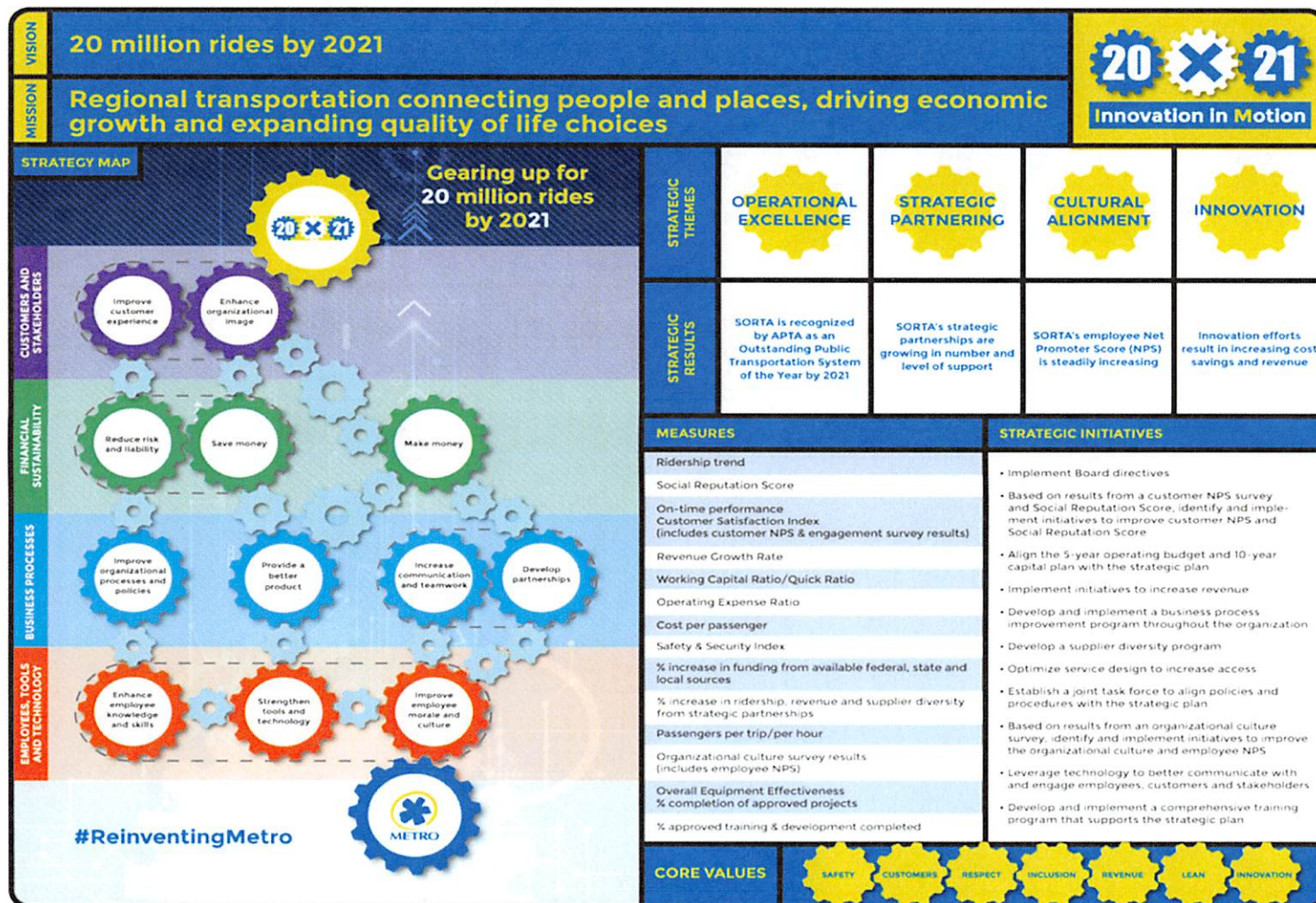




SORTA Funding Request

Reinventing
METRO



2019 Process Improvements

- Leadership Development – Four areas of focus in support of Strategic Plan: New Operator Retention, Organization Culture, Customer Experience and New Employee Onboarding
- Bus Stop Optimization – Begins in 2019 with final, full year expected savings of \$60K per year
- EMS (medical) – 578% ROI (\$543K claims avoided)
- Vinyl Plotter – In-source bus wrap maintenance; capital investment of \$30K to save \$50K per year
- New buses – New buses in 2018 are projected to save ≈\$500K in parts expense & improved fuel efficiency
 - Smaller 30ft buses on lower ridership routes ≈\$200K capital savings per bus
- LED Lighting at Queensgate and Bond Hill – \$225K 10 year NPV; annual savings ≈\$31K





Customer Experience



- New customer app to be released late Q3 of 2019
 - Focus on regional connectivity
- 50 new bus benches installed late Q1 of 2019 (cost ≈\$75K)
- New bus shelter contract awarded Jan 2019
 - Maximize number of new shelters using advertising revenue – budget neutral
- 27 new buses in 2018 and 43 buses in 2019 (all Wi-Fi capable)
 - 2019 buses include 6 smaller 30ft buses
- 11 new para-transit vehicles planned in 2019 (all Wi-Fi capable)



2019 Revised Budget & 2020 Projection

(000)	2018 Preliminary Actual*	2019		2019 Revised Budget	2020		
		2019 Approved Budget	2019 Updates		2020 Original Projection	2020 Updates	2020 Revised Projection
Recovery Ratio	19.3%	17.9%		17.9%	16.7%		16.8%
Ridership (Total Fixed Less Access)	13,751	13,150		13,150	13,003		13,003
Revenue							
Metro Fare Revenue	\$17,919	\$16,614	\$0	\$16,614	\$15,951	\$0	\$15,951
Access Fare Revenue	953	976	0	976	976	0	976
Total Fares	18,873	17,590	0	17,590	16,927	0	16,927
CPS Contract Revenue	8,213	8,205	0	8,205	8,370	0	8,370
Non-Transportation Revenue	1,928	2,069	0	2,069	2,175	0	2,175
Transit Fund Operating	56,386	53,019	0	53,019	53,730	0	53,730
Subsidy Revenue	15,903	15,176	133	15,309	15,336	135	15,471
Total Revenue	101,304	96,059	133	96,192	96,538	135	96,673
Expenses							
Employee Wages	46,317	46,373	698	47,071	46,373	1,287	47,660
Employee Benefits	23,537	25,875	(455)	25,420	26,819	(337)	26,482
Purchased Transportation	6,830	7,136	0	7,136	7,350	0	7,350
Fuel & Lubricants	5,732	5,619	0	5,619	5,907	0	5,907
Parts & Supplies	6,243	5,882	0	5,882	5,954	0	5,954
Other	10,972	8,977	0	8,977	10,325	(1,237)	9,088
Total Expenses	99,630	99,862	243	100,104	102,728	(287)	102,441
Prior Year Reserves	295	2,803	0	2,803	0	0	0
Prior Year Surplus	0	1,000	110	1,110	0	0	0
Operating Income(Deficit)	\$1,968	\$0	\$0	\$0	(\$6,190)	\$422	(\$5,768)

* 2018 Preliminary Actual - Unaudited

Administrative Restructuring

- As a result of a comprehensive review, 9 positions were either eliminated or replaced with lower cost, lower lever positions
 - Savings, including benefits, of nearly \$1M annually, offset by approximately \$0.1M for adjustments related to expanded responsibilities for certain positions
- Critical investment in IT (1) and Operator Training (3) were approved
 - Cost, including benefits, of approximately \$0.5M
- Increased training throughput and reduction in O/T should yield substantial savings in 2020 budget
- Expanded IT capacity will support 2019 goal of upgrade/replacement of current transit operating system (Trapeze)

Annual savings of \$0.4, reducing headcount while increasing key capabilities

2019 Budget & 2020 Projection Bridge

(M)	2019 Revised Budget	2020 Revised Projection
Operating Deficit - Before Updates	\$0.0	(\$6.2)
Wage & Wage Related Benefits		
CBA Wage Increase	(1.1)	(1.7)
Administrative Headcount Changes	0.4	0.4
Union Wage Progression	(0.2)	(0.2)
Total Wage & Related Benefits Increase	(0.9)	(1.5)
Decrease in Medical Cost	0.6	0.6
Increase Federal Subsidy Revenue	0.1	0.1
Decrease Other Expense	0.0	1.2
Change in Projection	(0.2)	0.4
Prior Year Surplus	0.1	0.0
Operating Deficit - After Updates	\$0.0	(\$5.8)

SORTA Reserves and Requirements

(M)

Contingency Reserve, Ending 2018

\$6.6

Less Board Approved Reserve to Balance 2019 Budget

(2.8)

Contingency Reserve Current

\$3.8

2018 Surplus (Unaudited)

2.0

Less Prior Year Surplus Needed to Balance 2019 Budget

(1.1)

Prior Year Surplus Remaining

\$0.9

2019 & 2020 Recommendation

- SORTA is required by statute to submit a balanced budget
 - Assumes no change in current funding mechanism
- Recommend 2018 Surplus be authorized, as required not to exceed \$1.1M, to balance 2019 Budget
- The following are available to address preliminary, projected 2020 deficit of \$5.8M, subject to further updates during final budget process:

Contingency Reserve	\$3.8M
2018 Surplus	\$0.9M
New Ohio Assistance	TBD

