



Section 3 C-TRAN 2012 Financial Plan



C-TRAN High Capacity Transit 2012 Financial Plan: June 1, 2012

The Financial Plan, transmitted to the Expert Review Panel (ERP), reflects the funding for all transit programs approved by the voters in 1980, 2005, and 2011. The Financial Plan includes the Columbia River Crossing (CRC) Light Rail Transit (LRT) extension from Expo Center (Portland, Oregon) to the future Clark College Park and Ride in Vancouver and bus rapid transit (BRT) along Fourth Plain Boulevard with a Vancouver Mall terminus. It addresses capital replacement and operating requirements on a cash-flow basis through the year 2035.

The Financial Plan is based on a number of policies approved by the C-TRAN Board of Directors. These policies continue the preservation of Fixed Route bus service and meet the anticipated growth of C-TRAN's Paratransit service C-VAN. The Sources and Uses table summarizes the results of the financial forecasts from 2013 to 2035. This financial forecast maintains financial policies and controls, as well as adequate reserves and cash balances.

FINANCIAL POLICY

The financial policies provide the framework for responsibly completing all High Capacity Transit (HCT) programs and are tools used by management and the Board of Directors to respond to future economic conditions. The key financial policies are as follows:

- Maintain a 90 Days Cash on Hand operating cost reserve called Working Capital Reserve.
- Carry on the policy of making annual but modest increases and adjustments to fares.
- Sustain a self insurance reserve. This currently includes the public liability claims and underground storage tank system. The public liability claims self insurance reserve will be released in 2014 since C-TRAN is no longer self insured effective January 1, 2011.
- Continue financial oversight to be accountable to the public.
 - » At the close of each fiscal year on December 31, management produces a Comprehensive Annual Financial Report for independent auditors to issue a formal opinion. In addition, the independent auditors review for compliance with U.S. Office of Management and Budget Circular A-133 and issue a single audit report. They also conduct an accountability review of internal controls and procedures annually.
 - » At a minimum of three-year intervals, the Federal Transit Administration (FTA) conducts a review to ascertain C-TRAN compliance with 23 functional requirements of agencies receiving federal funds. This includes activities such as procurement, fare policy, drug free workplace, financial control, and disadvantaged business enterprise, among others.
- Remain long-term debt free.
- Improve long-range planning with a focus on cost containment.
- Use financial instruments to manage risk of fuel prices.

Financial Plan Assumptions and Methodology

The Financial Plan is based on a number of assumptions and projections of key variables such as; cost inflation, revenue growth, interest rates, and availability of federal funds. These assumptions and projections are subject to change based on further analysis and information. Although adequate contingency factors have been included in these key variables, the financial forecasts are still vulnerable to periods of economic recession and/or “spikes” in costs of labor and materials. This Financial Plan reflects adequate cash flow and cash reserves to meet all financial obligations; however, a worsening downturn in the economy beyond that already factored in to the Financial Plan would most likely require a delay in implementing portions of the system expansion in the plan.

Three cash flow alternatives were considered: Optimistic, Pessimistic and Realistic (Base). The Optimistic cash flow closely follows C-TRAN’s policies and historical trends. This cash flow was presented to the ERP on May 9, 2012 in which they provided feedback to C-TRAN staff and requested adjustments. The Pessimistic cash flow includes assumptions as if factors worsened greatly for C-TRAN to demonstrate the sacrifices the agency would make to continue to remain solvent but still have a 60 day working capital reserve. The Realistic (Base) cash flow includes assumptions between the Optimistic and Pessimistic cash flows. The assumptions are adjusted to be a bit worse than C-TRAN has experienced historically, but not so bad that the agency is not able to meet many of the long term goals. The Realistic cash flow is used as the Base cash flow.

The long-term Financial Plan is produced in accordance with the FTA “Guidance for Transit Financial Plans.” The plan is maintained on a cash basis. It states and projects all agency sources and uses of funds for the period 2013-2035. The Plan presents the agency’s operating statements, sources and uses statements, and capital replacement funding schedules for the period 2013-2035. More detailed assumptions for Optimistic, Pessimistic and Realistic (Base) cash flows are in Attachments 3-1 and 3-2. The cash flows are in Attachment No. 3-3.

Inflation Forecasting

Each major source and use of funds was evaluated independently for inflation forecasting. C-TRAN uses indices to inflate costs over time in its cost estimates and long-range financial plan. The Consumer Price Index (CPI-U Portland Salem) is applied to many operating and capital expenditures. The historical CPI index was used to grow at an average annual rate of 2.54 percent from 2013-2035. Historical information or current conditions were used where the CPI index was not appropriate.

Sources of Funds

C-TRAN Sales & Use Tax Revenue» C-TRAN is funded primarily by sales and use tax operated in accordance with Chapter 36.57A of the Revised Code of Washington (RCW). The current tax rate is 0.7 percent (increased from 0.5 percent by Proposition 1 effective April 1, 2012). In addition to the current funding, it is anticipated that HCT operations would be funded from an additional 0.1 percent sales and use tax authorized by Chapter 81.104 RCW for HCT.

This sales and use tax increase is subject to voter approval.

Federal Grant Support» In addition to tax revenues, the agency expects to receive a Small Starts grant from the Federal Transit Administration (FTA) to fund the BRT capital costs. C-TRAN expects to continue to receive both FTA 5307 Formula Grants and FTA competitive grants to support the capital program.

State Assistance» C-TRAN expects to continue to receive State grant support for regular operations.

Passenger Fares» The Financial Plan includes fare revenue based on ridership and average fare per passenger by route type. C-TRAN Ridership historically has increased greater than county population growth which was used to forecast ridership. The Board of Directors' policy of making annual but modest fare increases was assumed throughout the 20 years.

Other Revenues» This category includes revenues such as advertising on buses, rental income, warranty reimbursements, and scrap metal sales.

Bonding» C-TRAN is currently debt free and this Financial Plan continues to assume no debt.

Uses of Funds

Fourth Plain BRT Capital Program» Capital costs for the Fourth Plain BRT project are estimated below and include (2010 Dollars):

- BRT vehicles—Ten 60-foot Hybrid articulated at \$1,000,000 each
- Right of Way—Based on an engineer's estimate of \$1,300,000
- Stations & Pavement Widening—Twenty three stations at \$500,000 each
- Site work & Special Conditions—Based on an engineer's estimate of \$4,500,000
- Street Improvements—Based on an engineer's estimate of \$2,800,000
- Systems: TSP, Station Information & Communication, etc.—Based on engineer's estimate \$5,300,000
- Professional Services—35 percent of Stations, Site work and Systems at \$7,455,000
- Maintenance Facility upgrades for BRT—Estimated at \$4,000,000 (2014 Dollars)
- Revision & Relocation of Van Mall Transit Center for BRT—Estimated at \$2,500,000 (2014 Dollars)
- Unallocated Contingency & Mitigation—Based on engineer's estimate of \$1,000,000

Fourth Plain BRT Operations and Maintenance» The new Fourth Plain BRT will replace the existing C-TRAN Routes 4 and 44. Using RCW 81.104 funding for the BRT will allow C-TRAN to reinvest the old Routes 4 and 44 service hours back into the system. The Financial Plan includes BRT service from Downtown Vancouver to the Van Mall Terminus at an estimated cost of \$140 million for 2015-2035 operations and maintenance. Expenses included in the BRT service beyond that of regular Fixed Route service include:

- Additional vehicle maintenance costs for maintaining and cleaning a larger vehicle. This includes labor, parts & materials, fuel, tires, and lubricants.
- Additional facility maintenance costs for maintaining and cleaning larger platforms and increased number of stops

with amenities. This includes labor and parts.

- Additional personnel to perform training for Operators and Maintenance, component management, information technology management, and route analysis duties. The full-time equivalent (FTE) is 1.75.
- Operations and maintenance of ticket vending machines and the related off board fare collection costs.
- Fare Inspectors at a ratio of 0.39 FTE per 1,000 daily riders.
- Marketing and travel demand management costs for the year prior to opening, opening year and the year after opening.

Yellow Line Extension to Clark Park and Ride (CRC LRT) Terminus Operations and Maintenance» The operations and maintenance of the CRC LRT extension will be undertaken and paid for in accordance with an agreement between C-TRAN and TriMet. Service policies for the CRC LRT will be set by mutual agreement of C-TRAN and TriMet. Fare-box revenues will be shared between C-TRAN and TriMet in accordance with a general revenue sharing formula for intersystem transit trips. C-TRAN and TriMet will each be responsible for performing and paying for routine activities within each of their districts, such as general management and administration, marketing/community relations, routine maintenance-of-way, operations and maintenance of park and ride facilities and stations, and utility costs within their districts. TriMet will perform specialized light rail activities such as light rail vehicle (LRV) maintenance; LRV operations, supervisors, fare inspectors, and on-board security; track maintenance; operations and maintenance of electrification, communications, and signal systems; maintenance-of-way on main river crossing; and capital maintenance. The cost of these activities will be shared by C-TRAN and TriMet in accordance with a formula set in the agreement between C-TRAN and TriMet. Assuming C-TRAN current policy regarding cost, the total C-TRAN's share of CRC LRT O&M costs through the year 2035 is estimated to be about \$107 million in year of expenditure dollars.

The Final Environmental Impact Statement (FEIS) submitted for the CRC project included gross Operations & Maintenance (O&M) costs for 2030 of \$5.01 million in 2010 dollars. Using a service and inflation factor of 4.29% this estimates gross O&M costs to be \$11.6 million in year of expenditure dollars. Additionally, C-TRAN's position has been to divide the LRT O&M at the state line which would allocate 64.87% of the costs to C-TRAN.

Transit Operations and Maintenance» C-TRAN uses a fleet of 108 vehicles to provide Fixed Route service on 422.05 route miles and 58 vehicles to provide demand response Paratransit service within the Vancouver Urban Growth Boundary and the Cities of Battle Ground, Camas, and Washougal. C-TRAN's Paratransit service is described in greater detail below. C-TRAN also utilizes a fleet of 20 vehicles to provide vanpool service for customers originating in Southwest Washington. In addition, C-TRAN provides a Dial-a-Ride and Connector Service in the cities of Camas, Ridgefield, and La Center using a mixture of vehicles from the above-referenced fleets.

C-TRAN's 20-Year Plan, adopted on June 8, 2010, provides a framework for what steps need to be taken in order to achieve the agency's long-term vision. The 20-Year Plan "C-TRAN 2030" is a comprehensive strategy for enhancing public transportation for Clark County residents over the next 20 years. Guided by the Board of Directors' 50-Year Vision, "C-TRAN 2030" is designed to respond to growing transportation needs and the need to provide expanded, reli-

able, and safe service. Maintaining and expanding transit service is vital for ensuring the economic vitality and quality of life in the region.

Over the 20 years of “C-TRAN 2030”, the agency would need to raise revenue equivalent to an additional 0.5 (five tenths) percent sales tax. Two tenths was recently approved by Proposition 1 and is effective April 1, 2012. The total five tenths would fund Fixed Route bus service improvements, anticipated growth of C-TRAN’s Paratransit service, and introduce HCT to C-TRAN’s system, including both Columbia River Crossing (CRC) light rail operating costs and the operating and capital costs for the Fourth Plain BRT Project. The introduction of BRT leverages the hours available for Fixed Route bus service since those hours currently assigned to the Fourth Plain route could be reinvested in Fixed Route service.

Paratransit Operations and Maintenance» C-TRAN’s complementary ADA Paratransit service (C-VAN) is not limited by a budget but must be adequate to meet all demand without exception according to FTA.

Ride denials are not allowed. In order to control costs C-TRAN has implemented a more stringent screening process for client eligibility certification, provided a Travel Training Program, made fare policy changes, and purchased smaller vehicles. In 2011 Integrated Voice Recognition software was implemented to remind customers of their rides and that C-VAN is on its way. Also in 2011 C-VAN moved to next day scheduling which assists in reducing no shows and cancellations.

Prior to these changes C-VAN was experiencing double digit growth in service; however, growth has been minimized over the last few years. This forecast assumes an average annual growth rate for C-VAN service of about 2.9 percent, reflecting the projected growth in district population over 65 years of age and the declining rate of disabilities in the senior population.

System-wide Capital Program:» The objective of the capital program is for C-TRAN to maintain, replace, and upgrade current facilities, equipment and systems based on customary and reasonable public transportation and engineering practices and the anticipated use of such facilities, equipment and systems. Maintaining and upgrading existing capital facilities and infrastructure minimizes total program costs and maintains efficient, safe and reliable operations. Maintenance and upgrades of transit infrastructure are consistent with strategic planning objectives to design and modify service and infrastructure to be more efficient and effective. The capital program includes investing in:

- Rolling Stock—replacement of Fixed Route, Paratransit, Vanpool, Maintenance & Utility, and Field Support vehicles on a routine basis.
- Facilities—maintenance facility expansion beyond what is needed for BRT, park & ride expansion, and routine capital facility replacements.
- Equipment—passenger amenities, equipment on buses, computer systems, and routine equipment replacements.

Contributions to Reserves» The Board of Directors established a working capital reserve of a minimum 90 Days Cash on Hand to create sufficient resources to cover cash flow until tax and grant revenues are collected. In addition, one million dollars was set aside to self-insure the underground storage tank system and two million for self-insured retention associated with excess liability policy for public liability claims. C-TRAN has since joined the Washington State Transit Insurance Pool (WSTIP) effective January 1, 2011 and will release the two million reserves in 2014 once the statute of

limitation has expired on public liability claims.

The Optimistic cash flow retains the 90 Days Cash on Hand working capital reserve. Due to feedback received from the Expert Review Panel the Realistic (Base) and Pessimistic cash flows reduce the working capital reserve to 60 Days Cash on Hand by 2035. This uses cash as a “rainy day fund” as a way to mitigate potentially worse outcomes than the Optimistic cash flow presents.

KEY FINANCIAL ISSUES

In order to gauge the vulnerability of C-TRAN’s Financial Plan to risk factors, stress tests on the financial model were conducted. These tests confirm that in overall terms the agency has reasonable capacity to withstand adverse financial shocks. However, certain financial factors are susceptible to negative financial developments. The following are the key risk areas:

Federal Funding» C-TRAN has been fairly successful in competitive grant awards; however the agency cannot be absolutely certain of any FTA discretionary funding in the future. Delay in receipt of federal funds, or no awards, will force the agency to reprioritize the capital program and potentially not move infrastructure projects forward.

Local Tax Revenue Growth» The tax revenue has seen negative growth in 2006—2009. The agency has seen a slow recovery in 2010 (4.0 percent growth) and 2011 (3.4 percent growth). The Optimistic cash flow assumes 2.5 percent growth through 2015 with the growth rate back to historical annual averages of 4.2 percent beginning in 2016. The forecast does not anticipate another recession through 2035 that will be similar in impact to the recent declines. If revenue growth were to fall significantly below the forecast, then local tax revenues would have a negative impact on the agency’s financial condition.

C-VAN Growth» Complementary ADA Paratransit service is not limited by a budget but must be adequate to meet all demand without exception according to FTA. C-TRAN put a number of cost containment measures in place to mitigate the significant growth rates experienced in the early to mid 2000’s. To the extent the C-VAN annual growth rates exceed the assumed 2.9 percent, additional cost containment measures, such as refining eligibility requirements to the minimal required by law, may be enacted.

Inflation» The Financial Plan incorporates long-term consumer price inflation. If inflation were to rise significantly beyond this forecast, C-TRAN’s capital and operating costs would also rise beyond current forecasts. If sales tax revenues increase along with rising prices, the increase in tax revenue might be sufficient to offset some portion of rising program costs. However, if the economy were to enter into a period of “stagflation” where prices rise and economic activity slows, the agency would be faced with rising program costs and declining revenues. This economic environment is seen as unlikely in the near to medium term.

Operating and Maintenance Costs» The Financial Plan utilized O&M cost history rates (cost per platform hour) to project services. The costs of BRT are developed from experiences of other transit agencies operating similar service. The costs of LRT are cost estimates from the CRC Project. It is recognized that O&M costs are affected by many factors, including partnership operating agreements and changes in operating efficiency. Fuel and power costs are subject to change depending on regional and even international market conditions. Adverse changes in these other factors may lead to higher O&M costs than projected in the Financial Plan, reducing financial capacity and flexibility.

Sensitivity Analysis

Three cash flows were produced to demonstrate a sensitivity analyses (“stress tests”) in order to gauge the vulnerability of C-TRAN’s Financial Plan to various risk factors. These tests analyzed the agency’s financial capacity through 2035.

Optimistic Cash Flow» The Optimistic cash flow closely follows C-TRAN’s policies and historical trends. This cash flow was presented to the ERP on May 9, 2012 in which they provided feedback to C-TRAN staff and requested adjustments. Major assumptions include:

- Sales Tax revenue annual increase = 4.2%
- Inflation rate = 2.54%
- Platform hours = Fixed Route matched with 20 year plan (373,570 hours in 2035) & C-VAN matched with population over 65 growth modified 1.35% (168,745 hours in 2035)
- Ridership increases = matched with county population growth
- BRT Farebox Recovery = 40% of operating and system costs
- Capital Program = those projects funded by grants were assumed to be 80% grant funded
- Working Capital Reserve = 90 days

Pessimistic Cash Flow» The Pessimistic cash flow includes assumptions as if factors worsened greatly for C-TRAN to demonstrate the sacrifices the agency would make to continue to remain solvent but still have a 60 day working capital reserve. Major assumptions include:

- Sales Tax revenue annual increase = 3.8%
- Inflation rate = 3.00%
- Platform hours = Fixed Route hours reduced to 302,557 in 2035 & C-VAN matched with population over 65 growth modified 1% (183,715 hours in 2035)
- Ridership increases = half of county population growth
- BRT Farebox Recovery = 30% of operating and system costs
- Capital Program = coaches to be funded at 70% and other projects funded by grants were assumed to be 50% grant funded
- Working Capital Reserve = 60 days

Realistic (Base) Cash Flow» The Realistic (Base) cash flow includes assumptions between the Optimistic and Pes-

simistic cash flows. The assumptions are adjusted to be a bit worse than C-TRAN has experienced historically, but not so bad that the agency is not able to meet many of the long term goals. Major assumptions include:

- Sales Tax revenue annual increase = 4.0%
- Inflation rate = 2.75%
- Platform hours = Fixed Route hours reduced to 325,018 in 2035 & C-VAN matched with population over 65 growth modified 1.35% (168,745 hours in 2035)
- Ridership increases = half of county population growth
- BRT Farebox Recovery = 33% of operating and system costs
- Capital Program = projects funded by grants were assumed to be 70% grant funded
- Working Capital Reserve = 60 days

More detailed assumptions for Optimistic, Pessimistic and Realistic (Base) cash flows are in Attachment 3-1 and 3-2. The cash flows are in Attachment No. 3-3.

Mitigation of Cost Increases or Funding Shortfall

In the event of cost increases or funding shortfalls, there are several mitigation strategies that could be implemented and demonstrated in the two additional cash flows.

Changes to financial policies and financial planning assumptions» The agency's financial policies and financial planning assumptions such as service levels, reserve levels, fare policy, and adjustment to labor agreements over time, could be altered within prudent financial parameters to make additional resources available.

Extending the capital schedule or delaying projects» Extending the schedule could generate additional resources by postponing new service deployment and the related cash requirement for the capital expenditure.

Control O&M costs» If growth of O&M costs increase significantly above inflation, C-TRAN could reduce the level of service on routes/runs that have low ridership performance.

2013-2035 Financial Plan Cash Flow Assumptions

2013-2035 Financial Plan Cash Flow Assumptions			
Factor	Realistic (Base)	Optimistic	Pessimistic
Working Capital Reserve	2 months in response to ERP advice should the Board Policy require adjusting.	3 months, consistent with Board Policy	2 months
Inflation Rate	20 year CPI for Portland/Salem = 2.54%. Used 2.75% in this cash flow	Based on 20 year CPI for Portland/Salem = 2.54%	3.00%
Ridership	20 year historical demonstrates that ridership increases greater than county population. In response to ERP concerns annual rate 1/2 of county population growth.	Increases with service hour increases and county population growth projected by OFM. Express extra 3% increase 2014 for 5 years for economic recovery.	Same as Realistic
Platform Hours	Fixed Route increase adjusted from the 20 year plan estimates due to new economic conditions. C-VAN increases by over 65 population growth modified by 1.35%. LRT 29,003 in 2030 & BRT 42,089 in 2035.	Fixed Route increase with the 20 year plan estimates. C-VAN increases by over 65 population growth modified by 1.35%. LRT & BRT same as Realistic.	Fixed Route extremely constrained. C-VAN increases by over 65 population growth modified by 1%. LRT & BRT same as Realistic.
Sources of Funds - Operating			
Sales Tax Revenue	C-TRAN's 20 year historical average = 4.2% annual increase. Annual growth rate 2013-2015 2.5%, 2016-2035 4.0%. RCW 36.57A sales tax 0.2% increase in 2022.	C-TRAN's 20 year historical average = 4.2% annual increase. Annual growth rate 2013-2015 2.5%, 2016-2035 4.2%. RCW 36.57A sales tax 0.2% increase in 2019.	Annual growth rate 2013-2015 2.5%, 2016-2035 3.8%. RCW 36.57A sales tax 0.2% increase in 2022.
Federal Grant Support	5307 formula funds annual growth rate 2013 0%, 2014-2035 1%.	Same as Realistic	Same as Realistic
State Assistance	Growth tied to inflation rate.	Growth tied to inflation rate.	Growth tied to inflation rate.
Passenger Fares	Fixed Route & C-VAN increases annually 5 cents 2013-2015, 10 cents 2016-2035. Express 10 to 20 cents 2012-2029 (varies by year), 20 cents 2030-2035. LRT fare revenue forced to be 40% of Operating Costs. BRT fare revenue forced to be 33% of Operating & System Costs	Fixed Route & C-VAN increases annually 5 cents 2013-2015, 10 cents 2016-2035. Express 10 to 20 cents 2012-2029 (varies by year), 20 cents 2030-2035. LRT 40% of Operating Costs. BRT 40% of Operating & System Costs.	Fixed Route, BRT & C-VAN increases annually 5 cents 2013-2019, 10 cents 2020-2035. Express 15 cents 2012-2029 (varies by year), 20 cents 2030-2035. LRT fare revenue forced to be 40% of Operating Costs. BRT fare revenue forced to be 30% of Operating & System Costs
Other Revenues	Advertising - based on current contract until expired then proportional growth based on number of buses and CPI for inflation. Miscellaneous - based on historical after removing one-time/non-recurring revenues then inflation with CPI. Growth tied to inflation rate	Growth tied to inflation rate.	Growth tied to inflation rate.
Uses of Funds - Operating			
Wages	Based on historical expenses and adding frozen positions not in the historical information. Annual growth rate of 3.5%.	Same as Realistic	Same as Realistic

2013-2035 Financial Plan Cash Flow Assumptions

2013-2035 Financial Plan Cash Flow Assumptions			
Factor	Realistic (Base)	Optimistic	Pessimistic
Benefits	Based on historical expenses and adding frozen positions not in the historical information. Annual growth rate 2013-2014 6%, 2015-2019 5.25%, 2020-2024 4.5%, 2025-2035 4%	Same as Realistic	Same as Realistic
Services	Based on historical expenses with increases and decreased due to known events. Increases tied to inflation rate.	Growth tied to inflation rate.	Growth tied to inflation rate.
Fuel	Based on historical expenses. Actual annual rates fluctuated quite a bit but average annual increases were close to historical CPI. Increases tied to inflation rate	Growth tied to inflation rate.	Growth tied to inflation rate.
Other Supplies	Based on historical expenses. Actual annual rates fluctuated quite a bit but average annual increases were close to historical CPI. Increases tied to inflation rate	Growth tied to inflation rate.	Growth tied to inflation rate.
Utilities	Based on historical expenses and used inflation rate for annual increases.	Growth tied to inflation rate.	Growth tied to inflation rate.
Insurance	The agency moved to Washington State Transit Insurance Pool (WSTIP) in 2011 and used inflation rate for annual increases.	Growth tied to inflation rate.	Growth tied to inflation rate.
Leases	Based on historical expenses and used inflation rate for annual increases.	Growth tied to inflation rate.	Growth tied to inflation rate.
Miscellaneous	Based on historical expenses and used inflation rate for annual increases.	Growth tied to inflation rate.	Growth tied to inflation rate.
Contracted Services	Cost estimates for LRT from CRC 2019-2030 for state line. Annual growth rate 2031-2035 4%. Assumes TriMet picks up all costs for LRT over the cost estimates from CRC.	Same as Realistic	Same as Realistic
Additional BRT	Increases tied to inflation rate. See Fourth Plain BRT Operations and Maintenance for detailed assumptions.	Growth tied to inflation rate.	Growth tied to inflation rate.
Innovative Programs	Includes Vanpool and other innovative programs. Annual growth rate: Vanpool 5% and Other programs 5%.	Annual growth rate: Vanpool 5% and Other programs 10%.	Vanpool remains but other programs are eliminated.

2013-2035 Financial Plan Cash Flow Assumptions

2013-2035 Financial Plan Cash Flow Assumptions			
Factor	Realistic (Base)	Optimistic	Pessimistic
Sources & Uses of Funds - Capital Program			
Fixed Route & Paratransit Coaches	Calculation based on service hours and vehicle replacement life. Fixed Route replacement life 16 years & 70% grant. C-VAN replacement life 11 years & 100% local. Alternative Fuel Techology for Fixed route for 1/2 of purchases, funded 100% grant up to \$1,000,000.	Calculation based on service hours and vehicle replacement life. Fixed Route replacement life 16 years & 80% grant. C-VAN replacement life 11 years & 100% local. Alternative Fuel Techology for Fixed route for 1/2 of purchases, funded 100% grant up to \$1,000,000.	Same as Realistic
Major Engine Component Replacements	\$125,000 per year & 100% local	Same as Realistic	Same as Realistic
Maintenance & Support Vehicles	\$110,000 per year & 100% local	Same as Realistic	\$55,000 per year & 100% local
Vanpool Vehicles	\$2,240,000 total & 50% grant	Same as Realistic	Same as Realistic
Park & Ride @ I-5/219th Interchange	Not built	\$16,200,000 total & 80% grant. Completed in 2022	Not built
Park & Ride @ I-205/18th Interchange	\$14,600,000 & 70% grant. Completed in 2030	\$14,600,000 & 80% grant. Completed in 2023	Not built
Park & Ride Fisher's Landing Expansion	\$7,500,000 & 70% grant. Completed in 2016	\$7,500,000 & 80% grant. Completed in 2016	\$7,500,000 & 50% grant. Completed in 2022
Admin, Ops, Maint. Facility Upgrades	\$22,725,000 & 70% grant. Completed in 2027	\$22,725,000 & 80% grant. Completed in 2020	Not built
Facility Capital Maintenance	\$645,000 per year & 100% local	Same as Realistic	\$600,000 per year & 100% local
Passenger Amenities	\$1,125,000 per year & 100% local	\$2,250,000 per year & 100% local	\$500,000 per year & 100% local
Office Equipment/Computer Systems/Printers	\$218,250 per year & 100% local	\$500,000 per year & 100% local	\$100,000 per year & 100% local
Miscellaneous Capital Repair/Replacement	\$250,000 per year & 100% local	\$250,000 per year & 100% local	\$250,000 per year & 100% local
BRT Improvements	\$48,047,137 total & 70% grant	\$48,047,137 total & 80% grant	\$48,047,137 total & 50% grant
BRT Coach Replacement	1 replacement coach in 2035 & 70% grant	1 replacement coach in 2035 & 80% grant	Same as Realistic

2013-2035 Financial Plan Capital Cash Flow Assumptions

2013-2035 Financial Plan Capital Cash Flow Assumptions											
Capital Program in 2010 dollars											
Project Description	Realistic (Base)				Optimistic				Pessimistic		
	Year	Amount	Grant		Year	Amount	Grant		Year	Amount	Grant
Fixed Route & Paratransit Coaches	2014-2035	\$ 96,314,000	\$ 61,120,099		2014-2035	\$ 117,386,000	\$ 84,671,051		2014-2035	\$ 95,908,000	\$ 59,596,751
Major Engine Component Replacements	2013-2035	\$ 2,875,000			2013-2035	\$ 2,875,000			2013-2035	\$ 2,875,000	
Maintenance & Support Vehicles	2013-2035	\$ 2,530,000			2013-2035	\$ 2,530,000			2013-2035	\$ 1,265,000	
Vanpool Vehicles	2013-2035	\$ 2,240,000	\$ 1,120,000		2013-2035	\$ 2,240,000	\$ 1,022,948		2013-2035	\$ 2,240,000	\$ 1,022,948
Park & Ride @ I-5/219th Interchange					2021-2023	\$ 16,200,000	\$ 12,960,000				
Park & Ride @ I-205/18th Interchange	2029-2030	\$ 14,600,000	\$ 10,220,000		2022-2023	\$ 14,600,000	\$ 11,680,000				
Park & Ride Fisher's Landing Expansion	2015-2016	\$ 7,500,000	\$ 5,250,000		2015-2016	\$ 7,500,000	\$ 6,000,000		2021-2022	\$ 7,500,000	\$ 3,750,000
Admin, Ops, Maint Facility Upgrades	2026-2027	\$ 22,725,000	\$ 15,907,500		2019-2020	\$ 22,725,000	\$ 18,180,000				
Facility Capital Maintenance	2013-2035	\$ 14,835,000			2013-2035	\$ 14,835,000			2013-2035	\$ 13,800,000	
Passenger Amenities	2013-2035	\$ 25,875,000			2013-2035	\$ 51,750,000			2013-2035	\$ 11,500,000	
Office Equipment/Computer Systems/Printers	2013-2035	\$ 6,468,750			2013-2035	\$ 11,500,000			2013-2035	\$ 2,300,000	
Miscellaneous Capital Repair/Replacement	2013-2035	\$ 5,750,000			2013-2035	\$ 5,750,000			2013-2035	\$ 5,750,000	
BRT Improvements	2013-2014	\$ 48,047,137	\$ 33,632,996		2013-2014	\$ 48,047,137	\$ 38,437,710		2013-2014	\$ 48,047,137	\$ 24,023,569
BRT Coach Replacement	2035	\$ 1,035,131	\$ 724,592		2035	\$ 1,035,131	\$ 828,105		2035	\$ 1,035,131	\$ 724,592
Total		\$ 250,795,018	\$ 127,975,187			\$ 318,973,268	\$ 173,779,814			\$ 192,220,268	\$ 89,117,860

Realistic (Base)—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in Thousands]
 Total Estimated Activity for the Period
 2013-2035

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sources of Funds														
Sales & Use Tax Revenue	35,424	37,480	38,417	39,954	41,552	43,214	48,854	43,402	45,138	58,679	61,027	63,468	66,006	68,647
Operating Grants	4,802	4,862	4,922	4,984	5,046	5,109	5,174	5,239	5,305	5,373	5,441	5,511	5,581	5,653
Federal Grant Support - Capital	-	40,705	4,444	7,450	2,999	3,523	3,620	3,719	3,822	3,927	4,248	4,365	4,485	12,172
Passenger Fares	8,049	8,463	9,206	9,800	10,553	11,949	14,387	15,271	16,092	16,998	17,874	18,838	19,772	20,819
Miscellaneous	1,449	1,505	1,286	1,507	1,715	2,009	2,238	2,343	2,113	1,859	2,043	2,199	2,351	2,477
Total Estimated Sources	49,724	93,014	58,277	63,694	61,865	65,805	74,272	69,974	72,470	86,835	90,633	94,381	98,196	109,767
Uses of Funds														
Capital Expenditures														
Fourth Plain BRT	-	55,135	-	-	-	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolling Stock	6,052	5,030	4,563	4,576	5,047	5,837	5,876	6,287	6,076	6,506	7,247	7,307	7,651	7,568
Facilities	700	719	3,029	7,231	780	801	823	846	869	893	918	943	969	11,800
Equipment	1,797	1,846	1,897	1,949	2,003	2,058	2,114	2,172	2,232	2,294	2,357	2,421	2,488	2,556
Total Capital	8,549	62,731	9,489	13,757	7,829	8,696	8,814	9,305	9,177	9,692	10,521	10,671	11,108	21,924
O&M Expenditures														
Fourth Plain BRT	-	50	3,680	3,907	4,096	4,346	4,608	4,878	5,161	5,459	5,772	6,101	6,439	6,794
Yellow Line LRT Extension	-	-	-	-	-	-	3,239	3,538	3,865	4,224	4,618	5,048	5,521	6,040
Transit Operations	31,550	32,871	30,777	32,036	33,744	37,501	40,454	42,034	43,678	45,386	47,163	49,010	50,875	52,810
Paratransit Operations	9,528	10,287	11,071	11,923	12,834	13,794	14,806	15,843	16,887	17,982	19,130	20,331	21,559	22,704
Total O&M	41,078	43,208	45,528	47,867	50,674	55,642	63,107	66,292	69,591	73,052	76,682	80,490	84,394	88,347
Change in Cash	97	(12,925)	3,259	2,071	3,361	1,468	2,352	(5,624)	(6,298)	4,091	3,429	3,219	2,695	(504)
Total Estimated Uses	49,724	93,014	58,277	63,694	61,865	65,805	74,272	69,974	72,470	86,835	90,633	94,381	98,196	109,767

ATTACHMENT 3-3 (continued)
Realistic (Base)—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in
 Thousands]
 Total Estimated Activity for the Period
 2013-2035

	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sources of Funds									
Sales & Use Tax Revenue	71,393	74,248	77,218	80,307	83,519	86,860	90,334	93,948	97,706
Operating Grants	5,726	5,800	5,875	5,952	6,029	6,109	6,189	6,271	6,354
Federal Grant Support - Capital	22,193	4,817	12,366	14,633	5,013	5,151	5,292	5,438	7,015
Passenger Fares	21,808	22,764	23,679	26,176	27,148	28,205	29,283	30,381	31,502
Miscellaneous	2,472	2,247	2,333	2,302	2,151	2,099	2,048	1,967	1,861
Total Estimated Sources	123,591	109,875	121,472	129,371	123,861	128,423	133,147	138,004	144,437
Uses of Funds									
Capital Expenditures									
Fourth Plain BRT	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-
Rolling Stock	8,077	7,892	7,707	8,083	8,977	8,706	9,122	9,373	11,484
Facilities	25,962	1,051	11,963	15,045	1,140	1,172	1,204	1,237	1,271
Equipment	2,627	2,699	2,773	2,849	2,928	3,008	3,091	3,176	3,263
Total Capital	36,666	11,642	22,444	25,977	13,045	12,886	13,417	13,786	16,018
O&M Expenditures									
Fourth Plain BRT	7,163	7,552	7,957	8,385	8,829	9,295	9,786	10,297	10,836
Yellow Line LRT Extension	6,610	6,902	7,210	7,534	7,836	8,149	8,475	8,814	9,167
Transit Operations	54,821	56,907	59,074	63,532	65,745	68,036	70,409	72,865	75,409
Paratransit Operations	23,888	25,127	26,415	27,755	29,945	31,589	33,299	35,080	36,932
Total O&M	92,481	96,488	100,656	107,206	112,355	117,069	121,969	127,056	132,343
Change in Cash	(5,556)	1,745	(1,628)	(3,812)	(1,539)	(1,532)	(2,240)	(2,838)	(3,923)
Total Estimated Uses	123,591	109,875	121,472	129,371	123,861	128,423	133,147	138,004	144,437

Optimistic—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in Thousands]
 Total Estimated Activity for the Period
 2013-2035

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sources of Funds														
Sales & Use Tax Revenue	35,424	37,480	38,417	40,031	41,712	43,464	60,501	55,713	58,052	60,491	63,031	65,679	68,437	71,311
Operating Grants	4,799	4,857	4,916	4,976	5,037	5,098	5,161	5,224	5,288	5,353	5,419	5,487	5,555	5,624
Federal Grant Support - Capital	-	46,004	5,413	8,805	3,784	4,223	15,221	22,030	12,085	21,796	14,134	5,287	6,865	5,559
Passenger Fares	8,997	9,632	11,220	12,112	12,988	14,703	17,056	19,261	20,324	21,499	22,629	23,566	26,667	28,077
Miscellaneous	1,270	1,537	1,395	1,545	1,695	1,912	2,005	2,270	2,155	2,158	2,045	1,995	2,069	2,088
Total Estimated Sources	50,490	99,511	61,361	67,469	65,216	69,400	99,943	104,497	97,904	111,297	107,259	102,013	109,592	112,658
Uses of Funds														
Capital Expenditures														
Fourth Plain BRT	-	55,135	-	-	-	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolling Stock	361	4,989	5,116	5,136	5,606	6,247	11,090	8,431	6,637	7,063	7,789	7,852	9,995	8,114
Facilities	695	713	2,998	7,143	769	788	9,581	21,037	10,074	22,085	12,116	916	940	964
Equipment	3,234	3,317	3,401	3,487	3,576	3,667	3,760	3,855	3,953	4,054	4,157	4,262	4,370	4,481
Total Capital	4,291	64,154	11,515	15,766	9,950	10,702	24,431	33,324	20,665	33,202	24,062	13,031	15,305	13,559
O&M Expenditures														
Fourth Plain BRT	-	50	3,676	3,901	4,087	4,334	4,592	4,859	5,139	5,433	5,741	6,065	6,398	6,747
Yellow Line LRT Extension	-	-	-	-	-	-	3,239	3,538	3,865	4,224	4,618	5,048	5,521	6,040
Transit Operations	34,318	35,630	34,412	35,598	37,265	42,352	46,921	49,847	51,526	53,266	55,069	56,589	60,606	62,605
Paratransit Operations	9,520	10,275	11,054	11,900	12,804	13,757	14,761	15,789	16,824	17,910	19,046	20,235	21,451	22,583
Total O&M	43,838	45,955	49,141	51,398	54,155	60,443	69,513	74,033	77,354	80,832	84,474	87,937	93,977	97,975
Change in Cash	2,361	(10,598)	704	305	1,110	(1,745)	5,999	(2,859)	(115)	(2,737)	(1,277)	1,045	310	1,124
Total Estimated Uses	50,490	99,511	61,361	67,469	65,216	69,400	99,943	104,497	97,904	111,297	107,259	102,013	109,592	112,658

ATTACHMENT 3-3 (continued)

Optimistic—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in Thousands]

Total Estimated Activity for the Period

2013-2035

	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sources of Funds									
Sales & Use Tax Revenue	74,306	77,427	80,679	84,068	87,599	91,278	95,111	99,106	103,269
Operating Grants	5,694	5,765	5,838	5,911	5,986	6,061	6,138	6,216	6,296
Federal Grant Support - Capital	5,700	5,798	5,752	8,199	6,729	6,900	7,075	7,255	8,236
Passenger Fares	29,393	30,940	32,204	34,691	36,218	37,738	39,289	40,720	42,169
Miscellaneous	2,140	2,192	2,262	2,374	2,410	2,425	2,466	2,505	2,538
Total Estimated Sources	117,234	122,122	126,735	135,243	138,942	144,402	150,080	155,803	162,507
Uses of Funds									
Capital Expenditures									
Fourth Plain BRT	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-
Rolling Stock	8,611	8,438	8,265	11,552	10,391	10,160	10,587	10,856	11,901
Facilities	988	1,013	1,039	1,065	1,092	1,120	1,148	1,178	1,208
Equipment	4,595	4,712	4,832	4,954	5,080	5,209	5,342	5,477	5,616
Total Capital	14,195	14,163	14,136	17,571	16,563	16,489	17,077	17,511	18,725
O&M Expenditures									
Fourth Plain BRT	7,110	7,494	7,892	8,313	8,750	9,208	9,691	10,193	10,722
Yellow Line LRT Extension	6,610	6,902	7,210	7,534	7,836	8,149	8,475	8,814	9,167
Transit Operations	64,675	67,056	69,283	73,471	75,927	78,471	81,108	83,843	86,675
Paratransit Operations	23,753	24,977	26,250	27,574	29,741	31,365	33,054	34,812	36,640
Total O&M	102,149	106,429	110,636	116,892	122,253	127,193	132,328	137,661	143,203
Change in Cash	890	1,531	1,963	780	125	720	675	631	579
Total Estimated Uses	117,234	122,122	126,735	135,243	138,942	144,402	150,080	155,803	162,507

Pessimistic—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in Thousands]

Total Estimated Activity for the Period

2013-2035

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Sources of Funds														
Sales & Use Tax Revenue	35,424	37,480	38,417	39,877	41,393	42,965	48,531	42,986	44,620	57,894	60,094	62,378	64,748	67,208
Operating Grants	4,806	4,867	4,930	4,993	5,057	5,123	5,190	5,257	5,326	5,396	5,467	5,540	5,613	5,688
Federal Grant Support - Capital	-	30,287	2,876	2,962	3,051	3,079	3,171	3,267	4,749	7,964	4,385	4,516	4,652	4,791
Passenger Fares	8,063	8,459	9,141	9,559	9,975	11,157	12,694	13,446	14,190	15,503	16,987	17,863	18,765	19,721
Miscellaneous	1,326	1,684	1,226	1,502	1,810	2,154	2,393	2,652	2,575	2,444	2,498	2,650	2,770	2,863
Total Estimated Sources	49,618	82,777	56,590	58,893	61,285	64,478	71,979	67,609	71,460	89,201	89,431	92,946	96,549	100,271
Uses of Funds														
Capital Expenditures														
Fourth Plain BRT	-	55,135	-	-	-	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolling Stock	306	5,018	4,555	4,691	5,183	5,332	5,244	5,657	5,563	6,755	7,398	7,620	7,849	7,780
Facilities	656	675	696	716	738	760	783	806	3,599	8,697	881	908	935	963
Equipment	929	957	985	1,015	1,045	1,077	1,109	1,142	1,177	1,212	1,248	1,286	1,324	1,364
Total Capital	1,890	61,785	6,236	6,423	6,966	7,169	7,136	7,605	10,339	16,664	9,528	9,814	10,108	10,106
O&M Expenditures														
Fourth Plain BRT	-	50	3,690	3,921	4,113	4,368	4,634	4,909	5,198	5,502	5,821	6,156	6,501	6,864
Yellow Line LRT Extension	-	-	-	-	-	-	3,239	3,538	3,865	4,224	4,618	5,048	5,521	6,040
Transit Operations	31,154	32,366	30,204	31,397	32,639	36,316	35,668	37,026	38,436	43,062	45,964	47,710	49,467	51,290
Paratransit Operations	9,615	10,435	11,288	12,220	13,223	14,287	15,416	16,573	17,747	18,987	20,293	21,668	23,069	24,391
Total O&M	40,770	42,851	45,183	47,538	49,975	54,971	58,957	62,045	65,246	71,774	76,696	80,582	84,559	88,585
Change in Cash	6,958	(21,859)	5,172	4,932	4,344	2,339	5,887	(2,041)	(4,125)	762	3,207	2,550	1,882	1,580
Total Estimated Uses	49,618	82,777	56,590	58,893	61,285	64,478	71,979	67,609	71,460	89,201	89,431	92,946	96,549	100,271

ATTACHMENT 3-3 (continued)
Pessimistic—Sources & Uses Summary

[Year of Expenditure (YOE) Dollars in

Thousands]

Total Estimated Activity for the Period
 2013-2035

	2027	2028	2029	2030	2031	2032	2033	2034	2035
Sources of Funds									
Sales & Use Tax Revenue	69,762	72,413	75,165	78,021	80,986	84,064	87,258	90,574	94,016
Operating Grants	5,765	5,842	5,921	6,002	6,084	6,167	6,252	6,338	6,426
Federal Grant Support - Capital	4,935	5,032	4,972	5,122	5,275	5,433	5,596	5,764	7,454
Passenger Fares	20,676	21,537	22,415	23,316	24,143	25,063	26,004	26,964	27,945
Miscellaneous	2,943	2,973	2,986	2,989	2,940	2,802	2,623	2,392	2,102
Total Estimated Sources	104,081	107,798	111,460	115,449	119,428	123,529	127,734	132,032	137,944

Uses of Funds

Capital Expenditures

Fourth Plain BRT	-	-	-	-	-	-	-	-	-
Yellow Line LRT Extension	-	-	-	-	-	-	-	-	-
Rolling Stock	8,484	8,475	8,142	8,729	9,344	9,443	9,726	10,018	12,485
Facilities	992	1,021	1,052	1,084	1,116	1,150	1,184	1,220	1,256
Equipment	1,405	1,447	1,490	1,535	1,581	1,629	1,678	1,728	1,780
Total Capital	10,881	10,943	10,684	11,348	12,042	12,221	12,588	12,965	15,521

O&M Expenditures

Fourth Plain BRT	7,241	7,640	8,054	8,492	8,948	9,426	9,929	10,454	11,007
Yellow Line LRT Extension	6,610	6,902	7,210	7,534	7,836	8,149	8,475	8,814	9,167
Transit Operations	53,181	55,141	57,174	59,284	61,370	63,530	65,767	68,084	70,483
Paratransit Operations	25,765	27,210	28,719	30,296	32,816	34,755	36,782	38,902	41,118
Total O&M	92,798	96,892	101,157	105,606	110,970	115,860	120,954	126,254	131,775
Change in Cash	403	(38)	(382)	(1,504)	(3,583)	(4,552)	(5,808)	(7,187)	(9,353)
Total Estimated Uses	104,081	107,798	111,460	115,449	119,428	123,529	127,734	132,032	137,944