

FINANCE COMMITTEE MEETING

April 8, 2020

1:00 p.m.

REMOTE VIA WEBEX AND YOUTUBE

<https://lextran.my.webex.com/lextran.my/j.php?MTID=mf8279ffd0f343bab0fd41542e0299edb>

Meeting number (access code): 796 269 281

Meeting password: 6541287554

Broadcast on Lextran's YouTube Channel at <https://bit.ly/lextranyoutube>
or <https://www.youtube.com/channel/UC6NinAOxGJe9IGUISWlhNhq>

Join by phone (audience and staff only) Tap to call in from a mobile device

+1-312-535-8110 OR +1-408-418-9388

Contact Alan Jones at ajones@Lextran.com for access from outside the US

Join from a video system or application

Dial [796269281@lextran.my.webex.com](https://lextran.my.webex.com/join/796269281) <sip:796269281@lextran.my.webex.com>

You can also dial 173.243.2.68 and enter your meeting number.

Join using Microsoft Lync or Microsoft Skype for Business

Dial [796269281.lextran.my@lync.webex.com](https://lextran.my.lync.webex.com/join/796269281) <sip:796269281.lextran.my@lync.webex.com>

AGENDA

I.	Call to order	1:00
II.	Review First Draft Fiscal Year 2021 Lextran Budget	1:00 — 1:15
III.	Discussion of Budget Draft	1:15 — 1:45
IV.	Adjournment	1:45

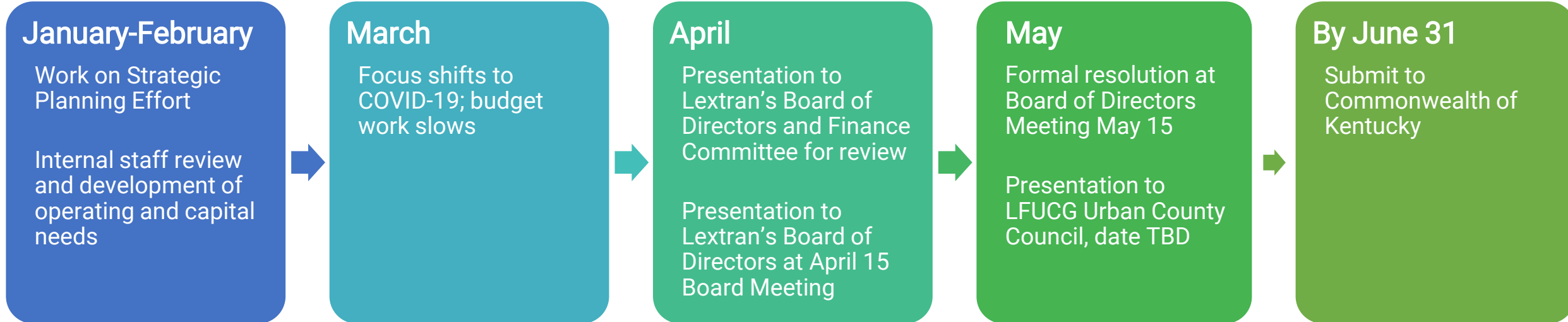
FIRST DRAFT FISCAL YEAR 2021 LEXTRAN BUDGET



WE SERVE
PEOPLE
AND OUR
COMMUNITY
WITH MOBILITY
SOLUTIONS.



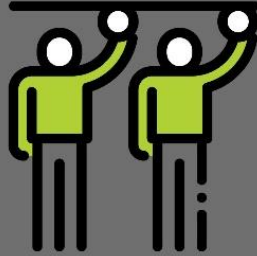
Budget Timeline REVISED



LEXTRAN AT A GLANCE



26 FIXED
ROUTES



4.5 MILLION
PASSENGER
TRIPS (2019)



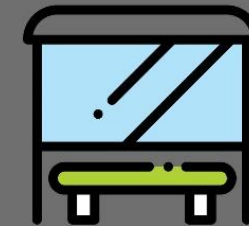
14,277 TRIPS
PER DAY
(2019)



65% TRIPS ARE
FOR WORK OR
SCHOOL



925
BUS STOPS



105 SHELTERS
AT STOPS



71 VEHICLES IN
OUR DIVERSE
FLEET

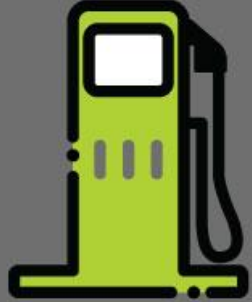


53 WHEELS
PARATRANSIT
VEHICLES

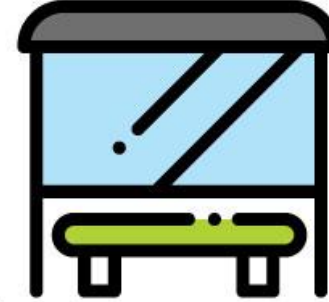


6 VEHICLES
FOR RIDESHARE

2019 IN NUMBERS



**ADDED 6
CNG BUSES
TO FLEET**



**IMPROVED
20+ BUS
STOPS**

4.5
MILLION
PASSENGER
TRIPS



**AWARDED
\$3.5 MILLION
IN GRANTS**



**EMPOWERED
60+ YOUNG
ARTISTS**

KNOWN

Uncertainty for this Budget

UNKNOWN

- Lextran team has done amazing work in response to pandemic
- Federal support from the CARES Act
- Per trip Paratransit cost
- Contracted cost rates
- Increase in health insurance
- Increase in auto liability

- Contract negotiations postponed
- Wages for Union employees
- Fuel cost varies
- Total number of paratransit trips
- Revenue from Mass Transit Fund
- Changes to debt service based on loan refinancing

- Duration and full impact of COVID-19 pandemic
- Impact of Families First Act and FMLA on staffing levels

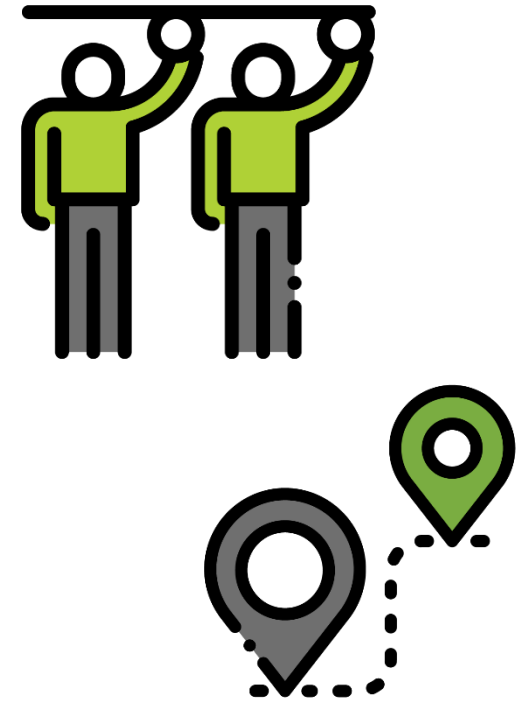
Assumptions / Forecasts

- \$13 Million support from FTA
- Steady return from Mass Transit Fund
- \$2.20 per gallon for diesel
- Steady wage rate
- No service cuts or layoffs
- Paratransit trips declined, but will likely increase based on past trends
- Toll credits are no longer available for match



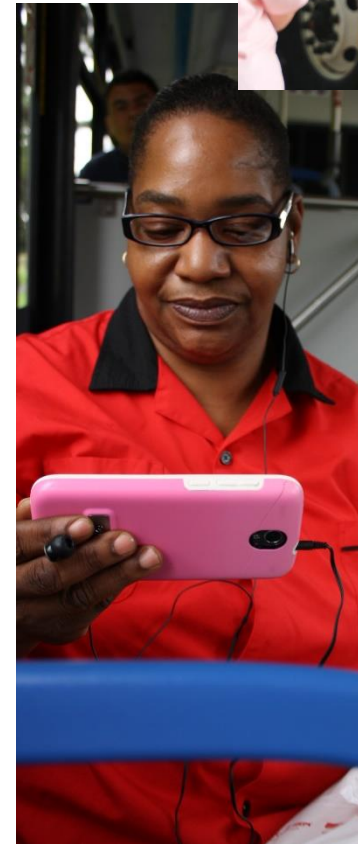
Mid-year Budget Adjustment is likely

- Great deal of uncertainty right now
 - Impacts to property tax receipts
 - Expiration of federal authorization bill
 - One-year budget from state
 - Possibility for a second federal stimulus or infrastructure bill
- Worse case scenario actions:
 - Access line of credit
 - Even greater worse case...Reduce service, layoff employees, raise fares, delay maintenance costs



FY 2021 Budget Summary

- Total Revenue
\$ 29,065,279
- Total Expense
\$ 28,815,379
From Mass Transit Fund
 - \$ 250,00
- Total Capital
\$ 11,606,170
\$ 13,810,482 from FY 2020 CARES Act



DRAFT Five Year Capital Budget

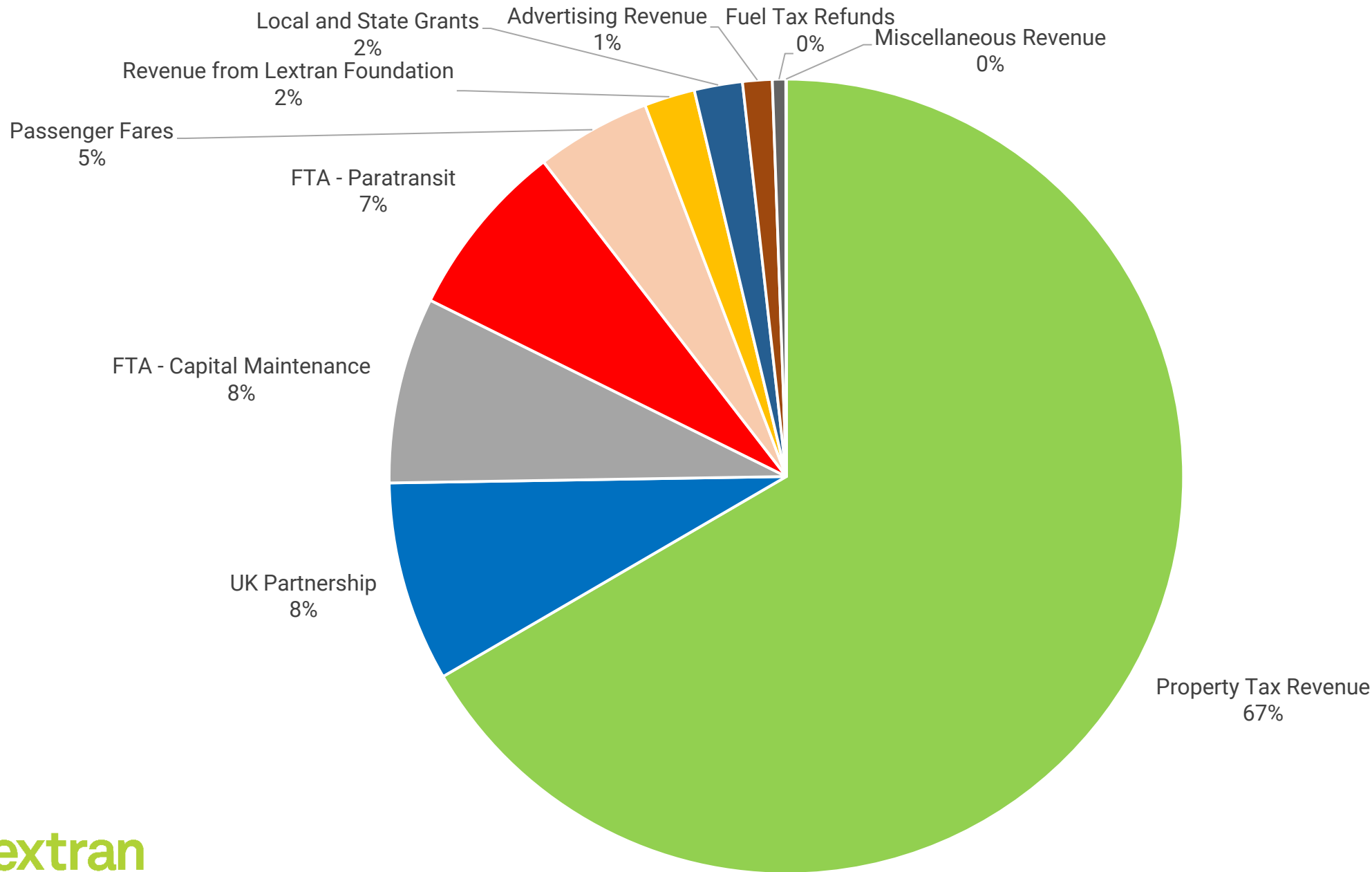
CAPITAL PROJECTS	FY2020	FY2021	FY2022	FY2023	FY2024
Bus Purchase (CNG)	\$ 572,572	\$ 715,715	\$ 715,715	\$ 715,715	\$ 715,715
Electric Buses & Chargers (CMAQ & LoNo)	\$ 4,026,000	\$ -	\$ -	\$ -	\$ -
Bus Canopy	\$ -	\$ 2,290,000			
ITS Technology Services	\$ 171,000	\$ 129,544	\$ 165,000	\$ 165,000	\$ 165,000
Service Vehicles	\$ -	\$ -	\$ 75,000	\$ 105,000	
Capital Cost of Contracting (Paratransit)	\$ 2,000,000	\$ 2,625,000	\$ 2,529,400	\$ 2,529,400	\$ 2,529,400
Other 3rd Party Contracts (Website, IT, etc.)	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Capital Maintenance	\$ 1,862,869	\$ 2,750,000	\$ 2,941,799	\$ 2,895,935	\$ 2,895,935
Town Branch Commons Project (TIGER)*	\$ 1,862,500	\$ -	\$ -	\$ -	\$ -
Transit Enhancements (Shelters, Benches, Trash Cans)	\$ 40,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Improve Access to Fixed Route System (5310 funds)*	\$ 307,414	\$ -	\$ -	\$ -	\$ -
Hardware & Software (IT Projects)	\$ 168,500	\$ 125,531	\$ 62,500	\$ 62,500	\$ 62,500
Shop Tools & Equipment	\$ 372,938	\$ 25,000	\$ 250,000	\$ 18,750	\$ 123,750
Maintenance Facility Upgrades	\$ 126,000	\$ -	\$ -	\$ -	\$ -
Security Equipment	\$ 46,377	\$ 125,000	\$ 58,678	\$ 58,678	\$ 58,678
Comprehensive Operational Analysis (COA)	\$ -	\$ 80,000	\$ -	\$ -	\$ -
SUBTOTAL CAPITAL PROJECTS	\$ 11,606,170	\$ 8,940,790	\$ 6,873,092	\$ 6,625,978	\$ 6,625,978
CAPITAL FUNDS	FY2020	FY2021	FY2022	FY2023	FY2024
Federal Section 5307 Formula Funding	\$ 4,637,684	\$ 4,684,060	\$ 4,730,901	\$ 4,778,210	\$ 4,825,992
Section 5339 Bus & Bus Facilities Funding	\$ 572,572	\$ 572,572	\$ 572,572	\$ 572,572	\$ 572,572
Section 5339 LoNo Grant	\$ 2,290,000	\$ 2,290,000	\$ -	\$ -	\$ -
CMAQ (Electric buses & chargers)	\$ 1,388,800				
State Funding (Capital Maintenance)	\$ 497,500	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000
Section 5310 Enhanced Mobility Seniors/Disabled	\$ 245,931	\$ -	\$ -	\$ -	\$ -
TIGER (Town Branch Commons Project)*	\$ 892,500	\$ -	\$ -	\$ -	\$ -
Local Mass Transit Fund**	\$ 1,081,183	\$ 1,144,158	\$ 1,225,868	\$ 1,237,696	\$ 1,249,641
SUBTOTAL FUNDS	\$ 11,606,170	\$ 8,940,791	\$ 6,629,341	\$ 6,688,478	\$ 6,748,205

DRAFT Capital Improvement Projects FY 2021-2025

- Comprehensive Operations Analysis (funded by State planning funds)
- Fleet Replacement Plan for FY 2021
- Continue with RAMP program and Section 5310 projects - boarding areas, benches, shelters, etc.
- Start Transit Center Improvements as part of Town Branch Trail
- Seeking funds for upgrades and renovation to Lextran back-office area
- Start work on canopy project for bus yard at Loudon
- Begin Technology and Communications procurements



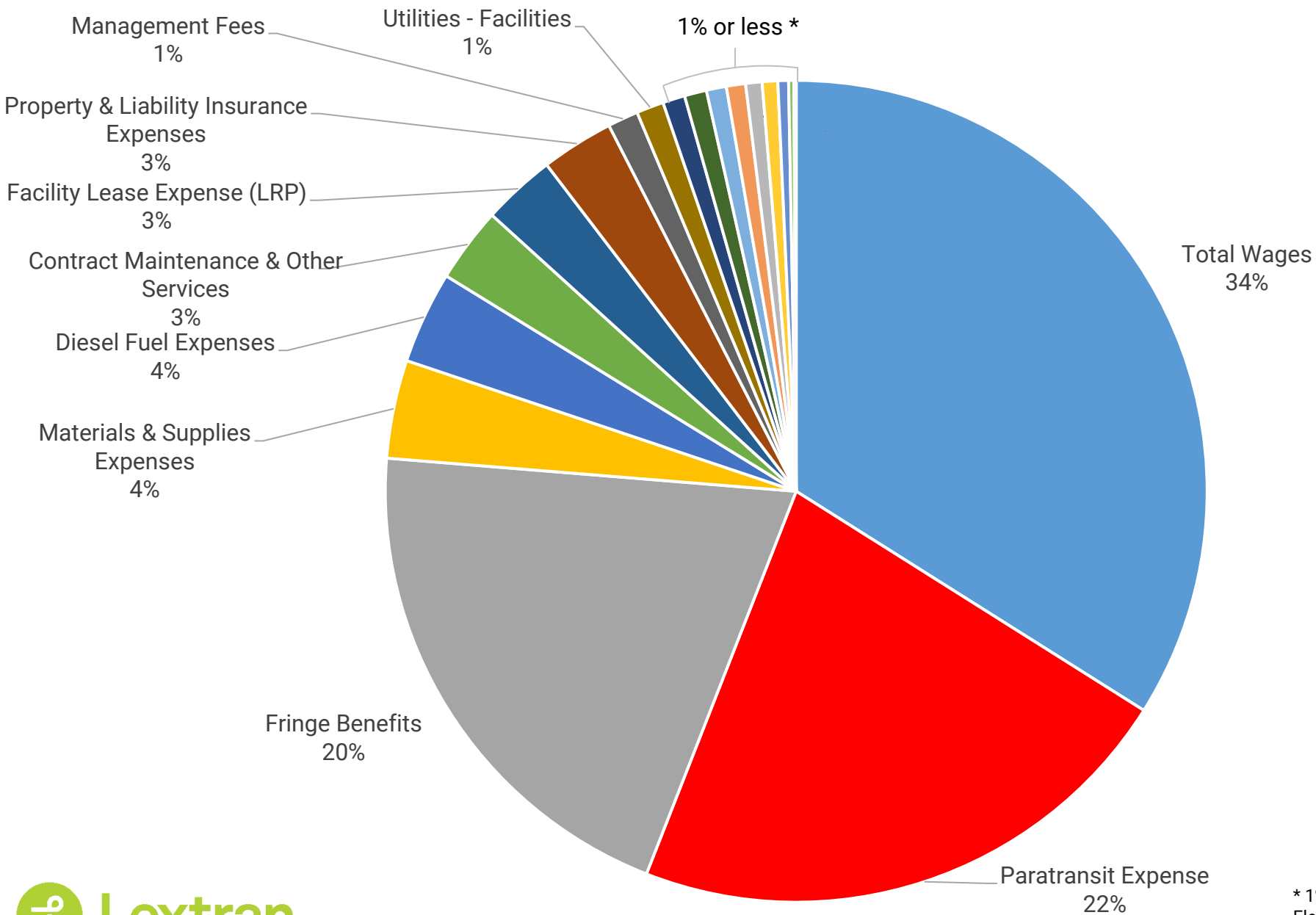
DRAFT Fiscal Year 2021 Revenue



DRAFT Fiscal Year 2021 Revenue

Revenue Category	Annual Budget Fiscal Year 2020	Projected End Fiscal Year 2020	Annual Budget Fiscal Year 2021
Property Tax Revenue	\$ 18,772,115	\$ 19,360,000	\$ 19,360,000
UK Partnership	\$ 2,246,209	\$ 1,576,258	\$ 2,364,387
FTA -Capital Maintenance	\$ 1,912,869	\$ 1,912,869	\$ 2,200,000
FTA -Paratransit	\$ 2,000,000	\$ 2,000,000	\$ 2,100,000
Passenger Fares	\$ 1,358,248	\$ 948,026	\$ 1,359,000
Revenue from Lextran Foundation	\$ 586,091	\$ 586,091	\$ 598,992
Local and State Grants	\$ 250,000	\$ 497,500	\$ 570,000
Advertising Revenue	\$ 310,000	\$ 310,000	\$ 349,000
Fuel Tax Refunds	\$ 159,000	\$ 156,850	\$ 158,000
Miscellaneous Revenue	\$ 5,700	\$ 40,505	\$ 6,000
Total Revenue	\$ 27,600,232	\$ 27,388,099	\$ 29,065,379

DRAFT Fiscal Year 2021 Expenses



* 1% or less each: Fuel Taxes, Professional Expense, CNG Fuel, Electric Bus utility, Advertising, Interest Expense, Vanpool, Dues, Travel, Training, Awards, Employee Engagement

DRAFT Fiscal Year 2021 Expenses

Operating Expense Category	Annual Budget FY 2020	Projected End FY 2020	Annual Budget FY 2021
Total Wages	\$ 9,271,862	\$ 9,496,836	\$ 9,729,167
Paratransit Expense	\$ 5,802,040	\$ 5,000,000	\$ 6,300,000
Fringe Benefits	\$ 5,638,755	\$ 5,373,130	\$ 5,831,271
Materials & Supplies Expenses	\$ 1,116,000	\$ 1,155,000	\$ 1,107,500
Diesel Fuel Expenses	\$ 1,036,000	\$ 947,000	\$ 1,040,000
Contract Maintenance & Other Services	\$ 1,043,340	\$ 813,500	\$ 845,540
Facility Lease Expense (LRP)	\$ 812,809	\$ 805,245	\$ 826,058
Property & Liability Insurance Expenses	\$ 738,000	\$ 794,000	\$ 818,000
Management Fees	\$ 330,875	\$ 330,875	\$ 344,864
Utilities - Facilities	\$ 251,163	\$ 293,250	\$ 307,913
Professional & Technical Expenses	\$ 239,000	\$ 196,600	\$ 250,000
CNG Fuel Expenses	\$ 215,000	\$ 230,000	\$ 250,000
Fuel Taxes	\$ 214,000	\$ 220,727	\$ 225,000
Dues, Training, Training and Awards	\$ 174,250	\$ 139,525	\$ 215,900
Media Advertising Expenses	\$ 215,000	\$ 214,000	\$ 185,000
Interest Expense	\$ 190,420	\$ 168,400	\$ 174,816
Utilities - Electric Buses	\$ 81,508	\$ 101,168	\$ 120,000
Miscellaneous Expenses	\$ 65,000	\$ 49,200	\$ 59,600
Vanpool Expense	\$ 32,400	\$ 21,600	\$ 25,200
Total Expenses	\$ 27,600,232	\$ 26,508,330	\$ 28,815,379
<i>From Mass Transit Fund</i>	<i>\$ -</i>	<i>\$ (879,769)</i>	<i>\$ (250,000)</i>

Five Year Financial Plan



*Depreciation not included ; **Annual 5th/3rd principle & interest = \$1,101,845 to ~\$501,300, last payment 7/1/2025

DESCRIPTION	2020	2021	2022	2023	2024
CAPITAL ACTIVITIES					
5307 Grant Funds	\$ 774,769	\$ 584,126	\$ 478,089	\$ 478,089	\$ 478,089
5339 Grant Funds	\$ 572,572	\$ 572,572	\$ 572,572	\$ 572,572	\$ 572,572
5310 Grant Funds	\$ 245,931	\$ -	\$ -	\$ -	\$ -
5339 LoNo Grant Funds	\$ 2,290,000	\$ 2,290,000	\$ -	\$ -	\$ -
CMAQ	\$ 1,388,800	\$ -	\$ -	\$ -	\$ -
TIGER Funds (Town Branch)	\$ 892,500	\$ -	\$ -	\$ -	\$ -
Total FTA Grant Funds	\$ 6,164,572	\$ 3,446,698	\$ 1,050,661	\$ 1,050,661	\$ 1,050,661
Bus Additions	\$ 4,598,572	\$ 715,715	\$ 715,715	\$ 715,715	\$ 715,715
Canopy Project	\$ -	\$ 2,290,000	\$ -	\$ -	\$ -
Support Vehicle Additions	\$ -	\$ -	\$ 75,000	\$ 105,000	\$ -
Improve Access to Fixed Route System (5310)	\$ 307,414	\$ -	\$ -	\$ -	\$ -
Town Branch Corridor Project	\$ 1,862,500	\$ -	\$ -	\$ -	\$ -
Other Capital Uses (security, equipment, tire lease, etc.)	\$ 477,315	\$ 1,585,141	\$ 1,485,814	\$ 1,467,642	\$ 1,584,587
Total Capital Uses of Funds	\$ 7,245,801	\$ 4,590,856	\$ 2,276,529	\$ 2,288,357	\$ 2,300,302
NET CAPITAL CASH FLOW (Local Match)	\$ (1,081,229)	\$ (1,144,158)	\$ (1,225,868)	\$ (1,237,696)	\$ (1,249,641)
*Assumes no toll credits for FY21-26					
OPERATING ACTIVITIES					
Property Taxes	\$ 19,360,000	\$ 19,360,000	\$ 19,747,200	\$ 20,142,144	\$ 20,544,987
Fare Revenue	\$ 948,026	\$ 1,359,000	\$ 1,372,590	\$ 1,386,316	\$ 1,400,179
Advertising	\$ 310,000	\$ 349,000	\$ 349,000	\$ 349,000	\$ 349,000
University of Kentucky Partnership	\$ 1,576,258	\$ 2,364,387	\$ 2,364,387	\$ 2,364,387	\$ 2,364,387
Miscellaneous Revenue	\$ 40,505	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Fuel Tax Refund	\$ 156,850	\$ 158,000	\$ 161,160	\$ 164,383	\$ 167,671
FTA Revenue - Capital Cost of Contracting (PT)	\$ 2,000,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000
FTA Revenue - Preventive Maintenance (PM)	\$ 1,912,869	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
State Revenue	\$ 497,500	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000
Local Revenue	\$ -	\$ 320,000	\$ -	\$ -	\$ -
Revenue from Lextran Foundation	\$ 586,091	\$ 598,992	\$ 78,852	\$ -	\$ -
Total Operating Sources of Funds	\$ 27,388,099	\$ 29,065,379	\$ 28,479,309	\$ 28,812,472	\$ 29,232,591
General & Administrative	\$ 3,305,046	\$ 3,574,334	\$ 3,650,935	\$ 3,742,209	\$ 3,815,764
Operations (Includes Paratransit)	\$ 16,981,176	\$ 18,617,205	\$ 18,769,121	\$ 19,104,362	\$ 19,305,666
Maintenance	\$ 5,248,393	\$ 5,664,035	\$ 5,748,636	\$ 5,892,352	\$ 6,039,661
Note Payable Interest Payment	\$ 168,400	\$ 133,747	\$ 104,102	\$ 73,549	\$ 71,500
Lease Payment - Lextran Real Properties	\$ 805,245	\$ 826,058	\$ 206,515	\$ -	\$ -
Total Operating Uses of Funds	\$ 26,508,260	\$ 28,815,379	\$ 28,479,309	\$ 28,812,472	\$ 29,232,591
NET OPERATING CASH FLOW	\$ 879,839	\$ 250,000	\$ (0)	\$ (0)	\$ (0)
Note Payable Principal Payment**	\$ 933,445	\$ 367,553	\$ 397,198	\$ 427,750	\$ 429,800
NET CASH FLOW	\$ (1,134,835)	\$ (1,261,711)	\$ (1,623,066)	\$ (1,665,446)	\$ (1,679,441)
ENDING CASH BALANCE					
Unrestricted Cash	\$ 12,790,072	\$ 11,528,361	\$ 9,905,295	\$ 8,239,849	\$ 6,560,407
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Balance*	\$ 12,790,072	\$ 11,528,361	\$ 9,905,295	\$ 8,239,849	\$ 6,560,407