



Bloomington-Normal Public Transit System

2019 – 2020 Budget



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MESSAGE FROM THE GENERAL MANAGER

The Bloomington-Normal Public Transit System (Connect Transit) has prepared the FY 2020 Annual Budget document as a means to communicate to the Public and the Connect Transit Board the issues considered in the use of financial resources to provide public transit to Bloomington and Normal, Illinois during the 2020 fiscal year.

Services to be delivered

- Connect Transit provides transit services to the City of Bloomington and Town of Normal city limits
- In FY 2020, Connect Transit will provide approximately 2.5 million trips, covering 1.6 million miles within a 46-mile region, operating and maintaining 39 fixed route buses, and 20 demand response buses with 135 employees.

FY 2020 Budget Initiatives and Priorities

- Increase revenue with fares, contracts, Medicaid, and advertising
- Increase fund balance – in order for Connect Transit to take advantage of the State of Illinois DOAP Debt Service funding, Connect Transit will have to pledge cash reserves for the line of credit
- Provide efficient and effective transit service
- Add more frequent service to areas of the Red and Lime routes
- Continue to explore stable local funding options
- Solar Array project - solar panels and an electrical system to be installed on the roof of the maintenance facility to supply a large portion of Connect Transit's electric load consumption.

Continuing Budget Issues

- Medicaid billing - Connect Transit applied to be a Non-Emergency Medical Transportation (NEMT) provider in November 2017. This allows us to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. Connect Transit was approved at the end of May 2018 and started billing in September 2018. Legislative changes impacted our full implementation of the program.
- Health Insurance premiums increasing - we are anticipating a 6.00% increase in our group insurance over FY 2019. This includes a 7.43% increase in Group Health Insurance.
- Property insurance premiums increasing - because of the newer buses in our fleet, we are expecting our insurance to increase 25.48% from FY 2019 to FY 2020. Connect has replaced 14-year-old buses with new buses. The replacement cost is higher for these new buses and insurance premiums has increased to cover the replacement value.
- Connect Transit will use much of the annual Federal funding appropriation on operating expenses.

New Budget Issues – Long Term Financial Plans

- Starting in FY2020 Connect Transit will leverage Downstate Operating Assistance Program (DOAP) to complete capital projects such as electrical infrastructure, buses, and service vehicles. This will require Connect to pledge local capital funding to receive a line of credit. This will allow Connect

Transit to leverage 65% percent of the capital cost through DOAP and reduce the amount of federal and local capital dollars.

- To use DOAP debt-service effectively and minimize risk, Connect Transit is going to conserve local capital dollars and increase reserves

Isaac Thorne
General Manager

Connect Transit

Final Draft Strategic Plan for 2021

Connect Transit Description

Connect Transit is the Bloomington-Normal Public Transit System, formed in 1972 to provide transportation services within the City of Bloomington and Town of Normal, Illinois. It is governed by a 7-member Board of Trustees appointed by the City and Town, and staffed by approximately 140 dedicated employees.

Mission Statement

The expression of mission, or purpose, is Connect Transit's fundamental reason for being, and that for which all commitments and resources are in service.

Connect Transit provides safe, reliable transportation and access to opportunity to strengthen and enrich individual lives, our community, the economy and the environment.

Core Values

These core values guide our conduct and behavior and apply to everyone without exception.

At Connect Transit, we are

- Respectful of all persons and perspectives
- Customer and safety focused
- Dedicated to public service
- Accountable stewards of public resources
- Trusting and trustworthy
- Open-minded and eager to learn
- Positive in attitude
- Focused on the good of the whole

Vision for 2021

Our Vision for 2021 inspires us, and sets the trajectory for our bold, clear and compelling future.

Connect Transit is a robust system of undeniable social, economic and environmental value to its stakeholders and the community.

High-Level Goals

These five Goals establish the Strategic Plan framework. Each one pertains to a distinct component of Connect Transit's effectiveness and accountability. Achievement of these Goals facilitates attainment of our Vision for 2021. No prioritization is implied by the order in which they are listed.

| | |
|--|--|
| 1. Sustainable, High-Performing System | Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community. |
| 2. Quality Customer Experience | Provide reliable, easy to use transportation services and quality, user-friendly amenities. |
| 3. Operational Excellence | Exemplify sound governance, superior operations, a culture of safety and a model workplace. |
| 4. Undeniable Value | Become the mobility provider of choice and be valued as an essential public service. |
| 5. Innovative Leadership | Facilitate our community's mobility evolution with innovation, future focus and collaborative leadership. |

Strategic Action Plan

The Action Plan describes strategies and actions to achieve each of the five High-Level Goals.

Goal 1: Sustainable, High-Performing System: Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community.

Strategy 1 – Defined Service: Establish the system’s balance of coverage, ridership, connectivity and frequency to attain the community’s transit objectives.

Action 1. Clearly establish community transit objectives and review them periodically.

Action 2. Discern and select Connect Transit’s sustainable service profile to achieve transit objectives.

Strategy 2 – System Design: Design and implement routes that efficiently attain transit objectives, balancing system performance with customer needs and preferences.

Action 1. Design or adjust proposed system routes to ensure alignment with and performance toward transit objectives.

Action 2. Utilize design principles that ensure system integrity and consistency.

Action 3. Implement route adjustments using widespread public information and customer training campaigns.

Action 4. Build and maintain transfer stations that facilitate connectivity and system performance.

Strategy 3 – Fleet: Ensure a reliable, quality fleet capable of meeting current service level needs, with an eye toward the community’s evolving mobility objectives.

Action 1. Upgrade the existing fleet and continue to procure needed, quality rolling stock.

Action 2. Keep the fleet in good repair, and responsibly manage transit assets.

Action 3. Embrace use of alternative fuels and emerging energy solutions.

Strategy 4 – Funding: Establish ample, accountable transit funding.

Action 1. Examine all existing revenue sources for stability and growth potential, and research new/alternative revenue streams for operations and capital.

Action 2. Evaluate and expand partners for universal access, such as government agencies, nonprofit agencies and businesses.

Action 3. Explore fare restructuring.

Action 4. Grow advertising revenue.

Action 5. Explore increased local funding support with local governments.

Action 6. Research and pursue grant opportunities.

Action 7. Consider establishing a transit taxing district.

Goal 2: Quality Customer Experience: Provide reliable, easy-to-use transportation services and quality, user-friendly amenities.

Strategy 1 – Infrastructure/Amenities: Implement amenities as a fundamental component of transit value and safety.

Action 1. Build a downtown transfer center.

Action 2. Adopt a Bus Stop/Shelter Design Plan to be used as the Connect Transit standard.

Action 3. Install transit amenities, such as shelters and lighting, and ensure maintenance and cleanliness at transfer stations, hubs and bus stops.

Action 4. Partner with the City and Town for sidewalks, shelters and lighting at bus stops.

Action 5. Secure private sector sponsors or partners to fund bus stops/shelters.

Strategy 2 – Customer Service: Uphold a standard of customer courtesy and appreciation.

Action 1. Infuse every interaction with a customer service orientation.

Action 2. Provide ongoing employee education and increased instruction in customer relations.

Action 3. Enlist customer service champions to model kind, helpful conduct and behavior.

Action 4. Provide employee education on route planning and use of various planning aids.

Action 5. Conduct periodic customer surveys, interviews or focus groups, to obtain suggestions and feedback, and gauge satisfaction.

Strategy 3 – Access/Social Relevancy: Provide a mobility option, independent of personal vehicle use, to link people, communities, commerce, services, employment and entertainment.

Action 1. Maintain a high level of on-time performance.

Action 2. Provide additional service and greater frequency as budgets permit.

Action 3. Remain sensitive to service affordability for all riders.

Action 4. Ensure all riders are aware of the freedom and flexibility afforded by the fixed route system.

Strategy 4 – Ease of Use: Produce intuitive information guides, signage and communications.

Action 1. Enhance high and standard technology rider information sources, such as more ETA displays, Wifi capability, smart phone app, social media and others for superior customer awareness.

Action 2. Provide customer education on the use of various route planning aids, including improved rider guides.

Goal 3: Operational Excellence: Exemplify sound governance, superior operations, a culture of safety and a model workplace.

Strategy 1 – Governance: Exhibit wise, effective governance through clarity of purpose and focused, strategic alignment with Connect Transit’s Vision and Goals.

Action 1. Maintain momentum toward Vision achievement, report on Strategic Plan performance and schedule timely Plan updates.

Action 2. Make time for dialogue and discernment of complex policy choices.

Action 3. Utilize clear, fair decision making processes and anticipate dissent as a natural function of diverse perspective.

Action 4. Champion the agency’s Vision and Goals with stakeholders, and act in the interest of the community.

Strategy 2 – Superior Operations: Demonstrate transparency and accountability, and utilize best practices toward achievement of comprehensive operational excellence.

Action 1. Formalize routine data analysis, reporting and metrics to monitor and evaluate system performance.

Action 2. Research and apply best practices to all facets of operations.

Action 3. Periodically review operational policies and practices.

Strategy 3 – Safety: Ensure a culture of safety.

Action 1. Integrate safety as the core component of all operations and every aspect of the agency.

Action 2. Demonstrate bus riding as one of the safest transportation options.

Action 3. Enhance safety communications both internally and externally.

Strategy 4 – Model Workplace: Rank among the region’s best employers.

Action 1. Develop and maintain camaraderie across all functions and levels of the organization.

Action 2. Recruit personnel that exhibit Connect Transit values, and invest in employee development to ensure growth and productivity of the workforce.

Action 3. Use effective communication vehicles and approaches that enhance multidirectional information sharing.

Action 4. Possess a positive, can do attitude.

Goal 4: Undeniable Value: Become the mobility provider of choice, and be valued as an essential public service.

Strategy 1 – Community Engagement: Establish trust and rapport with stakeholders to understand needs and values, obtain advice and feedback, share information and advance transit objectives.

Action 1. Cultivate the Connect Transit Advisory Committee (CTAC) to be a key communication conduit with Connect Transit customers and stakeholders.

Action 2. Have a presence at community events to dialogue with individuals and make presentations to community groups.

Action 3. Utilize innovative engagement tools to connect with and cultivate specific target markets.

Strategy 2 – Partnership and Collaboration: Generate new potentials through symbiotic relationships with key collaborators.

Action 1. Captivate and inspire executives and legislators at every level of government with Connect Transit's vision and plan, outlining its contribution to our shared vision for a thriving region.

Action 2. Identify and engage current and potential partners and collaborators, such as education, library, airport and other transportation modes, City and Town, McLean County, businesses and nonprofit institutions and organizations, and co-design collaboration agreements that serve both parties.

Action 3. Identify private sector benefactors and public sector partners for amenities, universal access and marketing collaboration.

Strategy 3 – Marketing and Communications: Feature Connect Transit as a community asset and an essential public service.

Action 1. Create a marketing and communications plan that amplifies the value of the transit system to the general public, and demonstrates its return on investment in social, economic and environmental terms.

Action 2. Tell the new story of a connected community, pulsing with vitality and ease of movement for people of all ages and backgrounds.

Action 3. Portray the riding experience as enjoyable, smart, and for everyone.

Goal 5: Innovative Leadership: Facilitate our community’s mobility evolution with innovation, future focus and collaborative leadership.

Strategy 1 – Future Focus: Become poised to integrate and give leadership to emerging transportation technologies.

Action 1. Serve as a model public agency in the community and a sought-after expert in transportation solutions.

Action 2. Explore innovative approaches to service delivery.

Action 3. Position Connect Transit for the arrival and use of autonomous vehicles in our market, and define our participation and leadership.

Strategy 2 – Economic Influence: Exercise Connect Transit’s influence as an economic driver for the region.

Action 1. Feature the region’s multimodal strength and the key role played by transit as an asset to business, students and residents.

Action 2. Vividly portray the way transit benefits sales and commerce, transports our workforces, facilitates individuals’ livelihoods and can diversify the region’s employer/employee base.

Action 3. Integrate the “transit asset” into the economic development conversation and equation at the municipal and county levels.

Strategy 3 – Regional Planning Influence: Elevate awareness and advance land use policy principles that optimize land resources, facilitate mobility and steward the environment.

Action 1. Take an active role in the local and regional land use policy conversation. Action 2. Emphasize the value of transit accessibility in land use development.

Action 3. Articulate and advocate for the benefits of transit-oriented development (TOD) toward achievement of environmental and quality of life objectives.

Action 4. Heighten awareness about placement of land uses requiring high levels of service, the necessity of mobility options, and the value of sidewalks, shelters and other amenities.

SIGNIFICANT OPERATING BUDGETARY ITEMS AND TRENDS

The adoption of the FY 2020 budget included several assumptions that are necessary due to the unpredictability of costs and organizational needs. All assumptions made in the operating budget are based off historical trends and future expectations.

In March 2019, the Connect Transit Board of Trustees approved a four-year fare structure, with an implementation date of October 1, 2019. The fixed-route fare will go from \$1.00 per ride to \$1.25 per ride on October 1, 2019. The fixed-route fare will gradually increase to \$1.50 per ride by July 1, 2022. The Connect Mobility fare will go from \$2.00 per ride to \$2.50 per ride on October 1, 2019. The Connect Mobility fare will gradually increase to \$3.00 per ride by July 1, 2022. Connect Mobility Premium Service will go from \$3.00 and \$4.00 per ride to \$3.50 and \$4.50 per ride on October 1, 2019. Connect Mobility Premium Service fare will gradually increase to \$4.00 and \$5.00 per ride by July 1, 2022. Connect Transit will also create a new Connect Mobility Value Card which will provide a discount to all Connect Mobility customers. The Value Cards will have a discount that ranges from 5% to 15%. With the addition of the new Connect Mobility Value Card, Connect Transit will discontinue the Connect Mobility monthly pass.

Also, in March 2019, the Connect Transit Board of Trustees approved the recommendation to discontinue the Olive route and increase the frequency on portions of the Lime and Red routes. These routes adjustments will take place on July 1, 2019.

Connect Transit applied to be a Non-Emergency Medical Transportation (NEMT) provider in November 2017. This would allow us to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. We were approved at the end of May 2018 and started billing in September 2018. Legislative changes impacted our roll out of the program and delayed the full implementation.

Connect Transit is anticipating higher diesel prices in FY2020 due to the trend we have seen in diesel prices in early 2019 and the projections from the industry.

Connect Transit is anticipating an increase in our Corporate Insurance Expense in the future due to the addition of newer buses in our fleet. The replacement value of these newer buses is greater than the replacement value of the buses they are replacing, because of this the insurance premiums to cover the buses are anticipated to increase.

BUDGET OVERVIEW

Bloomington Normal Public Transit System (Connect Transit) is an intergovernmental agency established by the City of Bloomington (City) and the Town of Normal (Town) and governed by a board appointed by both the City and the Town. Connect Transit operates as an enterprise fund that reports financial results in accordance with accounting principles generally accepted in the United States of America (GAAP) and Governmental Accounting Standards Board (GASB) guidance.

Connect Transit's Operating Fund is used to account for all general operations and activities. It is Connect Transit's intent that the costs of operations be financed through the farebox revenue, advertising revenue, sales tax from the City of Bloomington and Town of Normal, and state and federal grants. Most of the operational funding is used to pay employee salaries and benefits. Other operational funding goes to pay for things such as fuel, insurance, maintenance and utilities.

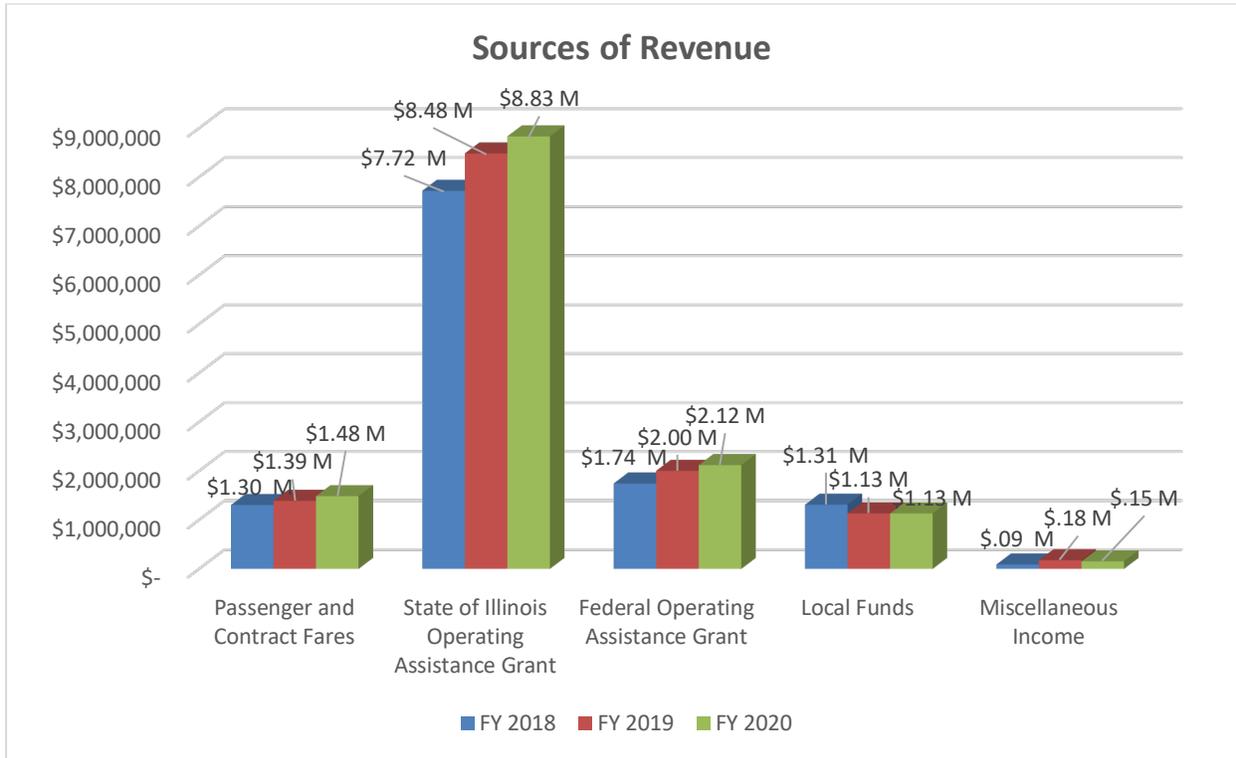
Connect Transit's Capital Fund is used to finance capital projects and fixed asset purchases such as revenue vehicle purchase, facility enhancements, technology upgrades, and more. Capital funds are collected from the City of Bloomington, the Town of Normal, the State of Illinois and a variety of Federal Transit Administration grants, including an annual Section 5307 appropriation.

Presented below is a summary of major operating revenues and expenditures. The capital budget summary can be found in the capital budget section on page 23.

| Revenue: | FY 2018 Actual | FY 2019 Budget | FY 2020 Budget |
|--|----------------------|----------------------|----------------------|
| Passenger and Contract Fares | \$1,303,139 | \$1,389,000 | \$1,484,000 |
| Miscellaneous Income | 87,982 | 176,000 | 153,000 |
| Local | 1,309,932 | 1,132,000 | 1,132,000 |
| State of Illinois Operating Assistance Grant | 7,719,588 | 8,482,000 | 8,830,000 |
| Federal Operating Assistance Grant | 1,742,929 | 2,002,000 | 2,118,000 |
| Total Revenue | 12,163,570 | 13,181,000 | 13,717,000 |
| Expenses: | | | |
| Labor | 7,311,970 | 7,727,000 | 7,911,000 |
| Employee Benefits | 1,880,372 | 2,444,000 | 2,573,000 |
| Fuel and Lubricants | 762,045 | 941,000 | 1,083,000 |
| Bus Repair and Maintenance | 618,548 | 588,000 | 496,000 |
| Insurance | 577,853 | 518,000 | 650,000 |
| Professional Fees | 282,257 | 325,000 | 310,000 |
| Software Licenses and Supplies | 153,899 | 169,000 | 209,000 |
| Utilities | 105,077 | 139,000 | 139,000 |
| Miscellaneous | 471,549 | 330,000 | 346,000 |
| Total Expenses | \$ 12,163,570 | \$ 13,181,000 | \$ 13,717,000 |

In FY 2020, Connect Transit expects to receive \$1.48 million in farebox, pass sales, and universal access revenue, \$8.83 million in funds from the State of Illinois, \$2.12 million from federal funds, \$1.13 million from Local funds and \$.15 million from miscellaneous funds. Figure 1.1 compares actual sources of revenue for FY 2018, and budgeted sources of revenue for FY 2019 and FY 2020.

Figure 1.1



Passenger and contract fares is projected to increase from \$1.30 million to \$1.39 million to \$1.48 million in FY 2018, FY 2019, and FY 2020 respectively. The projected increase in FY 2020 is due to the passenger fare increase that will take affect on October 1, 2019.

Revenue from the State of Illinois is projected to increase from \$7.72 million to \$8.48 million to \$8.83 million in FY 2018, FY 2019 and FY 2020 respectively and continues to be Connect Transit’s main source of revenue. This increase is due to the increase in expenses, since Connect Transit is reimbursed for 65% of eligible expenses.

Federal revenue for FY 2018 was \$1.74 million and is expected to increase to \$2.00 million in FY 2019. This increase was due to the increase in expenses from FY 2018 to FY 2019. In FY 2020, Connect Transit expects federal revenue to increase by \$.12 million due to the increase in expenses from FY 2019 to FY 2020.

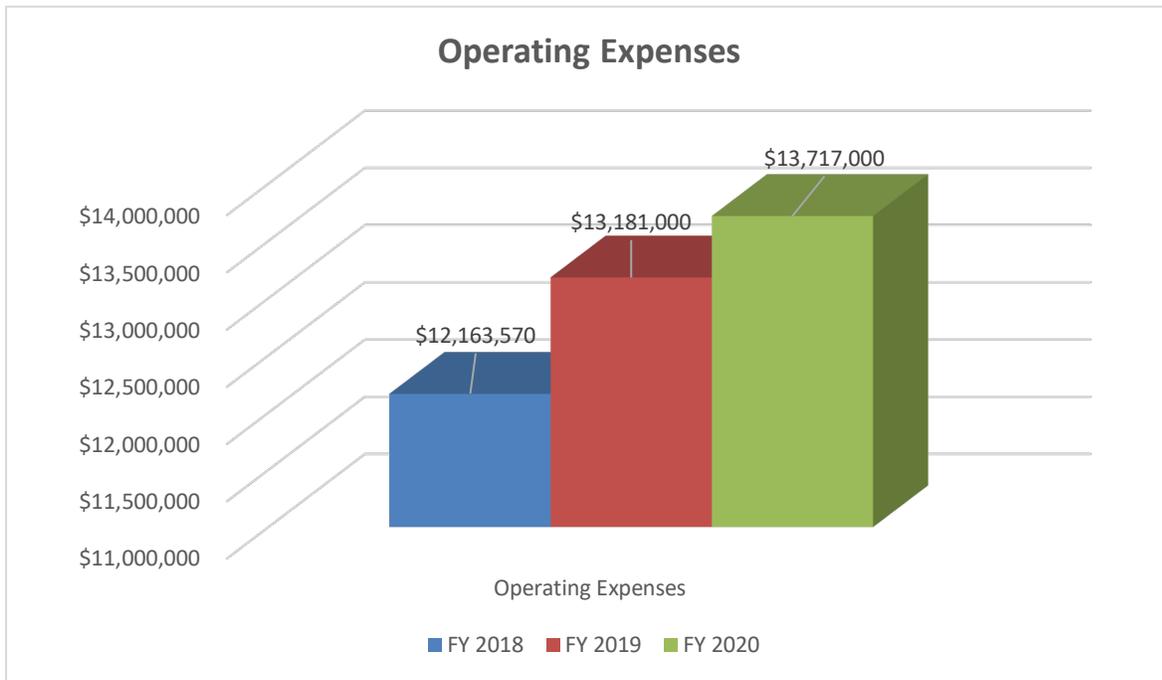
Local revenue is projected to decrease from \$1.31 million to \$1.13 million to \$1.13 million in FY 2018, FY 2019 and FY 2020 respectively. This decrease in FY 2019 is due to the demolition expense on the Oakland Avenue property in FY 2018.

Miscellaneous revenue for FY 2018 was \$.09 million and is expected to increase to \$.18 million in FY 2019 and decrease to \$.15 million in FY 2020. This projected decrease in FY 2020 is due to a projected decrease in advertising income.

USES OF REVENUE

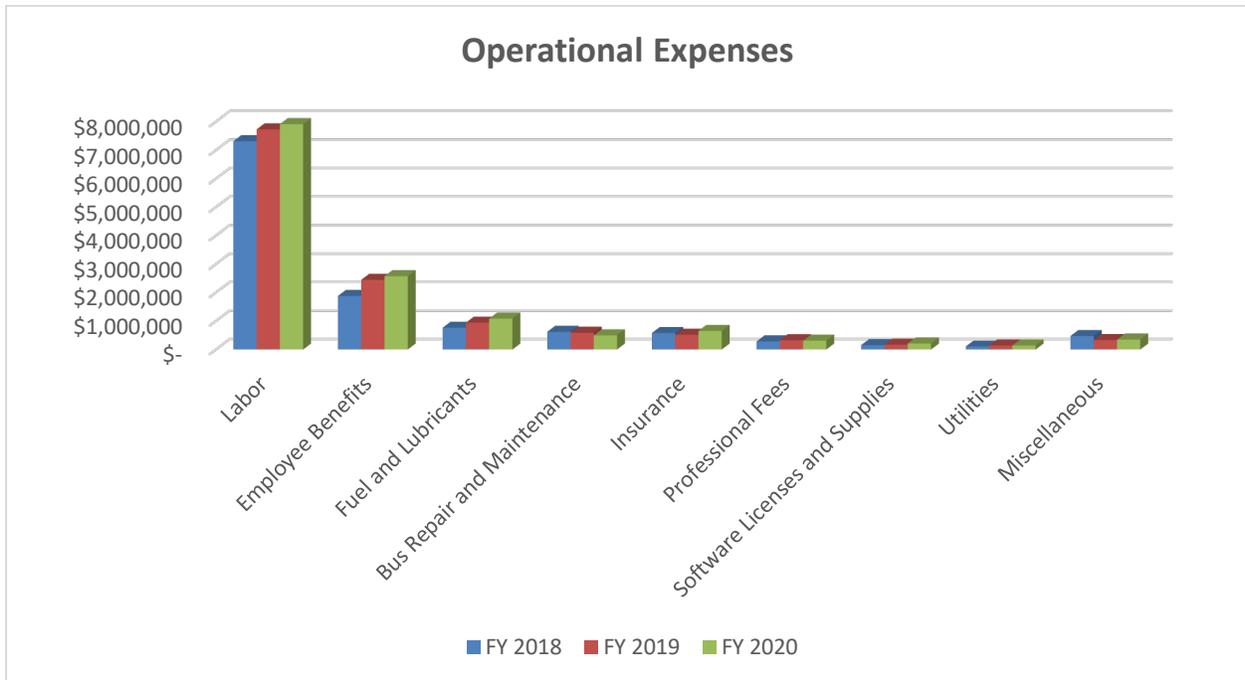
Connect Transit's budgeted operating expenses for FY 2020 are \$13.72 million. Figure 1.2 illustrates actual operating expenses in FY 2018, and budgeted operating expenses in FY 2019 and FY 2020.

Figure 1.2



Connect Transit budgeted an increase of 4.07% in operational expenses from FY 2019 to FY 2020. Figure 1.3 illustrates the increase in operational expenses from FY 2018 to FY 2020.

Figure 1.3



Labor is Connect Transits’ main use of revenues, with wages increasing approximately 2.38% from FY 2019 to FY 2020. There is an increase in Operation’s Labor, due to a projected increase in Connect Mobility hours from FY 2019 to FY 2020. All represented employees will receive an increase in wages, per the Collective Bargaining Agreement. Non-represented employees will receive an increase in wages based on performance.

In FY 2020, we are anticipating a projected 6.00% increase in our group insurance over FY 2019. This includes a projected 7.43% increase in Group Health Insurance.

Another significant expense category is Fuel and Lubricants. In FY 2019, Connect Transit budgeted \$2.20 per gallon of diesel, and budgeting \$2.56 per gallon of diesel in FY 2020. Connect Transit anticipates higher diesel prices per gallon in FY 2020 due to the trend seen in diesel prices in early 2019 and the projection heard from the industry.

We are projecting a 15.65 % decrease in Bus Repair and Maintenance from FY 2019 to FY 2020. This decrease is due to the addition of new fixed route and demand response buses the last few years. Because we have newer buses in our fleet, we do not anticipate having as many repairs in FY 2020.

Because of the newer buses in our fleet, we are expecting our insurance to increase 25.48% from FY 2019 to FY 2020. The replacement value of the newer buses are greater than the replacement value of the buses that are replaced, because of this the insurance premiums to cover the buses has increased.

Figure 1.4 illustrates the breakdown of expenditures in FY 2019. Figure 1.5 illustrates the breakdown of expenditures in FY 2020.

Figure 1.4

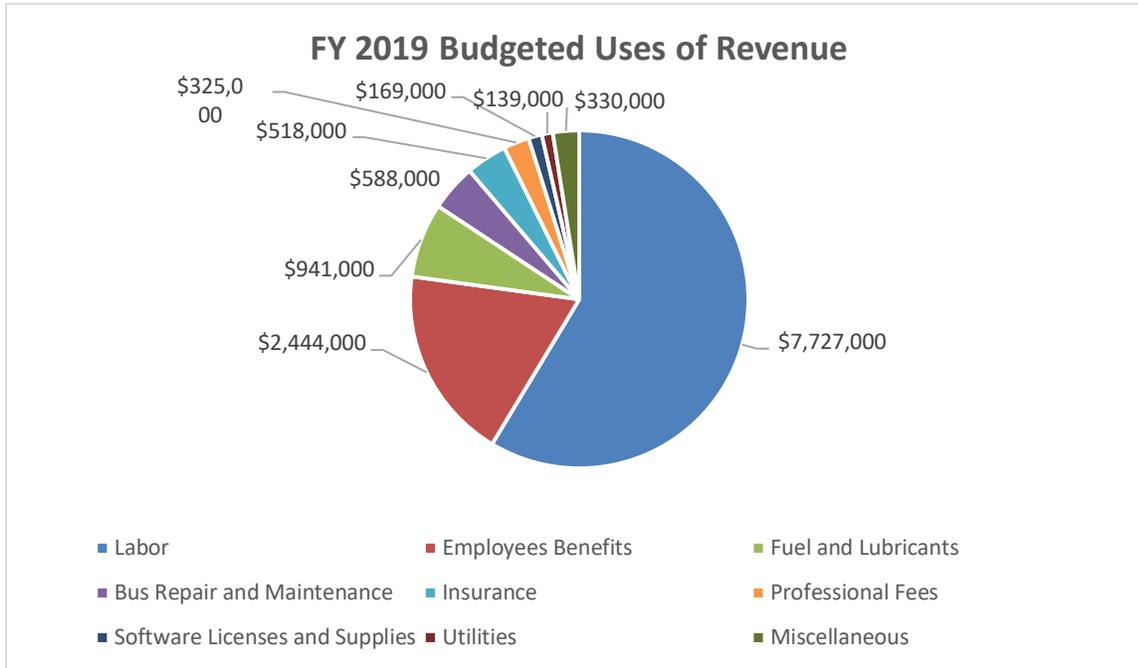
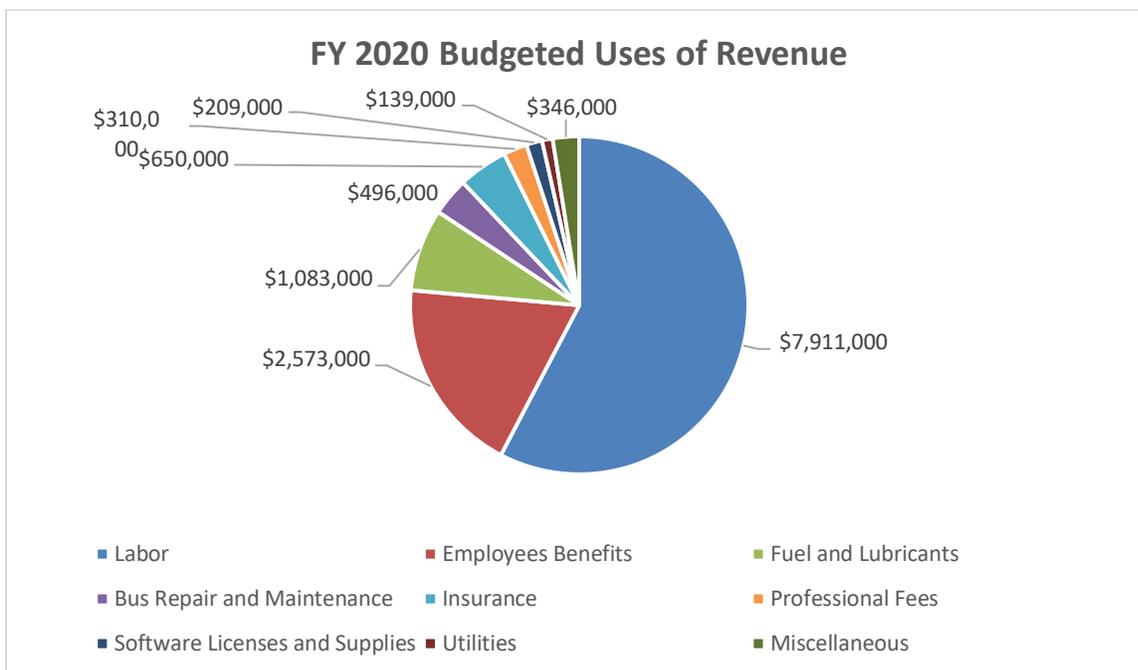
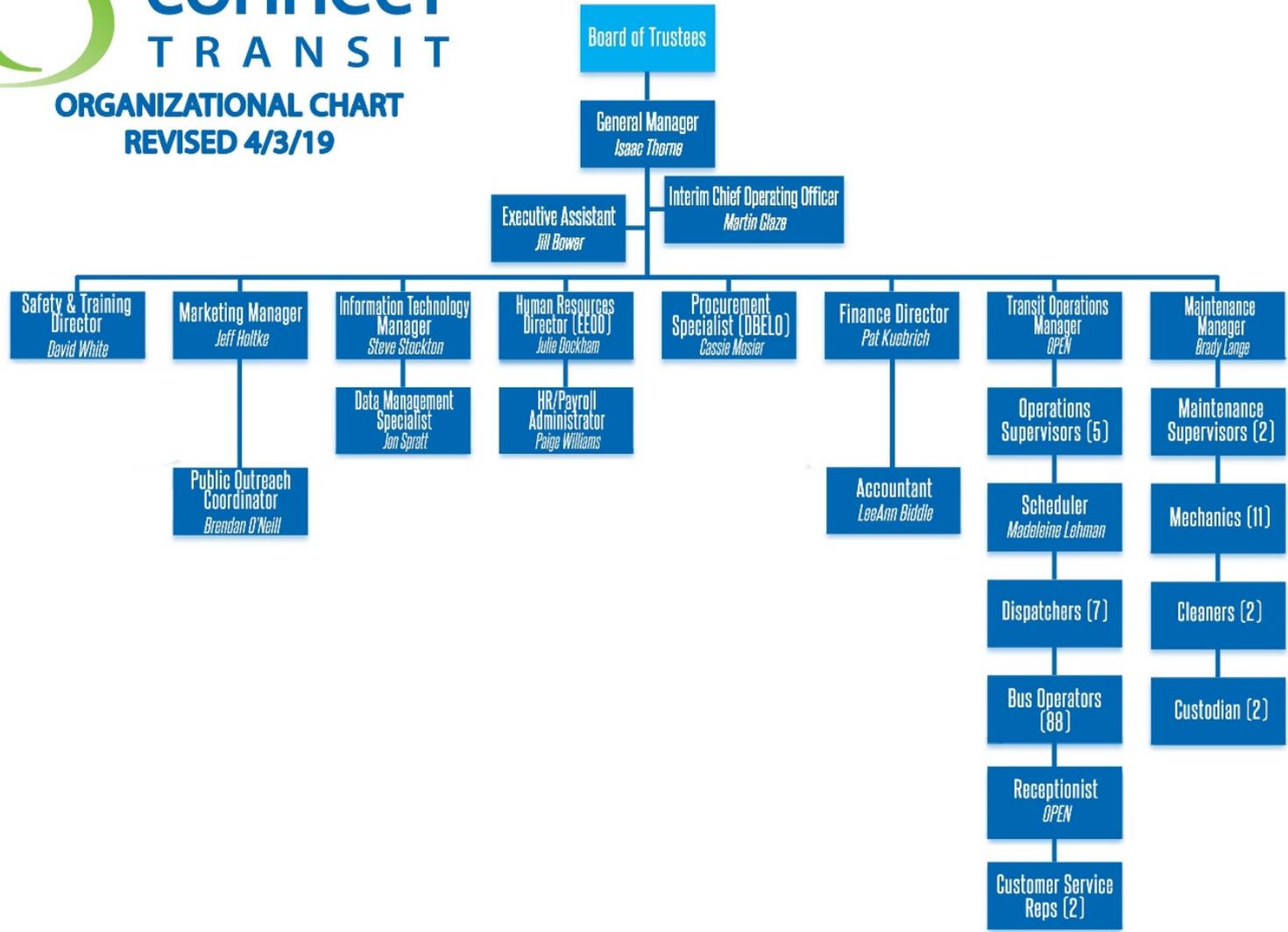


Figure 1.5





connect
TRANSIT
ORGANIZATIONAL CHART
REVISED 4/3/19



BASIS OF ACCOUNTING AND BUDGETING

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for purposes of financial reporting and budget control. Connect Transit’s budget and financial statements are reported in accordance with generally accepted accounting principles on the accrual basis of accounting. The accrual basis of accounting recognizes revenue when it is earned and expenses when incurred. Connect Transit does not budget for depreciation expense.

FINANCIAL POLICIES

Financial policies establish goals and targets for Connect Transit’s financial operations so that the Board can monitor how well Connect Transit is performing. Formal financial policies provide for a consistent approach to fiscal strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following pages contain policy frameworks in the following areas:

- (1) General Financial Goals
- (2) Operating Management
- (3) Operating Budget
- (4) Capital Budget and Planning
- (5) Accounting and Financial Reporting

General Financial Goals

- To ensure delivery of an adequate level of service by assuring reliance on ongoing resources and by maintaining an adequate financial base.
- To ensure that Connect Transit is in position to respond to changes in the economy or funding without an undue amount of financial stress.
- To adhere to the highest accounting and management policies as set by the Government Finance Officers’ Association, the Government Accounting Standards Board, and other professional standards for financial reporting and budgeting.

Operating Management Policies

- Long Range Planning – All departments share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and future capital purchases will be developed to reflect projected expenditures, projected resources, and future service requirements.
- Forecasts – Balanced revenue and expenditure forecasts will be prepared to examine Connect Transit’s ability to absorb operating costs due to changes in the economy, funding, and capital improvements.
- Cash and Investments – Cash and investment programs will be maintained in accordance with the current investment policy to ensure that proper controls and safeguards are maintained.

Connect Transit funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal in that order.

Operating Budget

- Budget Development – Budget development will use strategic fiscal planning, conservative revenue forecasts, and expenditure forecast. The process will include a diligent review of revenues and expenditures by management and the Board of Trustees.
- Balanced Budget – Current expenditures will be funded by current fare, advertising revenue, City of Bloomington, Town of Normal, state of Illinois, and federal funds. Connect Transit’s budget is a balanced budget in that Connect Transit does not intend for a deficit or surplus. Connect Transit’s budgeted revenues and expenditures are equal.

Capital Budget and Planning

- Capital Improvement Plan Development – A five-year Capital Improvement Plan (CIP) will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as equipment, infrastructure purchases, or construction that results in a capitalized asset costing more than \$ 10,000.00 and having a useful (depreciable life) of one year or more. Connect Transit will incorporate future operating, maintenance and replacement costs associated with new capital improvements into the budget document.

Accounting and Financial Reporting

- Accounting and Reporting Methods – Connect Transit’s accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP), standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- Fiscal Monitoring – The Finance Department provides the Board a monthly financial report that provides year to date budget to actual performance.
- Internal Controls – Financial systems will maintain internal controls to monitor revenues and expenditures on an ongoing basis.

OPERATING BUDGET PROCESS

This section describes the process for preparing, reviewing, and adopting the operating budget for the upcoming fiscal year. It also includes procedures for amending the budget after adoption. Connect Transit uses the accrual basis of accounting for budgeting, which is the same basis of accounting used in the audited financial statements.

Connect Transit's budget development process started in December with the Finance Department meeting with the department heads to discuss any expected significant increases or decreases to line item expenses in the operating budget. After those meetings, the Finance Department drafted a budget to present to the General Manager. The General Manager, Finance Director and department heads then met to discuss the budget for the upcoming year. Once the draft budget is agreed upon, the Finance Department presented the draft budget to the Board of Trustees at a work session in January. At the work session, the Trustees reviewed the budget. The annual Budget Document will be presented to the Board of Trustees on April 23, 2019. After discussion, Board members will vote on the Budget Document. The budget calendar shown below is used to supplement this narrative information.

Connect Transit's Board of Trustees must approve any adjustment that will increase the expenses to the operating budget.

BUDGET CALENDAR

| <u>Date Completed</u> | <u>Task</u> |
|------------------------------|---|
| December 2018 | Finance Department meets with all departments to discuss and develop a preliminary budget. |
| January 2019 | Administrative staff meet with departments to review and discuss requests. Administrative review is completed. Draft budget is distributed to the Board during a work session open to the general public for purposes of budget review. |
| April 2019 | Finance Department finalizes FY 2019 – 2020 budget based on suggestions from the Board work session and public engagement sessions. Board approves the FY 2019 – 2020 annual budget. |

Bloomington Normal Public Transit System FY 2019 - 2020 Operating Budget

| | FY 2018 Actual | FY 2019 Budget | FY 2020 Budget | Change from FY 2019 | Change from FY 2019 |
|--------------------------------------|----------------------|----------------------|----------------------|------------------------|---------------------------|
| Operating Revenue | | | | | |
| Passenger Fares | 661,693.86 | 654,000.00 | 784,000.00 | 130,000.00 | 19.88% |
| ISU Contract Fares | 535,809.96 | 545,000.00 | 559,000.00 | 14,000.00 | 2.57% |
| Other Contract Fares | 105,635.16 | 190,000.00 | 141,000.00 | (49,000.00) | -25.79% |
| Advertising Revenue | 70,251.00 | 172,500.00 | 150,000.00 | (22,500.00) | -13.04% |
| Miscellaneous Revenue | 17,729.86 | 3,500.00 | 3,000.00 | (500.00) | -14.29% |
| Total Operating Revenue | 1,391,119.84 | 1,565,000.00 | 1,637,000.00 | 72,000.00 | 4.60% |
| Operating Expenses | | | | | |
| Operations Wages | 5,461,219.44 | 5,512,000.00 | 5,772,000.00 | 260,000.00 | 4.72% |
| Maintenance Wages | 1,101,653.66 | 1,191,000.00 | 1,120,000.00 | (71,000.00) | -5.96% |
| Administration Wages | 749,100.32 | 1,024,000.00 | 1,019,000.00 | (5,000.00) | -0.49% |
| Employer Payroll Tax Expense | 575,580.51 | 633,000.00 | 648,000.00 | 15,000.00 | 2.37% |
| Retirement Plan | 291,042.09 | 368,000.00 | 382,000.00 | 14,000.00 | 3.80% |
| Group Insurance | 1,341,924.16 | 1,657,000.00 | 1,756,000.00 | 99,000.00 | 5.97% |
| Uniform Expense | 32,252.19 | 36,000.00 | 37,000.00 | 1,000.00 | 2.78% |
| Professional Services | 279,062.89 | 325,000.00 | 310,000.00 | (15,000.00) | -4.62% |
| Outside Repair - Labor | 87,392.78 | 112,000.00 | 69,000.00 | (43,000.00) | -38.39% |
| Contract Maintenance Services | 135,752.15 | 117,000.00 | 110,000.00 | (7,000.00) | -5.98% |
| Custodial Services | 11,260.07 | 16,000.00 | 16,000.00 | - | 0.00% |
| Employment Expenses | 16,049.97 | 12,000.00 | 16,000.00 | 4,000.00 | 33.33% |
| Fuel | 724,662.09 | 897,000.00 | 1,039,000.00 | 142,000.00 | 15.83% |
| Lubricants | 37,547.08 | 44,000.00 | 44,000.00 | - | 0.00% |
| Tires | 80,865.99 | 91,000.00 | 90,000.00 | (1,000.00) | -1.10% |
| Bus Repair Parts | 283,365.66 | 195,000.00 | 171,000.00 | (24,000.00) | -12.31% |
| Other Materials and Supplies | 39,512.84 | 57,000.00 | 40,000.00 | (17,000.00) | -29.82% |
| Shelters/Signs/Shop Tools | 6,723.23 | 10,000.00 | 10,000.00 | - | 0.00% |
| Computer and Office Supplies | 138,893.19 | 159,000.00 | 199,000.00 | 40,000.00 | 25.16% |
| Utilities | 106,113.34 | 139,000.00 | 139,000.00 | - | 0.00% |
| Corporate Insurance | 249,678.48 | 268,000.00 | 400,000.00 | 132,000.00 | 49.25% |
| Dues/Subscriptions/Fees | 48,624.08 | 50,000.00 | 52,000.00 | 2,000.00 | 4.00% |
| Printing/Marketing/Training | 365,290.65 | 268,000.00 | 278,000.00 | 10,000.00 | 3.73% |
| Total Operating Expenses | 12,163,566.86 | 13,181,000.00 | 13,717,000.00 | 536,000.00 | 4.07% |
| Operating Revenue and Support | | | | | |
| Operating Revenue | 1,391,119.84 | 1,565,000.00 | 1,637,000.00 | 72,000.00 | 4.60% |
| Local Revenue | 1,309,930.02 | 1,132,000.00 | 1,132,000.00 | - | 0.00% |
| State Support | 7,719,588.00 | 8,482,000.00 | 8,830,000.00 | 348,000.00 | 4.10% |
| Federal Support | 1,742,929.00 | 2,002,000.00 | 2,118,000.00 | 116,000.00 | 5.79% |
| Total Revenue and Support | 12,163,566.86 | 13,181,000.00 | 13,717,000.00 | 536,000.00 | 4.07% |

**Bloomington Normal Public Transit System
Seven Year Operating Budget**

| | FY 2018 Actual | FY 2019 Budget | FY 2020 Budget | FY 2021 Budget | FY 2022 Budget | FY 2023 Budget | FY 2024 Budget |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operating Revenue | | | | | | | |
| Passenger Fares | 661,693.86 | 654,000.00 | 784,000.00 | 831,000.00 | 887,000.00 | 928,000.00 | 956,000.00 |
| ISU Contract Fares | 535,809.96 | 545,000.00 | 559,000.00 | 573,000.00 | 587,000.00 | 601,000.00 | 615,000.00 |
| Other Contract Fares | 105,635.16 | 190,000.00 | 141,000.00 | 148,000.00 | 155,000.00 | 163,000.00 | 171,000.00 |
| Advertising Revenue | 70,251.00 | 172,500.00 | 150,000.00 | 150,000.00 | 150,000.00 | 150,000.00 | 150,000.00 |
| Miscellaneous Revenue | 17,729.86 | 3,500.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 |
| Total Operating Revenue | 1,391,119.84 | 1,565,000.00 | 1,637,000.00 | 1,705,000.00 | 1,782,000.00 | 1,845,000.00 | 1,895,000.00 |
| Operating Expenses | | | | | | | |
| Operations Wages | 5,461,219.44 | 5,512,000.00 | 5,772,000.00 | 6,061,000.00 | 6,364,000.00 | 6,682,000.00 | 7,016,000.00 |
| Maintenance Wages | 1,101,653.66 | 1,191,000.00 | 1,120,000.00 | 1,154,000.00 | 1,189,000.00 | 1,225,000.00 | 1,262,000.00 |
| Administration Wages | 749,100.32 | 1,024,000.00 | 1,019,000.00 | 1,050,000.00 | 1,082,000.00 | 1,114,000.00 | 1,147,000.00 |
| Employer Payroll Tax Expense | 575,580.51 | 633,000.00 | 648,000.00 | 667,000.00 | 687,000.00 | 708,000.00 | 729,000.00 |
| Retirement Plan | 291,042.09 | 368,000.00 | 382,000.00 | 393,000.00 | 405,000.00 | 417,000.00 | 430,000.00 |
| Group Insurance | 1,341,924.16 | 1,657,000.00 | 1,756,000.00 | 1,932,000.00 | 2,125,000.00 | 2,338,000.00 | 2,572,000.00 |
| Uniform Expense | 32,252.19 | 36,000.00 | 37,000.00 | 38,000.00 | 39,000.00 | 40,000.00 | 41,000.00 |
| Professional Services | 279,062.89 | 325,000.00 | 310,000.00 | 319,000.00 | 329,000.00 | 339,000.00 | 349,000.00 |
| Outside Repair - Labor | 87,392.78 | 112,000.00 | 69,000.00 | 71,000.00 | 73,000.00 | 75,000.00 | 77,000.00 |
| Contract Maintenance Services | 135,752.15 | 117,000.00 | 110,000.00 | 113,000.00 | 116,000.00 | 119,000.00 | 123,000.00 |
| Custodial Services | 11,260.07 | 16,000.00 | 16,000.00 | 17,000.00 | 18,000.00 | 19,000.00 | 20,000.00 |
| Employment Expenses | 16,049.97 | 12,000.00 | 16,000.00 | 17,000.00 | 18,000.00 | 19,000.00 | 20,000.00 |
| Fuel | 724,662.09 | 897,000.00 | 1,039,000.00 | 1,070,000.00 | 1,102,000.00 | 1,135,000.00 | 1,169,000.00 |
| Lubricants | 37,547.08 | 44,000.00 | 44,000.00 | 45,000.00 | 46,000.00 | 47,000.00 | 48,000.00 |
| Tires | 80,865.99 | 91,000.00 | 90,000.00 | 93,000.00 | 96,000.00 | 99,000.00 | 102,000.00 |
| Bus Repair Parts | 283,365.66 | 195,000.00 | 171,000.00 | 176,000.00 | 181,000.00 | 186,000.00 | 192,000.00 |
| Other Materials and Supplies | 39,512.84 | 57,000.00 | 40,000.00 | 41,000.00 | 42,000.00 | 43,000.00 | 44,000.00 |
| Shelters/Signs/Shop Tools | 6,723.23 | 10,000.00 | 10,000.00 | 10,000.00 | 11,000.00 | 11,000.00 | 12,000.00 |
| Computer and Office Supplies | 138,893.19 | 159,000.00 | 199,000.00 | 205,000.00 | 211,000.00 | 217,000.00 | 224,000.00 |
| Utilities | 106,113.34 | 139,000.00 | 139,000.00 | 143,000.00 | 147,000.00 | 151,000.00 | 156,000.00 |
| Corporate Insurance | 249,678.48 | 268,000.00 | 400,000.00 | 412,000.00 | 424,000.00 | 437,000.00 | 450,000.00 |
| Dues/Subscriptions/Fees | 48,624.08 | 50,000.00 | 52,000.00 | 54,000.00 | 56,000.00 | 58,000.00 | 60,000.00 |
| Printing/Marketing/Training | 365,290.65 | 268,000.00 | 278,000.00 | 286,000.00 | 295,000.00 | 304,000.00 | 313,000.00 |
| Total Operating Expenses | 12,163,566.86 | 13,181,000.00 | 13,717,000.00 | 14,367,000.00 | 15,056,000.00 | 15,783,000.00 | 16,556,000.00 |
| Operating Revenue | 1,391,119.84 | 1,565,000.00 | 1,637,000.00 | 1,705,000.00 | 1,782,000.00 | 1,845,000.00 | 1,895,000.00 |
| Local Revenue | 1,309,930.02 | 1,132,000.00 | 1,132,000.00 | 1,132,000.00 | 1,132,000.00 | 1,132,000.00 | 1,132,000.00 |
| State Support | 7,719,588.00 | 8,482,000.00 | 8,830,000.00 | 9,253,000.00 | 9,701,000.00 | 10,173,000.00 | 10,676,000.00 |
| Federal Support | 1,742,929.00 | 2,002,000.00 | 2,118,000.00 | 2,277,000.00 | 2,441,000.00 | 2,633,000.00 | 2,853,000.00 |
| Total Revenue and Support | 12,163,566.86 | 13,181,000.00 | 13,717,000.00 | 14,367,000.00 | 15,056,000.00 | 15,783,000.00 | 16,556,000.00 |

CAPTIAL BUDGET SUMMARY

The FY 2020 Capital Budget is funded through multiple sources, including Federal Transit Administration (FTA) 5307 Formula Funds, FTA 5339 Bus and Bus Facilities Funds, State of Illinois Debt Service Funds, State of Illinois capital grants, and funding from the City of Bloomington and the Town of Normal.

Unlike most large transit agencies, Connect Transit allocates a significant portion of FTA 5307 capital funds toward operations, which is allowed by the FTA. Connect Transit does not have any current debt obligations but does intend to enter debt obligations in the future in order to use debt service funds through the State of Illinois Downstate Operating Assistance Program (DOAP). The debt obligations that Connect intends to enter will be short-term from three to six months. A capital expenditure is the use of funds in order to purchase fixed assets with a useful life of at least one year.

Presented below is a summary of major capital funds and expenditures for FY 2019 and FY 2020.

| Capital Funding | <u>FY 2019 Budget</u> | <u>FY 2020 Budget</u> |
|---|---------------------------|---------------------------|
| Beginning Capital Funds | \$6,366,167 | \$ 6,900,237 |
| FTA Section 5307 | - | 262,300 |
| FTA Section 5339 | - | 250,000 |
| State of Illinois - Debt Service | - | 1,153,100 |
| City of Bloomington | 504,780 | 534,655 |
| Town of Normal | <u>427,290</u> | <u>452,620</u> |
| Total Capital Funding | 7,298,237 | 9,552,912 |
| Capital Expenditures | | |
| Major Capital Projects | - | 1,200,000 |
| Facilities, Maintenance and Support Equipment | - | 300,000 |
| Passenger Amenities | 398,000 | 355,000 |
| Other Capital Expenditures | <u>-</u> | <u>124,000</u> |
| Total Capital Expenditures | <u>398,000</u> | <u>1,979,000</u> |
| Ending Capital Funds | <u>\$6,900,237</u> | <u>\$ 7,573,912</u> |

CAPITAL BUDGET PROCESS

As part of Connect Transit's budgeting process, the Finance Department meets annually with managers responsible for certain activity line items in the grants (IT Manager in charge of IT-related items, Maintenance Manager in charge of shop capital and maintenance items, etc.). During this meeting, managers are asked about any expected increases/decreases they foresee related to their activity line items. Capital projects are considered throughout the year and are approved by the Board of Directors. After the meeting, the Finance Department develops a capital budget based on the input of department managers and presents the capital budget to the Board of Directors. The Board of Directors approves it during the Budget board meeting in April or May. The budget calendar shown on page 14 is used to supplement this narrative information.

SIGNIFICANT CAPITAL BUDGETARY ITEMS AND TRENDS

Revenues

During the budget development stage, significant assumptions - influenced by current legislative acts, historical trends, and long-term agency goals and objectives - are considered to ensure accuracy of the capital budget document. Although Connect Transit tries to make the document as accurate as possible, estimated numbers may differ significantly from actual expenditures due to timing of capital project expenditures or unforeseen circumstances.

A key assumption is that Section 5307 grant funds will stay flat year-over-year starting in FY 2021. The Fixing America's Surface Transportation (FAST) Act went into effect on December 4, 2015 and is set to end in FY 2020. With legislation authorized to replace the FAST Act, Connect Transit is budgeting the Section 5307 grant funds to remain flat.

Another assumption is that the State of Illinois will create a Capital Grant Program for transit agencies. The last Capital Grant Program in which Connect Transit received grants funds was in 2014. Since there is no set Capital Grant Program at this time, Connect Transit is not guaranteed to receive the necessary capital grant funds.

Under the State of Illinois Downstate Operating Assistance Program (DOAP), Connect Transit can purchase capital items through DOAP funding. In order to do this, Connect Transit needs to set-up debt service funding through a bank. Connect Transit is assuming the DOAP will continue to allow the purchase of capital items through debt service.

Expenditures

Revenue vehicles are the most valuable capital assets Connect Transit owns and are greatly considered during the development stage of creating the capital budget. Connect Transit plans to send out a Request for Proposal at the end of FY 2019 or beginning of FY 2020 for heavy duty electric buses. Connect Transit plans to receive four of these buses in each year from FY 2021 through FY 2024.

Connect Transit plans to install solar arrays to the roof of the maintenance facility to supply a portion of Connect Transit's electric load consumption. Connect Transit's intent is to engage the services of qualified contractors to purchase the solar panels and install an electrical system to support it.

Furthermore, Connect Transit will be purchasing electric buses and the solar panels will help offset the cost of charging the buses.

Adding infrastructure will be another major focus for Connect Transit in the next few years. The preliminary planning for a downtown Bloomington transfer center will be performed in FY 2020. Connect Transit plans to complete the building of a new downtown Bloomington transfer center in FY 2023.

On the next page is Connect Transit's FY 2020 Capital Budget with an extended five-year estimate.

2019 - 2020 Capital Budget

| | FY 2018 Actual | FY 2019 Budget | FY 2020 Budget | FY 2021 Estimated | FY 2022 Estimated | FY 2023 Estimated | FY 2024 Estimated |
|--|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Capital Funding | | | | | | | |
| Beginning Capital Funds Balance | \$ 6,059,226 | \$ 6,366,167 | \$ 6,900,237 | \$ 7,573,912 | \$ 8,428,237 | \$ 9,131,162 | \$ 8,033,177 |
| FTA Section 5307 Apportionment | 1,233,333 | - | 262,300 | 90,000 | 157,000 | 6,000,000 | 1,700,000 |
| FTA Section 5339 Bus & Bus Facilities | 255,000 | - | 250,000 | 1,400,000 | 1,400,000 | 4,400,000 | - |
| FTA Section 5316 Job Access and Reverse Commute | 45,246 | - | - | - | - | - | - |
| State of Illinois - Capital Program | 3,360,000 | - | - | - | - | 3,000,000 | - |
| State of Illinois - DOAP - Debt Service | - | - | 1,153,100 | 3,014,050 | 3,134,650 | 2,758,340 | 3,141,090 |
| City of Bloomington | 441,353 | 504,780 | 534,655 | 534,655 | 534,655 | 534,655 | 534,655 |
| Town of Normal | 382,589 | 427,290 | 452,620 | 452,620 | 452,620 | 452,620 | 452,620 |
| Total Budgeted Sources of Funds for Capital Items | 11,776,747 | 7,298,237 | 9,552,912 | 13,065,237 | 14,107,162 | 26,276,777 | 13,861,542 |
| Capital Expenditures | | | | | | | |
| Major Capital Projects | | | | | | | |
| Revenue Vehicle Purchase - 40' Diesel Buses | 4,605,243 | - | - | - | - | - | - |
| Revenue Vehicle Purchase - Light Duty LPG Buses | 614,080 | - | - | - | - | - | - |
| Solar Array and Electric Bus Charging Stations | - | - | 1,200,000 | - | - | - | - |
| Revenue Vehicle Purchase - 40' Electric Buses | - | - | - | 4,000,000 | 4,120,000 | 4,243,600 | 4,370,908 |
| Revenue Vehicle Engine/Transmission Rebuild | - | - | - | 450,000 | 665,000 | - | 1,000,000 |
| Downtown Transfer Center | - | - | - | - | - | 14,000,000 | - |
| Facilities, Maintenance and Support Equipment | | | | | | | |
| Maintenance Build-out for Showers | - | - | 100,000 | - | - | - | - |
| Replace Administration HVAC System | - | - | 200,000 | - | - | - | - |
| Automatic Farebox Collection | 57,000 | - | - | - | - | - | - |
| Security Cameras and Equipment | 10,853 | - | - | - | - | - | - |
| Passenger Amenities | | | | | | | |
| Bus Shelters, Pads, Seating, and Lighting | 103,160 | 398,000 | 105,000 | 187,000 | 71,000 | - | 120,000 |
| Customer Service Center in Uptown Station | - | - | 250,000 | - | - | - | - |
| Other Capital Expenditures | | | | | | | |
| Service Vehicles | 20,244 | - | 124,000 | - | 120,000 | - | - |
| Total Budgeted Capital Expenditures | 5,410,580 | 398,000 | 1,979,000 | 4,637,000 | 4,976,000 | 18,243,600 | 5,490,908 |
| Ending Funds Balance | \$ 6,366,167 | \$ 6,900,237 | \$ 7,573,912 | \$ 8,428,237 | \$ 9,131,162 | \$ 8,033,177 | \$ 8,370,634 |

MAJOR CAPITAL PROJECTS

Generally, capital projects are funded through the annual 5307 formula allocation which requires a twenty percent local match, but can be financed through a variety of other capital sources (revenue vehicles purchases are also financed through Section 5339 discretionary grant funds). The local tax revenue by the City of Bloomington and Town of Normal is then used as the local match. The State of Illinois has Capital Grant Programs in certain years. Also, the State of Illinois Downstate Operating Program allows capital purchases that have been purchased through debt service. Described below, Connect Transit's capital projects are considered significant nonrecurring capital expenditures and must be financed with capital grant funds and must be greater than \$10,000 in total cost. These projects are expected to be paid for and completed in 2020.

Description of Capital Projects:

Solar Array and Electric Bus Charging Stations

Connect Transit is seeking bids for solar panels and an electrical system to support it to be installed on the roof of the maintenance facility to supply a portion of Connect Transit's electric load consumption. Connect Transit will be purchasing electric buses, so Connect will need to install electric bus charging stations in the maintenance facility.

Effect on Operating Budget

It is expected electrical expenses will decrease with the addition of solar panels and battery storage of electricity.

Maintenance Building Build-out for Showers

Connect Transit is receiving engineering and design work from a contractor for installing showers in the maintenance facility. The Request for Proposal should be released by the end of FY 2019. The showers will be beneficial to Connect Transit employees, especially maintenance staff.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

Replace Administration Building HVAC System

Connect Transit will contract with a company to replace the administration building HVAC system. Over the past two years, the administration building HVAC system has been deteriorating. Two of the seven units have been replaced. Connect Transit sees this as an ongoing problem and will look to replace the system.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

Bus Shelters, Concrete Pads, Seating, and Lighting

Connect Transit has a three-year contract to improve 58 bus stops. The infrastructure of Connect Transit's service area is a desperate need of bus shelters, concrete pads, seating, and lighting for our customers and their safety.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

Customer Service Center in Uptown Station

Connect Transit has a preliminary design for the customer service center in Uptown Station. This service center will help Connect Transit help customers at the busiest transfer center in the system.

Effect on the Operating Budget

This project may require the hiring of an additional Customer Service Representative and a minimal amount of other operating costs.

Service Vehicles

Connect Transit has four service vehicles past their useful lives that need to be replaced. Connect Transit will be starting the procurement process in the beginning of FY 2020.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

POSITION SUMMARY SCHEDULE

Figure 1.6 shows a comparison of the actual number of personnel in FY 2018 and projected number of personnel for FY 2019 and FY 2020.

Figure 1.6

| Personnel | FY 2018 | FY 2019 | FY 2020 |
|-----------------------------------|------------|------------|------------|
| Operations Supervision | 6 | 6 | 6 |
| Dispatchers/Customer Service Reps | 9 | 11 | 11 |
| Operators | 89 | 88 | 88 |
| Maintenance Supervision | 3 | 4 | 4 |
| Maintenance | 18 | 15 | 15 |
| Administrative | 11 | 13 | 14 |
| Total | <u>136</u> | <u>137</u> | <u>138</u> |

In FY 2019, Connect Transit hired a Public Outreach Coordinator and a Marketing Intern to assist Administration.

In FY 2020, Connect Transit anticipates hiring an additional Marketing Intern to assist Administration.

Department Descriptions

EXECUTIVE DEPARTMENT

The executive department is made up of the General Manager and Executive Assistant. The General Manager is charged with executing Board policy decisions and providing direction to Connect Transit staff as they work to fulfill the mission and goals of the organization.

SAFETY AND TRAINING DEPARTMENT

The safety and training department is made up of the Safety and Training Director. The training side of this department is responsible for new employee general intake training, new bus operator training, maintenance training, commercial licensing of employees, and continuing education of employees. The safety side of this department is responsible for accident prevention, safety initiatives, vehicle safety, license and background checks, facilities safety, employee safety, OSHA compliance, substance abuse program, and the safety committee.

MARKETING AND BUSINESS DEVELOPMENT DEPARTMENT

The marketing and business development department is made up of the Marketing and Business Development Manager and the Public Outreach Coordinator. This department is responsible for directing and managing the outreach, advertising, marketing, promotional activities, and community relations of Connect Transit.

Information Technology Department

The information technology department is made up of the Information Technology Manager and the Information Technology Specialist. This department is responsible for managing the information technology and computer systems, ensuring technology is accessible and equipped with current hardware and software, and monitoring and maintaining technology to ensure maximum access.

HUMAN RESOURCES DEPARTMENT

The human resources department is made up of the Human Resources Director and the Human Resources/Payroll Administrator. This department is responsible for hiring of personnel, labor relations and discipline management, maintaining employee benefits, management of insurance, and processing payroll.

PROCUREMENT DEPARTMENT

The procurement department is made up of the Procurement Specialist. This department is responsible for purchasing materials and services, continuously evaluating the price of materials and services purchased, ensures timely delivery of materials, and ensures that Connect is complying with all procurement policies.

FINANCE DEPARTMENT

The finance department is made up of the Finance Director and the Accountant. This department is responsible for preparing the annual budget, coordinating the year-end audit, analyzing, reconciling and maintaining financial records, and treasury management.

OPERATIONS AND MAINTENANCE DEPARTMENT

This department consists of the Chief Operating Officer, Transit Operations Manager, Operations Supervisors, Dispatchers, Bus Operators, Maintenance Manager, Maintenance Supervisors, Mechanics, Cleaners, and Custodians. This department is responsible for providing safe, dependable, and on-time service to our customers. This department is also responsible for all maintenance of Connect Transit vehicles, facility grounds and facility maintenance that consists of administration and maintenance buildings, and cleanup of Connect Transit shelters around the service area.

SUPPLEMENTAL INFORMATION

CONNECT TRANSIT AT A GLANCE

In 1972, the City of Bloomington and Town of Normal, by intergovernmental agreement, established an intergovernmental agency known as the Bloomington Normal Public Transit System after the privately owned National City bus company left the Bloomington-Normal market. The transit system operates as an independent agency governed by a board appointed by both the City of Bloomington and Town of Normal. In 2012, the transit system rebranded as Connect Transit.

SERVICE AREA

The operating area of the Connect Transit is the combined corporate limits of the City of Bloomington and the Town of Normal.

DESCRIPTION OF SERVICES AND FLEET

Connect Transit operates up to 26 buses on 14 fixed routes, including campus and late night service. Connect Transit, under the name of Connect Mobility, provides demand – response service to all paratransit eligible riders within the American with Disabilities Act guidelines.

Connect Transit maintains a fleet of 39 buses for its 14 fixed routes. Included in this fleet are (10) 2018 New Flyer 40' buses, (7) 2016 New Flyer 40' buses, (5) 2015 New Flyer 40' buses, (4) 2011 Gillig 35' buses, (1) 2010 Gillig 35' bus, (2) 2008 Gillig 30' buses, and (10) 2003 New Flyer 40' buses.

Connect Mobility's paratransit fleet has 20 buses and includes (9) 2018 Ford E-450 vans, (4) 2017 Ford E-450 vans, (1) 2013 Startrans Senator vans, (1) 2012 Startrans Senator van, (3) 2011 Eldorado Aerotech vans, and (2) 2009 Startrans Supreme vans.

BOARD OF DIRECTORS

Connect Transit is comprised of 7 members appointed by the City of Bloomington and the Town of Normal. The City Managers for the City and Town are Ex officio members.

Appointed

Four Year Term

| <u>Name</u> | <u>Position</u> | <u>Appointed By</u> | <u>Expiration Date</u> |
|-------------------|-----------------|---------------------|------------------------|
| Mike McCurdy | Chairman | Normal | June 30, 2021 |
| Ryan Whitehouse | Vice Chairman | Bloomington | June 30, 2020 |
| John Bowman | Secretary | Bloomington | June 30, 2019 |
| Judy Buchanan | Trustee | Bloomington | June 30, 2021 |
| Monica Bullington | Trustee | Bloomington | June 30, 2022 |
| Julie Hile | Trustee | Normal | June 30, 2022 |
| Vacant | Trustee | Normal | |
| Tim Gleason | Ex officio | Bloomington | No expiration |
| Pam Reece | Ex officio | Normal | No expiration |

Budget Glossary

ACTUAL – The actual figures in the budget document are year-end actual totals for the fiscal year preceding the budget year.

BUDGET – A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures.

CAPITAL INVESTMENT - A nonrecurring project, including but not limited to: construction of or major alterations; remodeling or repair of physical facilities, buildings, structures, fixed equipment and landscaping.

CAPITAL INVESTMENT PROGRAM - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

CONNECT TRANSIT – Bloomington Normal Public Transit System

DEPRECIATION - A method of allocating the cost of a tangible asset over its useful life.

DOAP – State of Illinois’ Downstate Operating Assistance Program

ESTIMATE - Revenue and expenditure estimates for the current fiscal year, which are developed as part of the budget preparation process.

EXPENDITURE - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained, regardless of when the expense is actually paid.

EXPENSES - Charges incurred, whether paid immediately or unpaid, for operation, maintenance, and other charges.

FISCAL YEAR - The time period designated by Connect Transit signifying the beginning and ending period for recording financial transactions. Connect Transit has a fiscal year of July 1st through June 30th.

FIXED ASSETS - Assets of long-term character, which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTA - Federal Transit Administration

FUND BALANCE - The excess of assets over liabilities and is, therefore, also known as surplus funds.

GAAP – Generally Accepted Accounting Principles

GASB – Government Accounting Standards Board

GFOA - Government Finance Officers Association

IDOT - Illinois Department of Transportation.

REVENUE - Funds that the government receives as income.