

# Chapter 7 - Financial Plan

## INTRODUCTION

This chapter provides a financial plan for funding existing and proposed public transportation services in the CSPDC service area for the TDP's six-year planning period. The financial plan addresses both operations and capital budgets, focusing on financially constrained project recommendations. The budgets were constructed with the information that is currently available, including the Commonwealth Transportation Board's FY2016 Public Transportation Improvement Plan, the FY2016 DRPT grant information from CSPDC and VRT, as well as the existing transit budgets that were reviewed for Chapter 3 of the TDP.

For the first year of the plan (FY16), there will continue to be two public transportation grant recipients in the region: the CSPDC, which serves as the grantee for public transportation funds targeted for the urbanized area within the region (S.5307); and VRT, which serves as the grantee for public transportation funds targeted for the rural areas within the region (S.5311). Beginning in FY17, the CSPDC will be the local grant recipient for both the S.5307 and S.5311 funds.

There are still some significant unknown circumstances for the CSPDC that will affect the six-year operating and capital plans for this TDP. It has not yet been determined if the CSPDC will own the vehicles used to operate transit in the region, or if the CSPDC's transit service contractor will own the vehicles. While vehicle ownership does have several advantages, as discussed in Chapter 4, it may not be logistically or financially feasible for the CSPDC to own vehicles in the short term. For the upcoming RFP process, the CSPDC will ask potential contractors to include a price for both options. The financial plan for the TDP has been prepared using both scenarios, with estimates made regarding the potential service contractor's rate per hour. Without knowing exactly what this rate will be makes it impossible for the CSPDC to make a final determination regarding vehicle ownership for this planning period. Once the procurement has been completed and the CSPDC has made the decision with regard to vehicle ownership, the CSPDC will need to indicate to DRPT which financial plan is going forward for the six-year period. DRPT has indicated that only one six-year financial plan is permitted within its planning guidelines.

In addition to these somewhat unique local circumstances, there are also other unknown factors, including the future economic condition of the region and the Commonwealth of Virginia, and the availability of local match for the federal and state funds. The multi-year federal transportation funding program has also not been finalized, which could affect the level

of federal funding. The exact revenue available each year will depend upon the availability of funding from the federal Sections 5307 and 5311 programs, the Commonwealth Transportation Fund, and local sources.

## OPERATING EXPENSES AND FUNDING SOURCES

Table 7-1 provides a financial plan for the provision of public transportation services in the region under the financially-constrained six-year plan, assuming that the CSPDC will continue to ask the transit service contractor to provide vehicles for service. The hourly rate charged by the contractor is estimated to be \$8.00 per hour higher if vehicles are included in the proposal, and most of the federal S.5307 funding is assigned to cover operating expenses, under the capital cost of contracting provisions. This scenario allows for a significantly lower local match for operating on the urban side, as more of the S.5307 funds are allowed to be used for operating expenses (50% of the service contract can be matched at an 80% federal matching rate). The local match required on the rural side is higher under the capital cost of contracting scenario, as the service rate per hour is higher, but the federal S.5311 operating assistance is capped at 50 percent. The total local match (urban and rural combined) is lower using contractor-owned vehicles, with the rate assumptions used in the calculations. Table 7-2 provides the alternate financial plan, which assumes the CSPDC will own the vehicles.

Tables 7-3 and 7-4 present the two financial plans for transit services operations under the vision plan, which includes projects that stakeholders would like to implement, should additional funding become available.

## CAPITAL EXPENSES AND FUNDING SOURCES

DRPT has indicated that during FY 2018, state capital funding levels are scheduled to permanently decline by approximately 62 percent.<sup>1</sup> Referred to as the “fiscal cliff,” this reduction in capital funding will affect all transit systems in the Commonwealth.

While federal funding will remain at eighty percent of the project cost, the amount of state funding will vary depending upon the type of capital project. As seen in Figure 7-1, beginning in FY 2019, the state’s match for vehicle replacement and expansion (Tier 1 – Rolling Stock) will decrease over a two year period. Whereas, during the same period, the state’s match for infrastructure and facilities (Tier 2 – Infrastructure) will drop to minimal levels and other capital equipment (Tier 3 – Other) will lose all state funding.

<sup>1</sup> Transit Capital Funding Issues, DRPT Presentation to the Commonwealth Transportation Board, January 13, 2015.

Table 7-1: CSPDC TDP Operating Budget, No Vehicle Ownership

## CSPDC TDP Budget, Keeping the Capital Cost of Contracting

| Projects   | FY2016 Base   | FY2017        | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Projected Incremental Annual Revenue Hours</b>            |               |               |               |               |               |               |               |
| <i>FY15 Level of Service Urban</i>                           | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        |
| <i>FY 15 Level of Service Rural</i>                          | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         |
| <b>Urban Projects:</b>                                       |               |               |               |               |               |               |               |
| <i>(1) Route 250 Connector - Close Mid-Day Break</i>         | <b>339</b>    | 514           | 514           | 514           | 514           | 514           | 514           |
| <i>(1) Route 250 Connector - Close Saturday Break</i>        | <b>69</b>     | 104           | 104           | 104           | 104           | 104           | 104           |
| <i>(1) Route 250 Connector - Close 6:30 p.m. Break</i>       | <b>170</b>    | 257           | 257           | 257           | 257           | 257           | 257           |
| <i>(1) Route 250 Connector - Additional Saturday Service</i> | <b>269</b>    | 408           | 408           | 408           | 408           | 408           | 408           |
| <b>Total Proposed Urban Hours</b>                            | <b>18,446</b> | 18,882        | 18,882        | 18,882        | 18,882        | 18,882        | 18,882        |
| <b>Rural Projects:</b>                                       |               |               |               |               |               |               |               |
| <i>Eliminate Augusta On-Demand</i>                           | -             | (325)         | (325)         | (325)         | (325)         | (325)         | (325)         |
| <i>Modify the 340 Connector-Stuarts Draft Connector</i>      | -             | 260           | 260           | 260           | 260           | 260           | 260           |
| <i>BRCC North and South- Close Service Breaks</i>            | -             | 416           | 416           | 416           | 416           | 416           | 416           |
| <b>Total Rural Hours</b>                                     | 9,794         | 10,145        | 10,145        | 10,145        | 10,145        | 10,145        | 10,145        |
| <b>Total Transit Revenue Hours</b>                           | <b>28,240</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> |

**Table 7-1: CSPDC TDP Operating Budget, No Vehicle Ownership (continued)**

| <b>Projected Operating Expenses</b>                      | <b>FY2016 base</b>  | <b>FY2017</b>       | <b>FY2018</b>       | <b>FY2019</b>       | <b>FY2020</b>       | <b>FY2021</b>       | <b>FY2022</b>       |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| CSPDC Expenses   | \$ 209,760          | \$ 247,504          | \$ 254,179          | \$ 261,041          | \$ 268,094          | \$ 275,344          | \$ 282,798          |
| <i>Contractor Cost Per Revenue Hour – Urban</i>          | \$ 58.75            | \$ 8.22             | \$ 69.93            | \$ 71.68            | \$ 73.47            | \$ 75.31            | \$ 77.19            |
| <i>FY15 Level of Service - Urban</i>                     | \$ 1,033,941        | \$ 1,200,604        | \$ 1,230,698        | \$ 1,261,496        | \$ 1,292,999        | \$ 1,325,381        | \$ 1,358,467        |
| <i>Contractor Cost Per Revenue Hour – Rural</i>          | \$ 60.45            | \$ 68.22            | \$ 69.93            | \$ 71.67            | \$ 73.47            | \$ 75.30            | \$ 77.18            |
| <i>FY15 Level of Service - Rural</i>                     | \$ 592,000          | \$ 668,147          | \$ 684,850          | \$ 701,972          | \$ 719,521          | \$ 737,509          | \$ 755,947          |
| <b>Urban Projects:</b>                                   |                     |                     |                     |                     |                     |                     |                     |
| <i>Route 250 Connector - Close Mid-Day Break</i>         | \$ 19,930           | \$ 35,065           | \$ 35,944           | \$ 36,844           | \$ 37,764           | \$ 38,709           | \$ 39,676           |
| <i>Route 250 Connector - Close Saturday Break</i>        | \$ 4,033            | \$ 7,095            | \$ 7,273            | \$ 7,455            | \$ 7,641            | \$ 7,832            | \$ 8,028            |
| <i>Route 250 Connector - Close 6:30 p.m. Break</i>       | \$ 9,965            | \$ 17,533           | \$ 17,972           | \$ 18,422           | \$ 18,882           | \$ 19,355           | \$ 19,838           |
| <i>Route 250 Connector - Additional Saturday Service</i> | \$ 15,820           | \$ 27,834           | \$ 28,531           | \$ 29,245           | \$ 29,976           | \$ 30,726           | \$ 31,494           |
| <b>Rural Projects:</b>                                   |                     |                     |                     |                     |                     |                     |                     |
| <i>Eliminate Augusta On-Demand</i>                       | \$ -                | \$ (22,172)         | \$ (22,726)         | \$ (23,294)         | \$ (23,876)         | \$ (24,473)         | \$ (25,085)         |
| <i>Modify the 340 Connector-Stuarts Draft Connector</i>  | \$ -                | \$ 17,737           | \$ 18,181           | \$ 18,635           | \$ 19,101           | \$ 19,579           | \$ 20,068           |
| <i>BRCC North and South- Close Service Breaks</i>        | \$ -                | \$ 28,380           | \$ 29,089           | \$ 29,816           | \$ 30,562           | \$ 31,326           | \$ 32,109           |
| <b>Total Projected Operating Expenses</b>                | <b>\$ 1,885,449</b> | <b>\$ 2,227,726</b> | <b>\$ 2,283,991</b> | <b>\$ 2,341,631</b> | <b>\$ 2,400,662</b> | <b>\$ 2,461,288</b> | <b>\$ 2,523,339</b> |

(1) For FY16, the improvements for the 250 Connector are prorated to be implemented in November. (2) CSPDC expenses include and extra 500 staff hours in FY17

The hourly rates for subsequent years were increased by 2.5% annual inflation rate.

The hourly rate for 2017 and beyond is estimated using CSPDC overhead and the current contractor rate, inflated. The contract rate may change in FY2017 (higher or lower), as the bid process will take place in FY2016 for the new contract, beginning in FY2017.

Table 7-1: CSPDC TDP Operating Budget, No Vehicle Ownership (continued)

## CSPDC TDP Budget, Keeping the Capital Cost of Contracting

| Anticipated Funding Sources               | FY2016 Base         | FY2017              | FY2018              | FY2019              | FY2020              | FY2021              | FY2022              |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Federal</b>                            |                     |                     |                     |                     |                     |                     |                     |
| Section 5307 (1)                          | \$ 786,778          | \$ 889,462          | \$ 912,620          | \$ 936,330          | \$ 960,594          | \$ 985,536          | \$ 1,011,033        |
| Section 5311                              | \$ 288,500          | \$ 382,957          | \$ 392,775          | \$ 402,841          | \$ 413,163          | \$ 423,746          | \$ 434,599          |
| <b>Subtotal, Federal</b>                  | \$ 1,075,278        | \$ 1,272,419        | \$ 1,305,395        | \$ 1,339,171        | \$ 1,373,757        | \$ 1,409,282        | \$ 1,445,632        |
| <b>State</b>                              |                     |                     |                     |                     |                     |                     |                     |
| Formula and Other Assistance Urban (2)    | \$ 236,133          | \$ 256,466          | \$ 262,885          | \$ 269,460          | \$ 276,193          | \$ 283,103          | \$ 290,176          |
| Formula Assistance Rural                  | \$ 106,000          | \$ 139,411          | \$ 142,926          | \$ 146,531          | \$ 150,227          | \$ 154,018          | \$ 157,904          |
| <b>Subtotal, State</b>                    | \$ 342,133          | \$ 395,877          | \$ 405,811          | \$ 415,991          | \$ 426,421          | \$ 437,121          | \$ 448,080          |
| <b>Local</b>                              |                     |                     |                     |                     |                     |                     |                     |
| Local Contribution- Urban                 | \$ 225,538          | \$ 246,557          | \$ 253,610          | \$ 260,832          | \$ 268,222          | \$ 275,830          | \$ 283,606          |
| Local Contribution- Rural                 | \$ 182,500          | \$ 243,546          | \$ 249,848          | \$ 256,310          | \$ 262,935          | \$ 269,728          | \$ 276,694          |
| Revenues - Farebox- Urban                 | \$ 45,000           | \$ 56,646           | \$ 56,646           | \$ 56,646           | \$ 56,646           | \$ 56,646           | \$ 56,646           |
| Revenues - Farebox- Rural                 | \$ 15,000           | \$ 12,681           | \$ 12,681           | \$ 12,681           | \$ 12,681           | \$ 12,681           | \$ 12,681           |
| <b>Subtotal, Local</b>                    | \$ 468,038          | \$ 559,430          | \$ 572,785          | \$ 586,468          | \$ 600,484          | \$ 614,886          | \$ 629,627          |
| <b>Total Projected Operating Revenues</b> | <b>\$ 1,885,449</b> | <b>\$ 2,227,726</b> | <b>\$ 2,283,991</b> | <b>\$ 2,341,631</b> | <b>\$ 2,400,662</b> | <b>\$ 2,461,288</b> | <b>\$ 2,523,339</b> |

## Notes:

(1) The federal S.5307 operating amounts include the capital cost of contracting.

(2) The state assistance on the urban portion includes the formula assistance and the capital cost of contracting provision

Table 7-2: CSPDC TDP Operating Budget, Assuming CSPDC Owns Vehicles

## CSPDC TDP Budget Assuming Vehicle Ownership

| Projects   | FY2016 Base   | FY2017        | FY2018        | FY2019        | FY2020        | FY2021        | FY2022        |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Projected Incremental Annual Revenue Hours</b>            |               |               |               |               |               |               |               |
| <i>FY15 Level of Service Urban</i>                           | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        | 17,599        |
| <i>FY 15 Level of Service Rural</i>                          | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         | 9,794         |
| <b>Urban Projects:</b>                                       |               |               |               |               |               |               |               |
| <i>(1) Route 250 Connector - Close Mid-Day Break</i>         | 339           | 514           | 514           | 514           | 514           | 514           | 514           |
| <i>(1) Route 250 Connector - Close Saturday Break</i>        | 69            | 104           | 104           | 104           | 104           | 104           | 104           |
| <i>(1)Route 250 Connector - Close 6:30 p.m. Break</i>        | 170           | 257           | 257           | 257           | 257           | 257           | 257           |
| <i>(1) Route 250 Connector - Additional Saturday Service</i> | 269           | 408           | 408           | 408           | 408           | 408           | 408           |
| <b>Total Proposed Urban Hours</b>                            | <b>18,446</b> | <b>18,882</b> | <b>18,882</b> | <b>18,882</b> | <b>18,882</b> | <b>18,882</b> | <b>18,882</b> |
| <b>Rural Projects:</b>                                       |               |               |               |               |               |               |               |
| <i>Eliminate Augusta On-Demand</i>                           | -             | (325)         | (325)         | (325)         | (325)         | (325)         | (325)         |
| <i>Modify the 340 Connector-Stuarts Draft Connector</i>      | -             | 260           | 260           | 260           | 260           | 260           | 260           |
| <i>BRCC North and South- Close Service Breaks</i>            | -             | 416           | 416           | 416           | 416           | 416           | 416           |
| <b>Total Rural Hours</b>                                     | <b>9,794</b>  | <b>10,145</b> | <b>10,145</b> | <b>10,145</b> | <b>10,145</b> | <b>10,145</b> | <b>10,145</b> |
| <b>Total Transit Revenue Hours</b>                           | <b>28,240</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> | <b>29,027</b> |

**Table 7-2: CSPDC TDP Operating Budget, Assuming CSPDC Owns Vehicles (continued)**

| <b>Projected Operating Expenses</b>                      | <b>FY2016 Base</b> | <b>FY2017</b>      | <b>FY2018</b>      | <b>FY2019</b>      | <b>FY2020</b>      | <b>FY2021</b>      | <b>FY2022</b>      |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| CSPDC Expenses   | \$ 209,760         | \$ 247,504         | \$ 254,179         | \$ 261,041         | \$ 268,094         | \$ 275,344         | \$ 282,798         |
| <i>Contractor Cost Per Revenue Hour – Urban</i>          | \$ 58.75           | \$ 60.51           | \$ 62.03           | \$ 63.58           | \$ 65.17           | \$ 66.79           | \$ 68.46           |
| <i>FY15 Level of Service - Urban</i>                     | \$1,033,941        | \$1,064,959        | \$1,091,583        | \$1,118,873        | \$1,146,845        | \$1,175,516        | \$1,204,904        |
| <i>Contractor Cost Per Revenue Hour – Rural</i>          | \$ 60.45           | \$ 60.51           | \$ 62.03           | \$ 63.58           | \$ 65.17           | \$ 66.79           | \$ 68.46           |
| <i>FY15 Level of Service - Rural</i>                     | \$ 592,000         | \$ 592,659         | \$ 607,476         | \$ 622,663         | \$ 638,229         | \$ 654,185         | \$ 670,540         |
| <b>Urban Projects:</b>                                   |                    |                    |                    |                    |                    |                    |                    |
| <i>Route 250 Connector - Close Mid-Day Break</i>         | \$ 19,930          | \$ 31,103          | \$ 31,881          | \$ 32,678          | \$ 33,495          | \$ 34,332          | \$ 35,191          |
| <i>Route 250 Connector - Close Saturday Break</i>        | \$ 4,033           | \$ 6,293           | \$ 6,451           | \$ 6,612           | \$ 6,777           | \$ 6,947           | \$ 7,120           |
| <i>Route 250 Connector - Close 6:30 p.m. Break</i>       | \$ 9,965           | \$ 15,552          | \$ 15,941          | \$ 16,339          | \$ 16,747          | \$ 17,166          | \$ 17,595          |
| <i>Route 250 Connector - Additional Saturday Service</i> | \$ 15,820          | \$ 24,689          | \$ 25,306          | \$ 25,939          | \$ 26,587          | \$ 27,252          | \$ 27,933          |
| <b>Rural Projects:</b>                                   |                    |                    |                    |                    |                    |                    |                    |
| <i>Eliminate Augusta On-Demand</i>                       | \$ -               | \$ (19,667)        | \$ (20,158)        | \$ (20,662)        | \$ (21,179)        | \$ (21,708)        | \$ (22,251)        |
| <i>Modify the 340 Connector-Stuarts Draft Connector</i>  | \$ -               | \$ 15,733          | \$ 16,127          | \$ 16,530          | \$ 16,943          | \$ 17,367          | \$ 17,801          |
| <i>BRCC North and South- Close Service Breaks</i>        | \$ -               | \$ 25,173          | \$ 25,803          | \$ 26,448          | \$ 27,109          | \$ 27,787          | \$ 28,481          |
| <b>Total Projected Operating Expenses</b>                | <b>\$1,885,450</b> | <b>\$2,004,000</b> | <b>\$2,054,588</b> | <b>\$2,106,460</b> | <b>\$2,159,648</b> | <b>\$2,214,187</b> | <b>\$2,270,112</b> |

(1) For FY16, the improvements for the 250 Connector are prorated to be implemented in November.

(2) CSPDC expenses include an extra 500 staff hours in FY17

The hourly rates for subsequent years were increased by 2.5% annual inflation rate.

The hourly rate for 2017 and beyond is estimated using CSPDC overhead and the current contractor rate, inflated. The contract rate may change in FY2017 (higher or lower), as the bid process will take place in FY2016 for the new contract, beginning in FY2017.

Table 7-2: CSPDC TDP Operating Budget, Assuming CSPDC Owns Vehicles (continued)

## CSPDC TDP Budget, Assuming Vehicle Ownership

| Anticipated Funding Sources               | FY2016 Base        | FY2017             | FY2018             | FY2019             | FY2020             | FY2021             | FY2022             |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Federal</b>                            |                    |                    |                    |                    |                    |                    |                    |
| Section 5307 (1)                          | \$ 798,174         | \$ 668,128         | \$ 684,832         | \$ 701,952         | \$ 719,501         | \$ 737,489         | \$ 755,926         |
| Section 5311                              | \$ 296,000         | \$ 347,788         | \$ 356,483         | \$ 365,395         | \$ 374,529         | \$ 383,893         | \$ 393,490         |
| <b>Subtotal, Federal</b>                  | <b>\$1,094,174</b> | <b>\$1,015,916</b> | <b>\$1,041,314</b> | <b>\$1,067,347</b> | <b>\$1,094,031</b> | <b>\$1,121,381</b> | <b>\$1,149,416</b> |
| <b>State</b>                              |                    |                    |                    |                    |                    |                    |                    |
| Formula and Other Assistance Urban (2)    | \$ 207,490         | \$ 225,049         | \$ 230,675         | \$ 236,442         | \$ 242,353         | \$ 248,412         | \$ 254,622         |
| Formula Assistance Rural                  | \$ 106,000         | \$ 125,204         | \$ 128,334         | \$ 131,542         | \$ 134,831         | \$ 138,201         | \$ 141,656         |
| <b>Subtotal, State</b>                    | <b>\$ 313,490</b>  | <b>\$ 350,253</b>  | <b>\$ 359,009</b>  | <b>\$ 367,984</b>  | <b>\$ 377,184</b>  | <b>\$ 386,613</b>  | <b>\$ 396,279</b>  |
| <b>Local</b>                              |                    |                    |                    |                    |                    |                    |                    |
| Local Contribution- Urban                 | \$ 238,293         | \$ 350,868         | \$ 359,640         | \$ 368,631         | \$ 377,846         | \$ 387,293         | \$ 396,975         |
| Local Contribution- Rural                 | \$ 179,493         | \$ 223,627         | \$ 229,705         | \$ 235,955         | \$ 242,361         | \$ 248,988         | \$ 255,783         |
| Revenues - Farebox- Urban                 | \$ 45,000          | \$ 47,989          | \$ 49,189          | \$ 50,419          | \$ 51,679          | \$ 52,971          | \$ 54,295          |
| Revenues - Farebox- Rural                 | \$ 15,000          | \$ 15,347          | \$ 15,731          | \$ 16,124          | \$ 16,528          | \$ 16,941          | \$ 17,364          |
| <b>Subtotal, Local</b>                    | <b>\$ 477,786</b>  | <b>\$ 637,831</b>  | <b>\$ 654,265</b>  | <b>\$ 671,129</b>  | <b>\$ 688,414</b>  | <b>\$ 706,192</b>  | <b>\$ 724,417</b>  |
| <b>Total Projected Operating Revenues</b> | <b>\$1,885,450</b> | <b>\$2,004,000</b> | <b>\$2,054,588</b> | <b>\$2,106,460</b> | <b>\$2,159,628</b> | <b>\$2,214,187</b> | <b>\$2,270,112</b> |

## Notes:

(1) The federal S.5307 operating amounts include the capital cost of contracting for FY2016. Starting in FY17, \$150,000 was deducted from this to be used for federal capital.

(2) The state assistance on the urban portion for FY16 includes the formula assistance and the capital cost of contracting provision



Table 7-3: Financial Plan for Vision Projects – No Vehicle Ownership

| Projects  | FY2016               | Constrained Plan- FY17 | Vision Plan         |
|---|----------------------|------------------------|---------------------|
| <b>Projected Incremental Annual Revenue Hours</b>     | <i>Service Hours</i> |                        |                     |
| <i>Level of Service Urban</i>                         | 18,446               | 18,882                 | 28,024              |
| <i>Level of Service Rural</i>                         | 9,794                | 10,145                 | 10,665              |
| <b>Urban Projects:</b>                                |                      |                        |                     |
| <i>Route 250 Connector- Improved Frequency</i>        |                      |                        | 5,200               |
| <i>Silver Trolley- Saturday Service</i>               |                      |                        | 416                 |
| <i>Silver Trolley- Evenings 7-9 p.m.</i>              |                      |                        | 510                 |
| <i>Silver Trolley- Improved Frequency</i>             |                      |                        | 2,600               |
| <i>Waynesboro - Saturday Service</i>                  |                      |                        | 416                 |
| <b>Rural Projects:</b>                                |                      |                        |                     |
| <i>BRCC North and South - Additional Friday Trips</i> |                      |                        | 104                 |
| <i>Saturday BRCC Corridor Service</i>                 |                      |                        | 416                 |
| <b>Total Transit Service Hours</b>                    | <b>28,240</b>        | <b>29,027</b>          | <b>38,689</b>       |
| <b>Projected Operating Expenses</b>                   | <i>Expenses</i>      |                        |                     |
| <i>Fully Allocated Cost Per Hour</i>                  | \$ 66.77             | \$ 76.75               | \$ 76.75            |
| <i>Total Annual Operating Expenses</i>                | \$ 1,885,449         | \$ 2,227,726           | \$ 2,969,381        |
| <b>Urban Projects:</b>                                |                      |                        |                     |
| <i>Route 250 Connector- Improved Frequency</i>        |                      |                        | \$ 399,100          |
| <i>Silver Trolley- Saturday Service</i>               |                      |                        | \$ 31,928           |
| <i>Silver Trolley- Evenings 7-9 p.m.</i>              |                      |                        | \$ 39,143           |
| <i>Silver Trolley- Improved Frequency</i>             |                      |                        | \$ 199,550          |
| <i>Waynesboro - Saturday Service</i>                  |                      |                        | \$ 31,928           |
| <b>Rural Projects:</b>                                |                      |                        |                     |
| <i>BRCC North and South - Additional Friday Trips</i> |                      |                        | \$ 7,982            |
| <i>Saturday BRCC Corridor Service</i>                 |                      |                        | \$ 31,928           |
| <b>Total Projected Operating Expenses</b>             | <b>\$ 1,885,449</b>  | <b>\$ 2,227,726</b>    | <b>\$ 2,969,381</b> |

**Table 7-3: Financial Plan for Vision Projects – No Vehicle Ownership  
(continued)**

| <b>Anticipated Funding Sources</b>                           | <b>FY2016</b>       | <b>Constrained<br/>Plan FY17</b> | <b>Vision Plan</b>  |
|--|---------------------|----------------------------------|---------------------|
| <b><i>Federal</i></b>  |                     |                                  |                     |
| Section 5307 Urban   | \$ 786,778          | \$ 889,462                       | \$ 1,184,783        |
| Section 5311 Rural   | \$ 288,500          | \$ 382,957                       | \$ 510,733          |
| Subtotal, Federal  | \$ 1,075,278        | \$ 1,272,419                     | \$ 1,695,516        |
| <b><i>State</i></b>  |                     |                                  |                     |
| State Assistance Urban                                       | \$ 236,133          | \$ 256,466                       | \$ 342,370          |
| State Assistance Rural                                       | \$ 106,000          | \$ 139,411                       | \$ 185,883          |
| Subtotal, State  | \$ 342,133          | \$ 395,877                       | \$ 528,253          |
| <b><i>Local</i></b>  |                     |                                  |                     |
| Local Contribution Urban                                     | \$ 225,538          | \$ 246,557                       | \$ 328,641          |
| Local Contribution Rural                                     | \$ 182,500          | \$ 243,546                       | \$ 324,553          |
| Farebox Revenue Urban  | \$ 45,000           | \$ 56,646                        | \$ 75,515           |
| Farebox Revenue Rural  | \$ 15,000           | \$ 12,681                        | \$ 16,903           |
| Subtotal, Local  | \$ 468,038          | \$ 559,430                       | \$ 745,612          |
| <b>Total Projected/Proposed Operating<br/>Funds/Revenues</b> | <b>\$ 1,885,449</b> | <b>\$ 2,227,726</b>              | <b>\$ 2,969,381</b> |

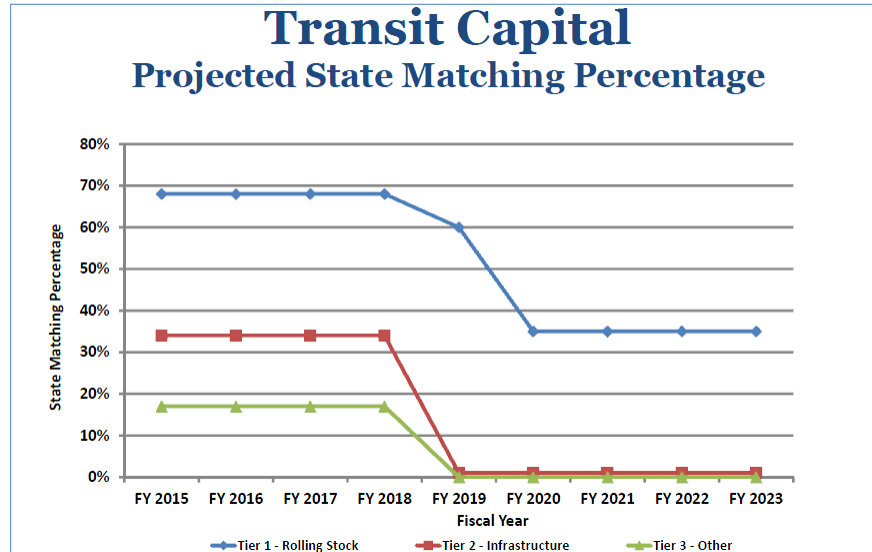
Table 7-4: Financial Plan for Vision Projects- CSPDC Vehicle Ownership

| Projects  | FY2016               | Constrained Plan-<br>FY17 | Vision Plan         |
|---|----------------------|---------------------------|---------------------|
| <b>Projected Incremental Annual Revenue Hours</b> | <b>Service Hours</b> |                           |                     |
| Level of Service Urban                            | 18,446               | 18,882                    | 28,024              |
| Level of Service Rural                            | 9,794                | 10,145                    | 10,665              |
| <b>Urban Projects:</b>                            |                      |                           |                     |
| Route 250 Connector- Improved Frequency           |                      |                           | 5,200               |
| Silver Trolley- Saturday Service                  |                      |                           | 416                 |
| Silver Trolley- Evenings 7-9 p.m.                 |                      |                           | 510                 |
| Silver Trolley- Improved Frequency                |                      |                           | 2,600               |
| Waynesboro - Saturday Service                     |                      |                           | 416                 |
| <b>Rural Projects:</b>                            |                      |                           |                     |
| BRCC North and South - Additional Friday Trips    |                      |                           | 104                 |
| Saturday BRCC Corridor Service                    |                      |                           | 416                 |
| <b>Total Transit Service Hours</b>                | <b>28,240</b>        | <b>29,027</b>             | <b>38,689</b>       |
| <b>Projected Operating Expenses</b>               | <b>Expenses</b>      |                           |                     |
| Fully Allocated Cost Per Hour                     | \$ 66.77             | \$ 69.04                  | \$ 69.04            |
| Total Annual Operating Expenses                   | \$ 1,885,449         | \$ 2,004,000              | \$ 2,671,089        |
| <b>Urban Projects:</b>                            |                      |                           |                     |
| Route 250 Connector- Improved Frequency           |                      |                           | \$ 359,008          |
| Silver Trolley- Saturday Service                  |                      |                           | \$ 28,721           |
| Silver Trolley- Evenings 7-9 p.m.                 |                      |                           | \$ 35,210           |
| Silver Trolley- Improved Frequency                |                      |                           | \$ 179,504          |
| Waynesboro - Saturday Service                     |                      |                           | \$ 28,721           |
| <b>Rural Projects:</b>                            |                      |                           |                     |
| BRCC North and South - Additional Friday Trips    |                      |                           | \$ 7,180            |
| Saturday BRCC Corridor Service                    |                      |                           | \$ 28,721           |
| <b>Total Projected Operating Expenses</b>         | <b>\$ 1,885,449</b>  | <b>\$ 2,004,000</b>       | <b>\$ 2,671,089</b> |

Table 7-4: Financial Plan for Vision Projects- CSPDC Vehicle Ownership (continued)

| Anticipated Funding Sources                                  | FY2016              | Constrained Plan<br>FY17 | Vision Plan         |
|--|---------------------|--------------------------|---------------------|
| <b>Federal</b>   |                     |                          |                     |
| Section 5307 Urban   | \$ 786,778          | \$ 668,128               | \$ 890,274          |
| Section 5311 Rural   | \$ 288,500          | \$ 347,788               | \$ 463,434          |
| Subtotal, Federal  | \$ 1,075,278        | \$ 1,015,916             | \$ 1,353,708        |
| <b>State</b>   |                     |                          |                     |
| State Assistance Urban                                       | \$ 236,133          | \$ 225,049               | \$ 307,977          |
| State Assistance Rural                                       | \$ 106,000          | \$ 125,204               | \$ 167,210          |
| Subtotal, State  | \$ 342,133          | \$ 350,253               | \$ 475,187          |
| <b>Local</b>   |                     |                          |                     |
| Local Contribution Urban                                     | \$ 225,538          | \$ 344,887               | \$ 451,950          |
| Local Contribution Rural                                     | \$ 182,500          | \$ 223,617               | \$ 297,826          |
| Farebox Revenue Urban  | \$ 45,000           | \$ 56,646                | \$ 75,515           |
| Farebox Revenue Rural  | \$ 15,000           | \$ 12,681                | \$ 16,903           |
| Subtotal, Local  | \$ 468,038          | \$ 637,831               | \$ 842,194          |
| <b>Total Projected/Proposed Operating<br/>Funds/Revenues</b> | <b>\$ 1,885,449</b> | <b>\$ 2,004,000</b>      | <b>\$ 2,671,089</b> |

Figure 7-1 DRPT's Projected State Match Percentage



Source: Transit Capital Funding Issues, DRPT Presentation to the Commonwealth Transportation Board, January 13, 2015.

## Replacement & Expansion Vehicle Expenses and Funding

Table 7-5 offers the financial plan for Tier 1 projects including vehicle expansion and replacement over the six-year period. This table has been included, in the event that the CSPDC does decide to own the regional fleet. Eligible activities for funding under Tier 1 include<sup>2</sup>:

- Replacement and expansion vehicles
- Assembly line inspection
- Fare collection equipment
- Automated passenger counters
- On-vehicle radios and communication equipment
- Surveillance cameras
- Aftermarket installation of farebox, radios, and surveillance cameras
- Vehicle tracking hardware and software
- Rebuilds and mid-life repower of rolling stock

Over this plan's six-year timeline a total of twelve vehicles are due to be replaced.

<sup>2</sup> DRPT FY2015 Revised Budget. <http://www.drpt.virginia.gov/media/1293/fy15-drpt-agency-budget-revised.pdf>

Table 7-5: Tier 1 Projected Capital Expenses and Funding

| Type of Vehicle                    | FY2016      | FY2017            | FY2018            | FY2019            | FY2020      | FY2021           | FY2022      |
|------------------------------------|-------------|-------------------|-------------------|-------------------|-------------|------------------|-------------|
| <b>Replacement</b>                 |             |                   |                   |                   |             |                  |             |
| Body-on-Chassis 20-Passenger       | 0           | 2                 | 3                 | 0                 | 0           | 1                | 0           |
| 28-29 Passenger Medium Duty        | 0           | 3                 | 2                 | 0                 | 0           | 0                | 0           |
| Trolley                            | 0           | 0                 | 0                 | 1                 | 0           | 0                | 0           |
| <b>Total Vehicles</b>              | <b>0</b>    | <b>5</b>          | <b>5</b>          | <b>1</b>          | <b>0</b>    | <b>1</b>         | <b>0</b>    |
| <b>Vehicle Expansion</b>           |             |                   |                   |                   |             |                  |             |
| No vehicles programmed             |             | -                 | -                 | -                 | -           | -                |             |
| <b>Vehicle Replacement</b>         |             |                   |                   |                   |             |                  |             |
| 20 - passenger                     | \$ -        | \$ 163,200        | \$ 249,696        | \$ -              | \$ -        | \$ 88,326        | \$ -        |
| 29 - passenger                     | \$ -        | \$ 459,000        | \$ 312,120        | \$ -              | \$ -        | \$ -             | \$ -        |
| Trolleys                           | \$ -        | \$ -              | \$ -              | \$ 212,242        | \$ -        | \$ -             | \$ -        |
|                                    |             |                   |                   |                   |             |                  |             |
| <b>Vehicle Total</b>               | <b>\$ -</b> | <b>\$ 622,200</b> | <b>\$ 561,816</b> | <b>\$ 212,242</b> | <b>\$ -</b> | <b>\$ 88,326</b> | <b>\$ -</b> |
| <b>Anticipated Funding Sources</b> |             |                   |                   |                   |             |                  |             |
| Federal                            | \$ -        | \$ 497,760        | \$ 449,453        | \$ 169,794        | \$ -        | \$ 70,661        | \$ -        |
| State                              | \$ -        | \$ 84,619         | \$ 76,407         | \$ 25,469         | \$ -        | \$ 6,183         | \$ -        |
| Local                              | \$ -        | \$ 39,821         | \$ 35,956         | \$ 16,979         | \$ -        | \$ 11,482        | \$ -        |
| <b>Total</b>                       | <b>\$ -</b> | <b>\$ 622,200</b> | <b>\$ 561,816</b> | <b>\$ 212,242</b> | <b>\$ -</b> | <b>\$ 88,326</b> | <b>\$ -</b> |

Federal Sections 5307 (urban) and 5311 (rural) funding will continue to provide eighty percent of capital funding; however, the pending fiscal cliff will directly impact the percentage of required state and local matches. The funding split is based on recommendations from the Commonwealth Transportation Board in response to the fiscal cliff. Beginning in FY2019, state funding for Tier 1 projects will decrease from approximately 68 percent to 60 percent of the non-federal share to approximately 35 percent of the non-federal share in FY2020 and the projected future.

## Infrastructure Facilities Expenses and Funding

Table 7-6 provides the financial plan for infrastructure facilities, considered Tier 2 capital projects. Eligible activities under this funding tier include<sup>3</sup>:

- Construction of infrastructure or facilities for transit purposes
- Real estate used for a transit purpose
- Signage
- Surveillance/security equipment for facilities
- Rehabilitation or renovation of infrastructure and facilities
- Major capital projects.

Projects identified as infrastructure facilities include the engineering, design, and construction of an extension to the mass transit facility, resurfacing the access lane leading to the mass transit facility, bus stop amenities, and bicycle racks.

Capital federal funding for infrastructure facilities will remain at 80 percent while state funds will provide 34 percent of the required remaining 20 percent match until FY 2019.

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<sup>3</sup> DRPT FY2015 Revised Budget. <http://www.drpt.virginia.gov/media/1293/fy15-drpt-agency-budget-revised.pdf>

**Table 7-6: Tier 2 Projected Capital Expenses and Funding**

| Projects <sup>1</sup>                               | FY2016    | FY2017    | FY2018    | FY2019    | FY2020    | FY2021    | FY2022    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bus Shelters  | \$ 7,000  | \$ 14,280 | \$ 14,566 | \$ 14,857 | \$ 15,154 | \$ 15,457 | \$ 15,766 |
| Bus Stop Signs                                      | \$ 12,500 | \$ 510    | \$ 520    | \$ 531    | \$ 541    | \$ 552    | \$ 563    |
| <b>Total Projected Non-Vehicle Capital Expenses</b> | \$ 19,500 | \$ 14,790 | \$ 15,086 | \$ 15,388 | \$ 15,695 | \$ 16,009 | \$ 16,329 |
| <b>Anticipated Funding Sources</b>                  |           |           |           |           |           |           |           |
| Federal   | \$ 15,600 | \$ 11,832 | \$ 12,069 | \$ 12,310 | \$ 12,556 | \$ 12,807 | \$ 13,063 |
| State <sup>2</sup>                                  | \$ 1,326  | \$ 1,006  | \$ 1,026  | \$ -      | \$ -      | \$ -      | \$ -      |
| Local   | \$ 2,574  | \$ 1,952  | \$ 1,991  | \$ 3,078  | \$ 3,139  | \$ 3,202  | \$ 3,266  |
|   |           |           |           |           |           |           |           |
| <b>Total Projected Non-Vehicle Capital Revenue</b>  | \$ 19,500 | \$ 14,790 | \$ 15,086 | \$ 15,388 | \$ 15,695 | \$ 16,009 | \$ 16,329 |

<sup>1</sup> Costs of capital projects are based on costs in the FY 2016 SYIP.

<sup>2</sup> State funding was based on a State match of 34% of the non-federal share (Tier 2 capital) until 2019 and 0% after that.

Note: The capital cost of contracting funds were presented with the operating budget

## Other Capital Expenses and Funding Sources

The following other capital expenses are considered Tier 3 capital projects<sup>3</sup>:

- All support vehicles
- Shop equipment
- Spare parts
- Hardware and software not installed on a vehicle
- Project development expenses for capital projects
- Office furniture and other equipment
- Handheld radios
- Landscaping
- Other transit-related capital items

The CSPDC does not currently anticipate including any Tier 3 capital projects in the six-year plan.