not addressed by either study. That said, GASB pronouncements and Washington State law were reviewed to determine what requirements, if any, would apply to Community Transit's self-insured Workers' Compensation program. The GFOA provided a recommendation for developing a fuel reserve, which was not addressed in the original 2012 study.

Each year, in partnership with long-range planning, budget staff in the Finance Division calculate the reserve requirements during the annual transit development plan and budget development. The Board of Directors reviews the proposed reserve balances as part of the annual budget process and adopts the budget in December of each year. This year's proposed budget includes updates from the GFOA's reserve recommendations.

Delegating Purchasing and Other Authorities

This policy applies to any employee who has been delegated the authority to make certain financial, contractual, or regulatory transactions on Community Transit’s behalf. The policy has nine sections.

Section 1: Authorizing Employees to Make Purchases on Behalf of Community Transit

Section 2: Authorizing Employees to Enter into Contracts on the Agency’s Behalf

Section 3: Approving Invoices for Payment

Section 4: Authorizing Release of Payments

Section 5: Authorizing Budget Transfers

Section 6: Authorizing the Release of Surplus Property

Section 7: Delegating Authority for the Annual USDOL OSHA 300 Report

Section 8: Administering this Policy

Controlling Noncapitalized Assets

A noncapitalized asset is defined as any item with a value of at least \$300 and less than \$5,000, meets specific criteria, and is vulnerable to theft, loss, or misuse. These items are referred to as “small and attractive items” per Resolution No. 01-02 and are tracked and verified annually. The policy applies to any regular, temporary, or contract employee who purchases, stores, uses, accounts for, or is in any way responsible for a noncapitalized asset.

Procurement Policy

Resolution No. 01-17 authorizes the Chief Executive Officer to establish and maintain an agencywide procurement program of policies and procedures in compliance with federal, state and local laws.

Contracts that exceed \$150,000, at the time of award in total, if a single-term contract (e.g., construction); or in any contract year, if a multi-year contract including option years, shall be awarded by the Board of Directors, unless listed in Section 4 –Exemptions. All other contracts or change orders shall be awarded by the Chief Executive Office, subject to Board approved budgets.

Investing Community Transit’s Funds

Community Transit’s portfolio complies with conditions set forth in its investment policy. This policy applies to all financial assets belonging to Community Transit except that bond proceeds

are governed first by any associated bond financing documents. These funds are accounted for in Community Transit's Annual Comprehensive Financial Report. The policy includes the following sections:

Section 1: Affirming Community Transit's Key Investment Principles. This section outlines Community Transit's investment principles in priority order: safety, then liquidity, then return on investment.

Section 2: Managing Community Transit's Investment Program

Section 3: Selecting Financial Institutions and Brokers/Dealers

Section 4: Evaluating Investment Decisions

Section 5: Developing Community Transit's Investment Strategy

Section 6: Investing in Authorized Securities

Appendices A-E: Appendices include the following topics: the approved securities list, portfolio maximum percentages, and duties of the investment team.

Community Transit measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

- Level 1: Quoted prices in active markets for identical assets.
- Level 2: Quoted market prices for similar assets or other observable inputs.
- Level 3: Unobservable inputs for an asset.

Community Transit's investment policy clearly states that safety and liquidity takes precedence over return on investment. Allowable investments are limited to:

- U.S. Treasury obligations.
- U.S. government agency obligations and U.S. government-sponsored enterprises.
- Banker's acceptances.
- Commercial paper.
- Certificates of deposit.
- Repurchase agreements.
- Bonds of Washington State and any local government in Washington State.
- General obligation bonds of a state other than Washington State.
- Washington State Local Government Investment Pool (LGIP)

Interest Rate Risk: Community Transit's investment guidelines and policies state that safety of funds is the number one priority in all investment decisions. Maturities are generally limited to five years and the weighted average maturity of the portfolio may not exceed three years. Thus, all investments held are considered to have a low interest rate risk.

Credit Risk: Community Transit's credit risk is indirectly controlled via the kind of investment instruments allowed by the investment policy which includes only one direct, credit-risk

requirement. The requirement applies to bonds of any state and any local government in Washington State in which the rating must be one of the three highest credit ratings of a nationally organized rating agency. The risk ranges from minimal to none, based on the investment instruments Community Transit holds.

Custodial Credit Risk: According to Community Transit's investment policy, all security transactions are settled on a delivery versus payment basis. This means that payment is made simultaneously with the receipt of the securities to the safekeeping bank. Therefore, custodial credit risk for Community Transit's investments is minimal.

Small and Disadvantaged Business Enterprise Program

Community Transit has established a Small and Disadvantaged Business Enterprise (SBE/DBE) program in accordance with regulations of the US Department of Transportation, Code of Federal Regulations Title 49 Part 26 (49 CFR Part 26). Community Transit has received federal financial assistance from the Department of Transportation/Federal Transit Administration (DOT/FTA), and as a condition of receiving this assistance, Community Transit has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Community Transit to ensure that SBE/DBEs, as defined in 49 CFR Part 26, have equal opportunity to receive and participate in DOT/FTA-assisted contracts.

Managing Payment Cards

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

- Audit procedures associated with and use of any agency payment card.
- Authorize other employees to perform any activity associated with the agency payment card program.
- Issue payments for purchases made using agency payment cards.
- Manage the agency payment card program.
- Review and approve expenditures made using agency payment cards.
- Serve as a card user and use an agency payment card to purchase goods and services.
- Serve as a card custodian for any agency payment card.

The policy covers the following information:

Section 1: Managing the Agency Payment Card Program

Section 2: Setting Payment Card Limits

Section 3: Managing Employee Access to Payment Cards

Section 4: Using Payment Cards

Section 5: Monitoring and Paying for Purchases Made Using Payment Cards

Section 6: Dealing with Employee Misuse of a Payment Card

Appendices A-F: Appendices include the following topics: payment card custodian responsibilities, payment card user responsibilities, department head responsibilities, payment card administrator responsibilities, director of administration responsibilities, and procurement/contracts manager/DBE liaison responsibilities.

Managing Community Transit's Business Travel Program

This policy applies to any person authorized to travel on behalf of Community Transit and to employees who make or authorize travel arrangements or prepare travel budgets. This policy is authorized by Resolution No. 2-08 and is modeled after the Washington State Office of Financial Management State Administrative and Accounting Manual, Chapter 10. The policy covers the following topics:

Section 1: Managing the Agency Travel Program

Section 2: Making Travel Arrangements

Section 3: Purchasing Transportation for Business Travel

Section 4: Purchasing Lodging for Business Travel

Section 5: Using Per Diems While Traveling on Agency Business

Section 6: Administering Travel Advances

Section 7: Paying, Reconciling, and Reimbursing Travel Expenses

Section 8: Travel Program Tip Guidelines

Section 9: Combining Business and Personal Travel

Section 10: Changing, Transferring, or Cancelling Travel Arrangements

Section 11: Requesting Exceptions to the Agency Travel Program

Section 12: Documenting Agency Travel

Section 13: Purchasing Meals for Agency Activities

Section 14: Determining When Travel Time is Compensable

Appendices A-M: Appendices include the following: approval authority matrix, duties of department heads and the director of administration, duties of designated travel coordinators, guidelines for applying per diems to partial travel days, tip guidelines, nonexempt employee travel compensation, compensable and noncompensable commutes and travel time, compensating nonexempt employees in other travel circumstances, and calculating transportation expense.

Using Staff and Personal Vehicles to Conduct Agency Business

This policy applies to any person who uses a personal vehicle or a Community Transit staff vehicle to conduct agency business. The policy covers the following information:

Section 1: Driving a Staff Vehicle on Behalf of Community Transit

Section 2: Determining Driver Qualification

Section 3: Monitoring Driving Status

Section 4: Monitoring and Scheduling Staff Vehicles

Section 5: Using Staff Vehicles

Section 6: Assigning Staff Vehicles for Long-Term Use

Section 7: Using Personally Owned Vehicles to Conduct Agency Business

Section 8: Administering This Policy

Managing Community Transit's Fixed-Route Free Ride Fare Media

Free Ride Fare Media: paper tickets, flash passes, and ORCA cards.

This policy applies to all employees who issue, use, and manage Community Transit's free ride fare media. The policy covers the following information:

Section 1: The Chief Executive Officer Establishes Free Ride Fare Policy.

The Chief Executive Officer is authorized to establish free ride fare media per Resolution No. 2-81 and Resolution No. 12-86. Fixed-route free ride fare media can be used for approved purposes contained within the policy.

Section 2: Customer Service Manager Oversees the Free Ride Fare Media Program.

Customer Service Manager consults with Strategic Planning, Finance, Training, and Transportation before ordering or considering new free ride fare media. The Customer Service Manager determines who is authorized to issue free ride fare media.

Section 3: Marketing Designs Free Ride Fare Media.

Marketing consults with Strategic Planning, Finance, Training, and Transportation when designing new or updating existing free ride fare media.

Section 4: Customer Service Manager Reports on the Use of Free Ride Fare Media.

The Customer Service Manager provides a quarterly report to Strategic Planning summarizing the distribution, use, and collection of free ride fare media.

Completing the Business Planning Process

Annual process that is completed as a pre-budget activity. The purpose is to communicate with other Divisions within the agency in order to plan those work activities that should be completed on an agency-wide level for the next year. This policy applies to Community Transit staff involved in the annual Business Planning process.

Section 1: The Executive Team Makes Final Decisions Regarding the Business Planning Process.

The Executive Team serves as a final decision point as determined by the steering committee. Supports and communicates expectations to division managers and staff.

Section 2: Division Staff Monitor and Complete the Business Planning Process.

Division staff complete the business planning process and communicate with other divisions to refine work activities and/or estimates according to information provided by the Enterprise Program Office (EPO).

Section 3: Division Staff Collaborate on Work Activities with Staff in Other Divisions.

Communication is essential for business planning. The result will be better information discovered as a pre-budget activity.

Section 4: Department Subject Matter Experts (SMEs) Support and Advise Division Staff.

The department SMEs are selected by directors and serve as the single contact point for division managers for support and advice regarding overall process, tasks, and timelines.

Section 5: Managers, selected supervisors and department SMEs participate in the “swap meet”.

Managers and selected supervisors attend and participate in the meeting to discuss the work activities entered into their division’s business planning form. Department SMEs attend the “swap meet” and provide follow up assistance to division staff.

Section 6: The Enterprise Program Office (EPO) Administers the Business Planning Process.

The EPO provides information to the agency in order to complete the business planning process. Currently, the EPO utilizes the PeopleSoft module to maintain the data and distribute reports.

Glossary: Finance Terms and Acronyms

<i>Term or Acronym</i>	<i>Definition</i>
Account	A numerical chartfield that describes the nature of an expenditure or revenue.
Accrual Basis of Accounting	Accounting method where transactions are recognized when they occur, regardless of the timing of associated cash receipts and disbursements.
ACFR	The Governmental Accounting Standards Board (GASB) proposed to change the “comprehensive annual financial report” to the “annual comprehensive financial report”. The Annual Comprehensive Financial Report, proposes to eliminate both the financial report name and the offensive acronym from the GASB’s standards.
ADA Paratransit	The Americans with Disabilities Act (ADA) mandates that comparable transportation service be offered to individuals with disabilities who are unable to use fixed route transportation systems.
Annual Budget	A financial and operating plan that establishes a budget for a single fiscal year only.
Appropriation	An authorization made by the Board of Directors that allows for the expenditure of agency resources during a given fiscal year.
ARPA	American Rescue Plan Act, which President Biden signed on March 11, 2021, includes \$30.5 billion in federal funding to support the nation’s public transportation system as they continue to respond to the COVID-19 pandemic and support the President’s call to vaccinate the U.S. population.
Asset	Resources or items of value that are owned by an entity.
Balanced Budget	A budget in which revenues exceed expenditures, all reserves are fully funded, and Community Transit’s volume adjusted operating costs grow at a rate that is less than the cap set in the six-year transit development plan.
BARS	Budget, Accounting, and Reporting System—the required financial reporting system for government entities in Washington State.
Biennial Budget	A financial and operating plan that establishes a budget for a two-year period.
Bond	A type of security that is sold by firms or governments as a means to borrow money at specified interest rates.
BRT	Bus Rapid Transit system—a BRT aims to combine the capacity and speed of light rail or metro with the flexibility, lower cost and

<i>Term or Acronym</i>	<i>Definition</i>
	simplicity of a bus system, and can be described as a "surface subway".
Budget	A plan for revenues and expenditures, according to a set of strategic decisions made by agency leadership, which is approved by the Board of Directors annually. The budget funds initiatives and controls expenditures within boundaries.
Budget Center	A unit within the organization used for tracking actual expenditures and for comparison to its budget to ensure managerial control.
Budget Resolution	The official legal document approved by the Board of Directors that authorizes the expenditure of resources.
Budget Status Report	A report that compares budgeted expenditures with actual expenditures and encumbrances, usually reported by department and/or division as a means of monitoring the actual financial results against the annual approved budget.
Business Planning Process	Annual process that is completed as a pre-budget activity. The purpose is to communicate with other Divisions within the agency in order to plan those work activities that should be completed on an agencywide level for the next year.
Capital	Property that is expected to generate value over a long period of time and form the productive base of an organization.
CARES Act	The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020. The CARES Act, a \$2+ trillion economic relief package, provides direct economic assistance for American workers and families, for small businesses, and for state and local governments, as well as preserves jobs for American industries.
CFR	The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to federal regulation.
Chartfield	A term used to describe the fields that segregate and categorize a transaction. At Community Transit these include funds, budget centers (also known as departments), accounts, and projects.
Consumer Price Index (CPI)	A measure of the average change over time in the prices paid by urban consumers for goods and services.
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
CPA	Certified Public Accountant.

<i>Term or Acronym</i>	<i>Definition</i>
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. This includes \$900 billion in supplemental appropriations for COVID-19 relief. Of that, \$14 billion has been allocated to support the transit industry during the COVID-19 public health emergency.
DART	Dial-a-Ride Transportation, also known as paratransit.
Debt Service	Payment of principal and interest to Community Transit’s bondholders.
Department	A major unit of a company, organization, or government entity.
Encumbrance	The commitment of some portion of a budget to purchase an item or service. At Community Transit, an encumbrance is recorded when a purchase order is generated.
EPO	Enterprise Program Office. Community Transit budget center that coordinates the business planning process.
Expense	The economic costs a business or government incurs through its operations to earn revenue or provide a service.
Fiscal Year	A twelve-month period to which the annual approved operating budget applies; also, the segment of time in which an entity measures its financial results.
Fixed Assets	Items of value which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.
Fixed Route Service	Services provided on a repetitive, fixed schedule basis along a specific route with vehicles stopping to pick up and deliver passengers to specific locations; each fixed route trip serves the same origins and destinations; unlike demand responsive and vanpool services.
FTA	Federal Transit Administration—the federal agency responsible for transit programs and funding.
FTE	Full Time Equivalent—a measure of staffing in terms of full-time hours worked.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves and equities.
Fund Balance	Modified working capital; in essence, cash and cash equivalents plus accrued revenues and less accrued expenses.
GAAP	Generally Accepted Accounting Principles—used by industry and governments as standards for accounting and reporting financial

<i>Term or Acronym</i>	<i>Definition</i>
	activity. GAAP adherence assures all state and local governments' reports contain the same type of financial statements and disclosure, based on the same measurement and classification criteria.
GASB	Governmental Accounting Standards Boards—the entity that determines GAAP for government entities.
GFOA	Government Finance Officers Association.
Interfund Transfer	A payment made from one fund in a government entity to another for goods or services rendered or to provide funding for another allowable public purpose.
Intergovernmental Services	Purchases made from other governments for specialized services typically performed by those governments.
Investment	An asset or item acquired with the goal of generating income or appreciation.
Liability	The future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events, the settlement of which may result in the transfer or use of assets, provision of services or other yielding of economic benefits in the future.
LRP	Long Range Plan. The Long Range Plan, which is 20 years in duration, is a planning framework that provides performance guidelines, coordinates future transit services with population and business growth, coordinates with regional partners, and ensures the economic viability of the agency's long term operating and capital plans.
LSTGO Bond	Limited Sales Tax General Obligation Bond—bonds that pledge the full faith and credit of a sales tax-funded government agency for payment.
NTD	National Transit Database—a federal reporting program for transit agencies receiving FTA funding. It serves as a primary repository for all transit-related data and statistics in the United States.
OFI	Owner Furnished Items. In the context of transit, these items include card readers, ticket vending machines and public information displays.
Operating Budget	The primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled.

<i>Term or Acronym</i>	<i>Definition</i>
Operating Expense	Expenses that support the operating budget, such as the government entity’s acquisition, spending and service delivery activities.
Paratransit	(see ADA Paratransit)
Performance Measure	A numerical expression documenting some aspect of the output or outcomes of an activity, service, process or program.
PERS	Public Employees Retirement System—retirement benefits provided by the State of Washington, in which Community Transit employees participate.
PID	Public information display.
Project	A temporary endeavor to create a unique product, service or result, which has a defined beginning and end time as well as a defined scope and resources.
RCW	Revised Code of Washington—the laws of the State of Washington.
Reserve	A portion of fund equity that is legally or managerially restricted for a specific purpose.
Revenue	Income received by Community Transit to conduct services that support the mission of organization. Income may be in the form of sales tax, passenger fares, grants, interest earnings, and other sources.
SBE/DBE	Community Transit’s Small and Disadvantaged Business Enterprise program promotes and encourages small business participation, which include small, minority and women owned businesses in its procurement opportunities.
SGR/SOGR	State of Good Repair. SGR is a condition in which assets are fit for the purpose for which they were intended. A capital asset is said to be in a state of good repair if it is in a condition sufficient for the asset to operate at a full level of performance.
Strategic Plan	A long-range statement of direction for an organization, which identifies vision, mission, goals and strategies, as well as measures which will show progress made in achieving goals.
TDP	Transit Development Plan—a six-year blueprint for developing the agency’s long range transit system. It identifies transit service needs, prioritizes improvements and determines the resources required for implementing modified or new service.
Vanpool	An element of a transit system that allow groups of people to share the ride similar to a carpool, but on a larger scale with concurrent savings in fuel and vehicle operating costs.

<i>Term or Acronym</i>	<i>Definition</i>
WAC	Washington Administrative Code—administrative rules of the State of Washington, which are designed to help the public comply with state laws, processes, and other requirements.
WSDOT	Washington State Department of Transportation—the department that oversees Washington State’s multimodal transportation system and ensures that people and goods move safely and efficiently. In particular, this agency builds, maintains, and operates the state highway system, as well as the state ferry system.
WSTIP	Washington State Transit Insurance Pool—the insurance pool consists of twenty-five Washington State public transit agencies, who combine their resources in order to provide and purchase insurance coverage, manage claims and litigation, and receive risk management assistance and training.

OUR ► VISION

Travel made easy for all.

► MISSION

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

► CORE VALUES

Accountability

We hold ourselves and each other accountable and we encourage and support each other when needed.

Mutual Respect

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

Equity & Inclusion

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

Service-Focused

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

Initiative

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

Teamwork

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

Integrity

We believe in always doing the right thing for the right reasons and being honest with each other so that we may continue to build and maintain trust.