

**Memphis Area Transit Authority  
FY2016 Budget Proposal  
for August 24, 2015**

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# **Memphis Area Transit Authority**

## **FY2016 Budget Proposal**

### **August 24, 2015**

## Financial Stability Issues

- Reduced/flat level of federal and state funding
- Aging bus fleet due to over-reliance on capital funds for operating purposes
- Erosion of cash balances due to risky 'breakeven' budgeting, which cannot absorb unfavorable developments
- Huge OPEB liability, with no funds set-aside for large/increasing benefits payouts
- Inadequate staffing to properly address customer service issues; and critical operating and transformational initiatives

## Financial Objectives for FY2016 and near-term

- Accelerate vehicle replacement
- Upgrade support staff and operating processes
- in line with SRTP, minimize ridership impact of route service changes
- Achieve financial stability and reduce use of capital \$\$ for operating purposes
- Work toward a cash reserve targeted at 10%; implement an OPEB trust & funding

See pg 1

**ACTUAL**

**\$\$ Millions**

<p><b><u>Financial Stability Issues:</u></b></p> <ul style="list-style-type: none"> <li>• Reduced/flat level of federal and state funding</li> <li>• Aging bus fleet due to over-reliance on capital funds for operating purposes</li> <li>• Erosion of cash balances due to risky 'breakeven' budgeting, which cannot absorb unfavorable developments</li> <li>• Huge OPEB liability, with no funds set-aside for large/increasing benefits payouts</li> <li>• Inadequate staffing to properly address customer service issues; and critical operating and transformational initiatives</li> </ul>	<p><b><u>Financial objectives - FY16 and near-term</u></b></p> <ul style="list-style-type: none"> <li>• Accelerate vehicle replacement</li> <li>• Upgrade support staff and operating processes</li> <li>• in line with SRTP, minimize ridership impact of route service changes</li> <li>• Achieve financial stability and reduce use of capital \$\$ for operating purposes</li> <li>• Work toward a cash reserve targeted at 10%; implement an OPEB trust and funding</li> </ul>
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## FY2016 Proposed Operating Budget \$58.4 million

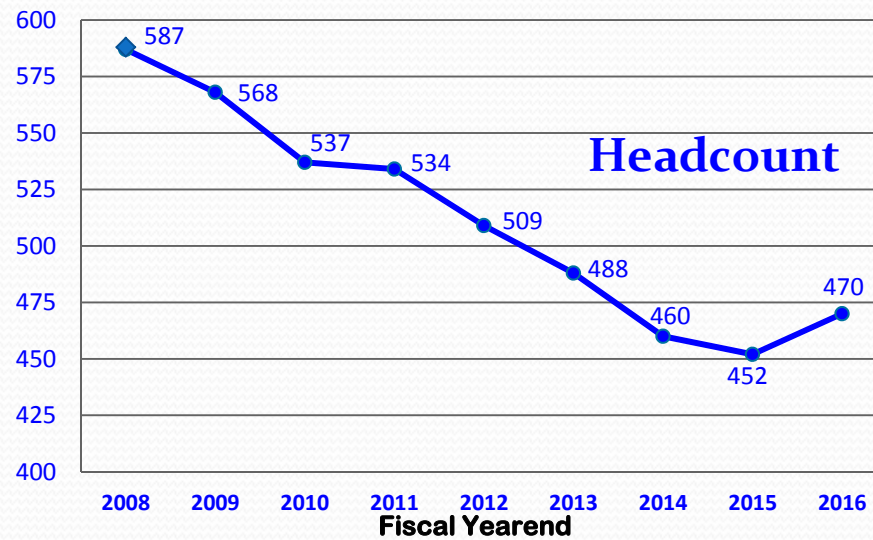
- Salaries include key organization additions being recruited. see pg 3
- 2.3% average wage increases – labor union agreement July 2014-June 2017
- Operating Loss \$(5.3) million reflects unfunded OPEB expense of \$6.4 million. see pg 5

See pg 2

	FY2014	FY2015	FY2016 Proposed Operating Budget	Variance fr FY15 Fav (Unfav)
<b>Revenues:</b>				
Operating Revenue				
Passenger Fares	9,330,192	8,301,401	8,203,931	( 97.5 )
Special Service Fares	38,142	6,148	6,148	
Charter Revenue	8,375	4,100	150	
Auxilliary Revenue	753,802	444,246	518,527	
Non-Transp.Revenue	2,840,237	568,925	493,245	( 75.7 )
Operating Revenue	12,970,748	9,324,820	9,222,000	
City of Memphis	20,952,013	23,182,973	23,635,415	
State of Tennessee	7,463,427	7,452,842	7,510,085	
Federal Government	12,968,303	12,421,670	12,747,637	
Subsidy Revenue	41,383,743	43,057,485	43,893,136	835.7
<b>Revenues</b>	<b>54,354,490</b>	<b>52,382,305</b>	<b>53,115,136</b>	<b>732.8</b>
<b>Operating Expenses:</b>				
Salaries & Wages				
Operators	12,242,295	12,134,743	12,907,052	
Other Salaries	7,559,388	7,302,516	8,068,725	
Salaries & Wages	19,801,683	19,437,259	20,975,778	( 1,538.5 )
Employee Leave	2,963,515	2,750,958	2,825,003	
Other Fringes, incl Pension	8,806,690	6,682,346	6,796,380	( 114.0 )
HealthCare, incl OPEB	11,981,882	12,843,705	12,917,685	
Fringes - Total	23,752,087	22,277,010	22,539,068	
Services	4,746,338	5,664,484	5,235,740	428.7
Materials & Supplies				
Fuel, Lubricants, Tires	6,355,749	5,592,004	4,632,744	959.3
Materials & Supplies	3,206,740	2,861,242	2,925,580	
Materials & Supplies	9,562,489	8,453,246	7,558,324	
Utilities/Telephone	1,328,416	1,095,817	1,092,350	
Insurance	830,709	785,426	845,030	( 59.6 )
Misc & Taxes	229,322	217,464	188,897	
Lease/Rentals	6,944	7,152	2,316	
<b>Operating Expenses</b>	<b>60,257,988</b>	<b>57,937,858</b>	<b>58,437,502</b>	<b>( 499.6 )</b>
<b>Operating Gain/(Loss)</b>	<b>( 5,903,498 )</b>	<b>( 5,555,554 )</b>	<b>( 5,322,366 )</b>	<b>233.2</b>
Before Depreciation				
Depreciation	14,457,096	14,316,480	15,100,000	
Profit (Loss) after Deprn	( 20,360,593 )	( 19,872,034 )	( 20,422,366 )	

FY2016 Budget Proposal  
August 24, 2015

## FY2016 Proposed Operating Budget Headcount targeted at 470



- Key positions being recruited to cease the gradual unraveling of organization infrastructure

See pg 3

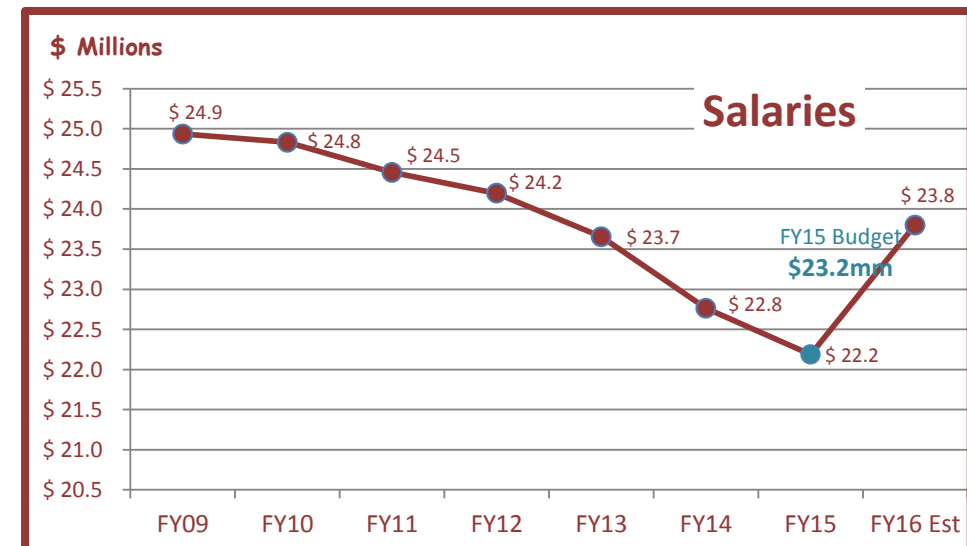
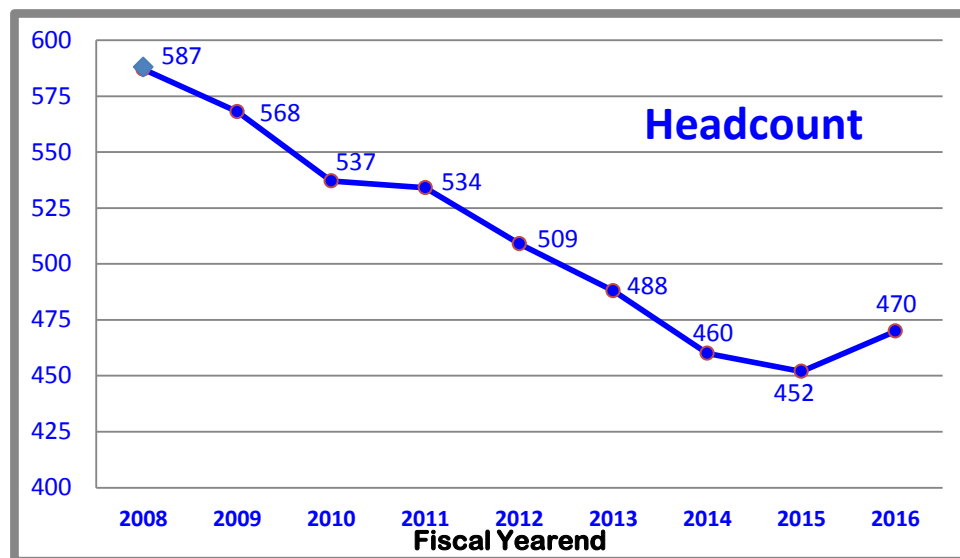


**Headcount projected**

	FY15 Budget	FY16 Projected	COMMENT
<b>TOTAL</b>	<b>453</b>	<b>470</b>	< Admin. <i>excludes</i> Temps: MATAPlus Ops, Trolley Maint, front desk
Fixed Route Operations	212	208	Dir-Operations; Road Supervisor
MATAPlus Operations	68	77	Dir-Operations; Road Supervisor; Dispatcher
Trolley Operations	22	24	Dir-Operations & Maintenance [C.Robinson]; Safety Manager
Maint - Trolley	17	19	Manager-Maintenance [R.Adams]; Wayside Manager. Plus, consulting Project Mgrs: McOuat & Lee
Maint-Fixed Route/MATAPlus	77	67	Director [B.Abram]; Deputy Director; added responsibility for Storeroom function
Maint - MATAPlus	0	0	Cost of three mechanics are charged to Maintenance-MATAPlus
Bldg & Grounds	0	19	New Dept: Superintendent [G. Lockhart]
Marketing & Customer Service	17	17	replace Marketing Analyst
Scheduling	5	6	Sr. Manager [G.Dupper]
Risk Management	2	2	retiring claims manager will be replaced and supplemented with a third party provider
Human Resources	3	3	replace Manager; added H.R. Specialist [A.Cox]
Planning	2	3	add Transit Planner
Purchasing	7	2	removed responsibility for Storeroom function
Information Technology	3	3	
Finance	7	8	add Pension administrative person, paid by Pension Plan
Coinroom	5	5	
Executive	6	7	Sr. Administrative Officer [L. Albritton]

Union empl		Admin empl	
FY15 Budget	FY16 Proj	FY15 Budget	FY16 Proj
348	356	105	114
192	186	20	22
61	66	7	11
19	19	3	5
5	13	12	6
66	50	11	17
	16		3
5	6	12	11
		5	6
		2	2
		3	3
		2	3
		7	2
		3	3
		7	8
		5	5
		6	7

NOTE: Admin positions involved in operations &gt; 78



## **FY2016 Cumulative Profit, excluding OPEB targeted at \$1 million for the year**

- Tight Cash Flow is projected in Spring 2016, with cumulative FY16 net profit declining to \$1 million in April 2016. So, borrowing from City may be needed again.
- \$2.5 Million was borrowed in early June 2015, and must be repaid in August 2015.

**See pg 4**

**MATA -- Total**
**Operating Expenses -- FY2016 Projection vs. FY2015 Estimate**

 Thru: **June**

August 24, 2015

\$\$ Thousands

**FY2016 Projection**

	1	2	3	4	5	6	7	8	9	10	11	12	Year-To-Year		Variance
	Jul-2015	Aug-2015	Sep-2015	Oct-2015	Nov-2015	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	FY16 Proj	FY15 Est	Fav (Unfav)
<b>REVENUES</b>	6,820.4	4,890.2	8,981.5	5,011.3	8,203.0	920.5	869.9	888.1	6,233.4	1,442.6	5,548.3	3,306.1	53,115.1	52,382.3	732.8
<b>Salaries &amp; Wages</b>															
Operators	1,115.6	1,082.3	1,050.6	1,119.9	997.9	1,109.8	1,003.4	1,062.5	1,141.1	1,062.6	1,076.5	1,084.9	12,907.1	12,134.7	(772.3)
Other Salaries	613.8	745.0	638.0	756.9	717.9	571.7	525.8	700.7	690.9	709.6	705.5	693.0	8,068.7	7,302.5	(766.2)
Salaries & Wages	1,729.4	1,827.3	1,688.6	1,876.8	1,715.8	1,681.6	1,529.2	1,763.1	1,832.0	1,772.1	1,782.0	1,777.9	20,975.8	19,437.3	
Employee Leave	328.4	168.6	273.1	193.8	181.2	308.8	426.3	173.5	191.8	178.2	190.0	211.3	2,825.0	2,751.0	(74.0)
Other Fringes	531.2	525.6	507.8	554.3	511.9	497.3	489.5	532.1	519.9	501.4	515.0	1,110.1	6,796.4	6,682.3	(114.0)
Services	490.8	438.3	487.1	427.9	451.6	421.5	435.0	404.9	418.6	442.3	414.0	403.6	5,235.7	5,664.5	428.7
<b>Materials &amp; Supplies</b>															
Fuel, Lubricants, Tires	519.3	538.7	397.4	385.0	322.2	375.9	343.9	331.3	348.6	317.0	361.3	392.0	4,632.7	5,592.0	959.3
Other Materials & Supplies	224.9	264.0	241.0	261.0	233.5	258.6	239.5	263.5	233.5	258.6	228.5	219.0	2,925.6	2,861.2	(64.3)
Materials & Supplies	744.2	802.7	638.4	646.0	555.7	634.6	583.4	594.8	582.1	575.6	589.9	611.0	7,558.3	8,453.2	
Utilities/Telephone	91.4	91.0	91.0	91.0	90.9	91.3	91.3	90.9	90.9	90.9	90.9	90.9	1,092.4	1,095.8	3.5
Insurance	20.6	585.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	53.7	845.0	785.4	(59.6)
Misc & Taxes	16.6	11.9	15.6	31.4	12.4	17.2	13.0	9.7	20.2	20.4	10.2	10.3	188.9	217.5	28.6
Lease/Rentals	0.6			0.6			0.6			0.6			2.3	7.2	4.8
<b>Operating Expenses</b>	3,953.2	4,451.0	3,722.2	3,842.4	3,540.1	3,672.8	3,589.0	3,589.7	3,676.2	3,602.1	3,612.5	4,268.8	45,519.8	45,094.2	(425.7)
HealthCare Costs	1,135.4	1,128.0	1,152.7	1,075.7	1,060.6	1,066.5	1,051.5	1,041.9	1,072.9	1,123.4	1,028.2	980.9	12,917.7	12,843.7	(74.0)
<b>Total Operating Expense</b>	5,088.6	5,579.0	4,874.9	4,918.1	4,600.6	4,739.2	4,640.4	4,631.6	4,749.2	4,725.5	4,640.7	5,249.8	58,437.5	57,937.9	(499.6)
<b>Operating Profit</b>	1,731.7	- 688.7	4,106.6	93.2	3,602.4	- 3,818.8	- 3,770.6	- 3,743.5	1,484.3	- 3,282.9	907.6	- 1,943.6	- 5,322.4	- 5,555.6	233.2
<b>Cumulative Profit, less OPEB</b>	2,263.8	2,107.1	6,745.7	7,371.0	11,505.4	8,218.7	4,980.2	1,768.7	3,785.0	1,034.2	2,473.9	1,062.3			

**FY2015 Estimate**

	Jul-2014	Aug-2014	Sep-2014	Oct-2014	Nov-2014	Dec-2014	Jan-2015	Feb-2015	Mar-2015	Apr-2015	May-2015	Jun-2015	FY2015-Est	
<b>REVENUES</b>	4,881.5	4,723.0	8,863.4	5,035.9	8,771.4	1,025.7	872.5	862.5	1,943.1	7,397.5	2,962.7	5,043.0	52,382.3	
<b>Salaries &amp; Wages</b>														
Operators	960.1	1,039.3	1,002.1	1,054.9	1,041.7	950.3	1,027.4	938.3	1,053.2	994.5	1,059.6	1,013.4	12,134.7	
Other Salaries	581.2	594.1	650.4	694.0	587.5	641.0	485.4	572.5	628.6	610.1	633.1	624.8	7,302.5	
Salaries & Wages	1,541.2	1,633.4	1,652.5	1,748.9	1,629.2	1,591.3	1,512.8	1,510.7	1,681.9	1,604.6	1,692.6	1,638.2	19,437.3	
Employee Leave	344.6	165.4	230.1	157.4	167.5	540.0	258.8	178.3	177.9	160.9	135.4	234.6	2,751.0	
Other Fringes	720.8	537.7	436.0	564.9	532.7	572.4	545.4	532.3	549.3	549.7	573.8	567.4	6,682.3	
Services	255.4	348.0	275.7	393.4	380.9	585.7	397.8	397.7	725.3	547.9	603.3	753.3	5,664.5	
<b>Materials &amp; Supplies</b>														
Fuel, Lubricants, Tires	494.7	560.6	502.1	489.6	382.0	464.1	439.2	406.4	440.2	407.8	477.4	528.1	5,592.0	
Other Materials & Supplies	240.9	170.7	218.8	177.4	260.8	258.0	221.0	290.9	324.6	323.9	143.6	230.7	2,861.2	
Materials & Supplies	735.5	731.3	720.9	667.0	642.8	722.1	660.2	697.2	764.8	731.7	620.9	758.8	8,453.2	
Utilities/Telephone	91.0	104.1	77.8	74.3	53.8	71.6	109.4	134.1	115.7	90.9	93.1	79.9	1,095.8	
Insurance	- 6.3	610.8	18.6	49.8	33.0	41.2	10.6	1.5	8.8	- 0.1	2.0	15.6	785.4	
Misc & Taxes	13.5	50.7	- 14.4	15.4	22.9	26.5	12.7	36.6	11.9	22.1	- 6.4	26.0	217.5	
Lease/Rentals	0.3	0.3	0.3	0.9	0.3	0.3	0.9	0.3	0.3	0.9	0.6	1.7	7.2	
<b>Total Operating Expenses</b>	3,696.2	4,181.8	3,397.4	3,672.0	3,463.2	4,151.1	3,508.6	3,488.7	4,035.9	3,708.7	3,715.3	4,075.5	45,094.2	
HealthCare Costs	1,069.7	1,187.5	1,149.9	1,044.7	1,012.9	983.0	1,107.4	1,141.4	957.8	1,289.8	924.9	974.8	12,843.7	
<b>Total Operating Expense</b>	4,765.8	5,369.3	4,547.4	4,716.6	4,476.1	5,134.0	4,616.0	4,630.1	4,993.7	4,998.4	4,640.2	5,050.2	57,937.9	
<b>Operating Profit</b>	115.7	- 646.3	4,316.0	319.3	4,295.3	- 4,108.4	- 3,743.5	- 3,767.6	- 3,050.6	2,399.1	- 1,677.5	- 7.3	- 5,555.6	

## FY2016 P&L Fringes items projected at \$22.5 million for the year

# 1 Employees on Leave: \$2.8 million

# 2 Pension: \$4.7 million

- Defined Contribution Plan implemented, Company match @ \$0.4 million
- Defined Benefits Plan contribution reduced by \$0.5 Million, to \$4.2 million

# 3 Healthcare: \$12.9 million

\$ 4.5 million - active employees, 'net' of premiums collected

\$ 2.0 million - retirees, 'net' of premiums collected

\$ 6.4 million - retirees, liability accrued towards future benefits payouts

See pg 5

# P&L FRINGES

August 24, 2015

**\$\$ Thousands**

	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015 Proj</u>	<u>FY2016 Projection</u>
Salaries, less "Leave"	21,340.0	20,798.6	19,801.7	19,437.3	20,975.8
Total Salaries	24,198.5	23,648.9	22,765.2	22,188.2	23,800.8
Total Salaries-(Increase) Decrease fr preceding year >	1.0 %	2.3 %	3.7 %	9.3 %	( 0.6 % )

1

## Employee Leave

Vacation	1,328.9	1,307.7	1,402.9	1,271.1	1,284.6
Holiday, Other	882.8	846.1	834.6	798.0	842.0
Sick Leave	646.8	696.5	726.0	681.9	698.4
<b>Employee Leave</b>	<b>2,858.5</b>	<b>2,850.3</b>	<b>2,963.5</b>	<b>2,751.0</b>	<b>2,825.0</b>
Leave as % Salaries excl Leave >>	13.4 %	13.7 %	15.0 %	14.2 %	13.5 %

FICA, Unemployment Insurance 1,886.9 1,759.6 1,687.8 1,635.7 1,820.8 Medicare 1.45%; Social Security 6.2% of Earnings up to cap

2

Pension - employer contributions	3,892.6	3,603.5	5,412.4	3,790.5	3,630.0	represents 15%+ of salaries for FY2016
Pension - accrue for preceding calendar-year	+ 973.1	+ 585.0	+ 1,553.8	+ 900.0	+ 600.0	owed at <i>preceding</i> Dec 31, and must be paid by following Sept 15
Defined Contribution Plan contributions					424.8	@ 8% - on those hired since 7/1/2008, excl OT & sick leave pay
<b>Pension - combined</b>	<b>4,865.6</b>	<b>4,188.4</b>	<b>6,966.2</b>	<b>4,690.5</b>	<b>4,654.8</b>	

3

Healthcare-active employees	5,242.2	5,733.5	5,450.1	5,363.7	5,313.1	self-insured: Balance Sheet Reserve as of 6/30/15-\$1.0 million
less: Employees premium payments	- 608.5	- 623.2	- 850.0	- 730.0	- 730.1	'Premiums' collected
less: Adjustment to Balance Sheet Reserve			- 607.0			
Healthcare-retirees	5,846.4	1,797.5	1,904.1	2,125.5	2,200.0	
less: Retirees premium payments	- 312.4	- 248.3	- 300.0	- 300.0	- 249.9	'Premiums' collected
OPEB Accrual	2,676.0	5,984.0	6,384.6	6,384.6	6,384.6	GASB 45/ actuary-Milliman
<b>Healthcare - combined</b>	<b>12,843.7</b>	<b>12,643.5</b>	<b>11,981.9</b>	<b>12,843.7</b>	<b>12,917.7</b>	

Workmen's Compensation, incl FY14 adj. 383.1 455.9 62.2 291.2 242.9 self-insured; Balance Sheet Reserve as of 6/30/15-\$326.5k  
 Uniforms & Tool Allowance 80.1 43.3 90.5 64.9 77.9 Operators and Maintenance job titles

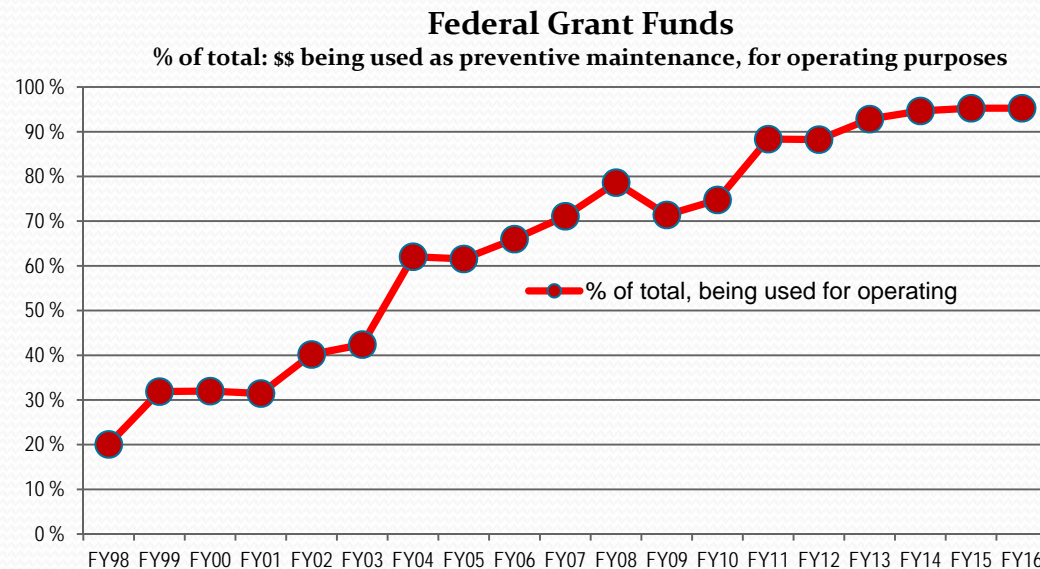
**Total Fringe Benefits** \$ 22,918.0 \$ 21,941.0 \$ 23,752.1 **\$ 22,277.0** **\$ 22,539.1**

Healthcare - combined	\$ 11,088.6	\$ 7,531.0	\$ 7,354.2	\$ 7,489.1	\$ 7,513.1	+ 0.3 % Fiscal Year change
Healthcare - combined, net of premiums	\$ 10,167.7	\$ 6,659.5	\$ 5,597.2	\$ 6,459.1	\$ 6,533.1	+ 1.1 % Fiscal Year change



## FY2016 P&L Operating Revenues projected at \$53.1 million for the year

- City's operations funding increased by \$0.4 million to \$23.4 million
- Utilizes federal/state 'preventive maintenance' funds of \$11.7 million. Too high!



See pg 6

NOTE: FY2016 Budget **INCLUDES** Capital Budget revenue funding for expensed items

## P&L Revenues

	Actual August 24, 2015	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Prelim 2015	Proj 2016	% Increase from Preceding Year			
		2010	2011	2012	2013	2014	2015	2016	2013	2014	2015	2016
<b>TOTAL REVENUE</b>		52,255,052	55,091,180	55,769,671	55,359,041	54,354,490	52,382,305	53,115,136	(0.7)%	(1.8)%	(3.6)%	1.4 %
REVENUE												
BUS FARES	7,303,087	7,885,437	8,323,216	8,485,203	7,422,104	6,954,302	6,757,699		1.9 %	(12.5)%	(6.3)%	(2.8)%
MATA PLUS FARES	480,965	507,456	497,974	550,541	534,550	509,475	520,947		10.6 %	(2.9)%	(4.7)%	2.3 %
REVENUE-DHS	21	41	73	61	56	57			(15.9)%	(9.0)%	1.5 %	
REVENUE-WEST MEMPHIS	614,042	614,885	615,000	615,755	666,702	565,793	617,033		0.1 %	8.3 %	(15.1)%	9.1 %
STREET CAR REVENUE	767,616	621,839	774,166	846,992	706,781	271,775	308,252		9.4 %	(16.6)%	(61.5)%	13.4 %
<b>TOTAL PASSENGER REVENUE</b>	<b>9,165,732</b>	<b>9,629,658</b>	<b>10,210,429</b>	<b>10,498,552</b>	<b>9,330,192</b>	<b>8,301,401</b>	<b>8,203,931</b>		<b>2.8 %</b>	<b>(11.1)%</b>	<b>(11.0)%</b>	<b>(1.2)%</b>
SPECIAL SERV FARES SPORTS	34,198	16,339	35,305	48,964	38,142	6,148	6,148		38.7 %	(22.1)%	(83.9)%	
<b>TOTAL SPECIAL FARES</b>	<b>34,198</b>	<b>16,339</b>	<b>35,305</b>	<b>48,964</b>	<b>38,142</b>	<b>6,148</b>	<b>6,148</b>		<b>38.7 %</b>	<b>(22.1)%</b>	<b>(83.9)%</b>	
CHARTER SERVICE REVENUE	16,760	14,529	4,742	3,286	8,375	4,100	150		(30.7)%	154.9 %	(51.0)%	(96.3)%
<b>TOTAL CHARTER SERVICE</b>	<b>16,760</b>	<b>14,529</b>	<b>4,742</b>	<b>3,286</b>	<b>8,375</b>	<b>4,100</b>	<b>150</b>		<b>(30.7)%</b>	<b>154.9 %</b>	<b>(51.0)%</b>	<b>(96.3)%</b>
AUX TRANS REV ADVER SERV	410,889	435,947	125,011	544,256	737,221	429,272	504,135		335.4 %	35.5 %	(41.8)%	17.4 %
AUX TRANSP CUST SVC REV.	18,127	11,480	24,556	16,465	16,581	14,974	14,392		(32.9)%	0.7 %	(9.7)%	(3.9)%
<b>TOTAL AUX TRANSP REVENUE</b>	<b>429,016</b>	<b>447,427</b>	<b>149,567</b>	<b>560,721</b>	<b>753,802</b>	<b>444,246</b>	<b>518,527</b>		<b>274.9 %</b>	<b>34.4 %</b>	<b>(41.1)%</b>	<b>16.7 %</b>
RENTAL BLDGS/OTHER PROPER	39,663	43,048	47,246	38,292	40,944	6,083	9,223		(19.0)%	6.9 %	(85.1)%	51.6 %
RENTAL-NORTH END TERMINAL	124,817	119,742	95,269	119,742	9,979				25.7 %	(91.7)%		
RENTAL-TRANSFER STATIONS		10										
RENTAL - CENTRAL STATION	109,938	149,011	140,820	161,818	192,179	215,724	128,472		14.9 %	18.8 %	12.3 %	(40.4)%
INVEST INCOME NON-WORK CA	21,220	- 1,466	- 1,867	8,086	1,843	1,762	1,750		(533.2)%	(77.2)%	(4.4)%	(0.7)%
INVEST INCOME WORKING CAP	709	560	420	980	259	24			133.4 %	(73.6)%	(90.6)%	
N.E. TERM. PARKING LOT REV												
GAIN ON SALE OF ASSETS	78,075	- 146,474	- 89,279	72,043	4,659	80,424	100,000		(180.7)%	(93.5)%	1626.2 %	24.3 %
OTHER NON TRANSP REVENUE	95,137	283,668	251,070	116,420	2,590,375	264,909	253,800		(53.6)%	2125.0 %	(89.8)%	(4.2)%
<b>TOTAL NON-TRANSP REVENUE</b>	<b>469,559</b>	<b>448,099</b>	<b>443,679</b>	<b>517,382</b>	<b>2,840,237</b>	<b>568,925</b>	<b>493,245</b>		<b>16.6 %</b>	<b>449.0 %</b>	<b>(80.0)%</b>	<b>(13.3)%</b>
<b>TOTAL OPERATING REVENUE</b>	<b>10,115,265</b>	<b>10,556,052</b>	<b>10,843,722</b>	<b>11,628,904</b>	<b>12,970,748</b>	<b>9,324,820</b>	<b>9,222,000</b>		<b>7.2 %</b>	<b>11.5 %</b>	<b>(28.1)%</b>	<b>(1.1)%</b>
GRANTS												
GEN OPERATING ASSIST CITY	17,430,000	16,430,000	17,730,000	19,615,398	20,690,040	22,990,040	23,420,040		10.6 %	5.5 %	11.1 %	1.9 %
LOCAL MEDICAL RAIL												
LOCAL OTH-CAPITAL GRANTS												
LOCAL-CAPITAL PROJ GRANTS	114,994	14,293	68,216	76,013	237,523	192,933	139,535		11.4 %	212.5 %	(18.8)%	(27.7)%
OTHER FINANCIAL ASST LOCA	5,585,624	5,669,693	5,283,405	2,314,602			75,840		(56.2)%			
<b>TOTAL LOCAL CASH GRANTS</b>	<b>23,130,618</b>	<b>22,113,986</b>	<b>23,081,621</b>	<b>22,006,013</b>	<b>20,927,563</b>	<b>23,182,973</b>	<b>23,635,415</b>		<b>(4.7)%</b>	<b>(4.9)%</b>	<b>10.8 %</b>	<b>2.0 %</b>
GEN OPER ASSISTANCE STATE	6,339,191	6,380,358	6,339,191	6,339,191	5,908,261	5,908,300	5,908,300			(6.8)%	0.0 %	
ADA STATE	162,215	159,740			137,125	136,250	136,250				(0.6)%	
PM STATE	1,100,000	1,300,000	1,284,000	1,438,240	1,300,000	1,300,000	1,300,000		12.0 %	(9.6)%		
STATE JARC	435,270	433,786	418,815	416,384	14,781		26,000		(0.6)%	(96.5)%		
STATE-CAPITAL PROJ GRANTS	71	177,490	298,076	97,428	124,142	108,292	139,535		(67.3)%	27.4 %	(12.8)%	28.9 %
STATE OTH-CAPITAL GRANTS												
STATE MEDICAL RAIL												
<b>STATE GRANTS &amp; REIMB</b>	<b>8,036,747</b>	<b>8,451,374</b>	<b>8,340,082</b>	<b>8,291,242</b>	<b>7,484,309</b>	<b>7,452,842</b>	<b>7,510,085</b>		<b>(0.6)%</b>	<b>(9.7)%</b>	<b>(0.4)%</b>	<b>0.8 %</b>
PM FEDERAL	8,800,000	10,400,000	10,175,600	10,425,916	10,400,000	10,400,000	10,400,000		2.5 %	(0.2)%		
ADA FEDERAL	1,297,720	1,277,920	1,481,824	1,080,000	1,097,000	1,090,000	1,090,000		(27.1)%	1.6 %	(0.6)%	
FEDERAL JARC	870,545	867,577	833,635	832,770	29,562		30,000		(0.1)%	(96.5)%		
<b>Federal Planning Grants</b>				35,000			111,360					
FEDERAL OTHER-CAPITAL GRA												
FED-CAPITAL PROJ GRANTS	4,157	1,424,270	1,013,186	1,059,196	1,445,309	931,670	1,116,277		4.5 %	36.5 %	(35.5)%	19.8 %
FED MEDICAL RAIL												
<b>FEDERAL GRANTS &amp; REIMB</b>	<b>10,972,422</b>	<b>13,969,767</b>	<b>13,504,245</b>	<b>13,432,882</b>	<b>12,971,871</b>	<b>12,421,670</b>	<b>12,747,637</b>		<b>(0.5)%</b>	<b>(3.4)%</b>	<b>(4.2)%</b>	<b>2.6 %</b>
<b>TOTAL GRANTS &amp; REIMB</b>	<b>42,139,786</b>	<b>44,535,127</b>	<b>44,925,949</b>	<b>43,730,137</b>	<b>41,383,743</b>	<b>43,057,485</b>	<b>43,893,136</b>		<b>(2.7)%</b>	<b>(5.4)%</b>	<b>4.0 %</b>	<b>1.9 %</b>

# **Operating Revenue**

## **description of accounts**

### **PASSENGER FARES**

40101 - Individual and bulk fixed route Fastpasses sold at customer service centers and fares sold on fixed route buses; FastPass discount rates, compared to \$3.50 One-Day Pass are:

**7-Day Pass @ 35% Discount [\$16]; 31-Day Pass @ 54% Discount [\$50]**

Other reduced-rate fares include:

40102 – Senior/Disabled

40104 - Student

40106 - Individual and MATAPlus Fastpasses sold at customer service centers and fares sold on MATA Plus buses

40113 - Trolley Fastpasses sold at customer service centers, on trolleys, and at Memphis-in-May booths

### **SPECIAL SERVICE FARES**

40261- Shuttles for sporting events (Tigers basketball)

### **CONTRACTED SERVICE**

40501- Occasional approved shuttle services – e.g., government officials @ 80 hrs per-yr

40205- West Memphis Fixed route and Para-transit contract fee -- \$600k/yr

### **AUXILIARY TRANSPORTATION REVENUE**

40603 - Contractual advertising revenue – advertising on buses and trolleys @\$350k/yr; Clear Channel – advertising at selected bus-shelter locations @ \$150k/yr

40699- Sale of student ID badges at customer service center and sale of MATA Plus ID badges at the front desk

### **NON-TRANSPORTATION REVENUE**

40703 - Radio Tower leases: City Wide Cab \$4k/yr; Gator Freightways \$2k/yr; MIFA \$2k/yr

40731- North End Terminal rental, none is presently being booked

40733 - Central Station facility rental reduced to \$100k; Amtrak \$28k/yr;

40798- Proceeds from sale of fixed assets, buses and service vehicles

40799- Other 'non-classified' revenue: Retiree drug program rebates @ \$100k/yr; Mega Bus \$28k/yr; sale of scrap metal; equipment warranty refunds; sale of maps and photocopies at customer service centers; etc

**FY2016 P&L – Diesel Fuel cost  
projected at \$3.9 million for the year**

- Per-gallon price locked-in, for lowest total cost in six years, since FY10

See pg 7

# DIESEL FUEL

8/24/2015

Budget  
FY2016

FY2009

FY2010

FY2011

FY2012

FY2013

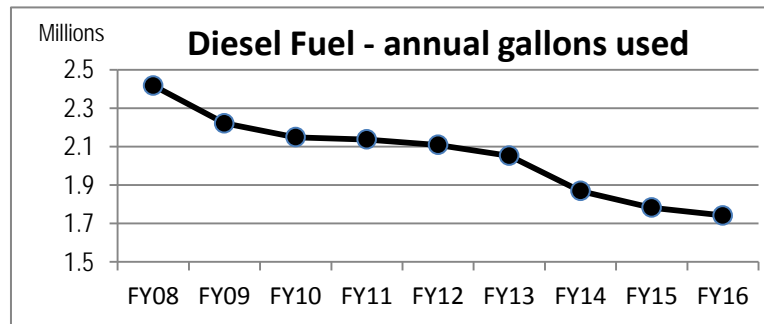
FY2014

FY2015

FY2016

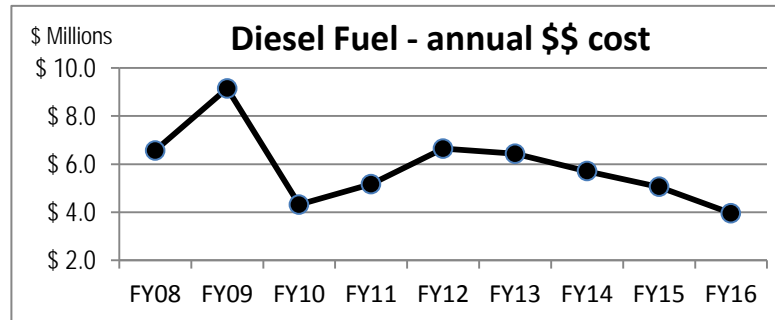
## Gallons - thousands

<b>Usage</b> Thousands	2,221.0 k	2,148.3 k	2,136.6 k	2,109.0 k	2,052.2 k	1,869.1 k	1,782.3 k	1,741.2 k
% Increase/Decrease	- 8.1 %	- 3.3 %	- 0.5 %	- 1.3 %	- 2.7 %	- 8.9 %	- 4.6 %	- 2.3 %
<b>Budgeted for fiscal year</b>	2,305.4 k	2,100.0 k	2,068.3 k	2,067.6 k	2,066.8 k	1,813.0 k	1,771.3 k	1,741.2 k
Variance %-Fav (Unfav)	3.7 %	( 2.3 ) %	( 3.3 ) %	( 2.0 ) %	0.7 %	( 3.1 ) %	( 0.6 ) %	na



## Cost of Fuel \$\$ 000s

Cost \$Thousands	\$ 9,150.4	\$ 4,313.5	\$ 5,160.7	\$ 6,645.2	\$ 6,427.9	\$ 5,702.5	\$ 5,053.3	\$ 3,949.4
avg. per-gallon cost	\$ 4.12	\$ 2.01	\$ 2.42	\$ 3.15	\$ 3.13	\$ 3.05	\$ 2.84	\$ 2.27





## **FY2016 P&L – Insurance/Claims cost projected at \$0.8 million for the year**

- Significant 8.8% savings in annual insurance premiums

See pg 8

## Insurance & Consumer 'Claims' expense - Comparison

8/24/2015

	FY2009 Actual	FY2010 Actual	FY2011 Actual	FY2012 Actual	FY2013 Actual	FY2014 Actual	FY2015 Actual	Total Year FY2016 Budget	Balance Sheet Reserve at 6/30/2015
Insurance Premiums - Property, etc	459,177	495,951	499,641	539,738	454,896	574,280	619,966	564,891	
Claims, from outside parties	434,946	689,499	1,028,860	1,341,178	461,280	190,540	223,329	271,889	( 365,000 )
Self Insurance Premium	73,969	74,290	45,082		31,343	33,040		33,250	
Recoveries	- 136,039	- 43,633	- 23,217	- 21,281	- 31,167		- 25,675	- 25,000	
	\$ 832,054	\$ 1,216,108	\$ 1,550,366	\$ 1,859,635	\$ 916,352	\$ 797,859	\$ 817,621	\$ 845,030	

included above for other  
not-yet-identified FY15 claims > ( 100,000 )

Reflected in "Services":

Liability claims-PMA administration fee      0              0              0              0              0              0              \$    104,970

**FY2016 P&L – Travel cost  
projected at \$70.4 thousand for the year**

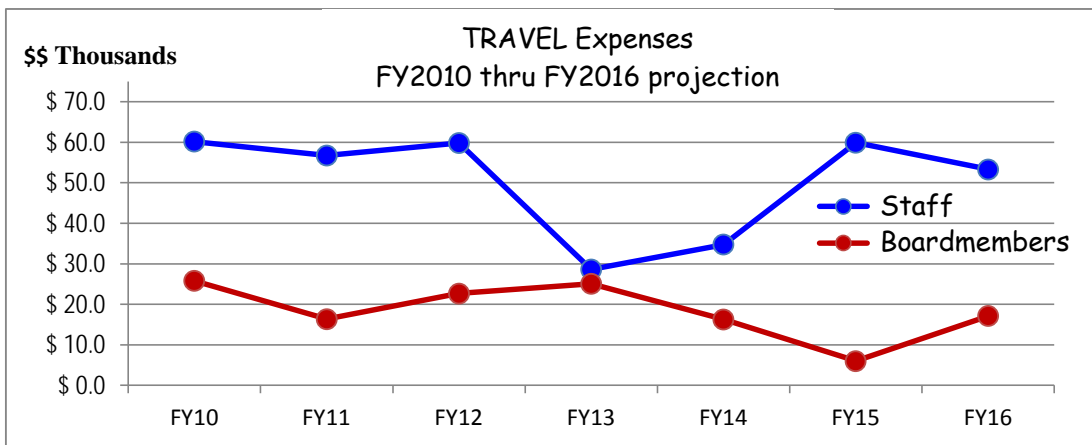
- Travel expense is in line with cost incurred in recent years

See pg 9

Aug 24, 2015

## TRAVEL EXPENSES - FY2016

FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2015	FY2016	
Actual	Actual	Actual	Actual	Actual	Budget	Actual	Budget	
<u>\$ 85,956</u>	<u>\$ 73,130</u>	<u>\$ 82,526</u>	<u>\$ 53,687</u>	<u>\$ 51,020</u>	<u>\$ 52,604</u>	<u>\$ 65,880</u>	<u>\$ 70,419</u>	All Departments
60,176	56,777	59,850	28,604	34,742	40,604	59,876	\$ 53,319	Staff
25,780	16,353	22,675	25,083	16,278	12,000	6,004	\$ 17,100	Boardmembers



### MATA Board - estimated FY16 Travel \$\$

			\$\$ Estimates	Nbr Boardmembers
Denver	Jul-15	Transit Seminar for Boardmembers	\$ 3,600	3
San Francisco	Oct-15	APTA Annual Conference & Expo	\$ 8,100	3
D.C.	May-16	APTA Legislative Conference	\$ 5,400	3
Nashville	?	TPTA 'Day on Hill'	\$ 0	0
			<u>\$ 17,100</u>	

## FY2016 Budget Proposal

August 24, 2015

# FY16 Capital Budget projected at \$10.5 million for the year

**\$ Thousands**

<b>\$ 10,495.9</b>	<b>All PROJECTS</b>
3,450.2	Vehicles
1,951.1	Trolley Rehabilitation and operations infrastructure
109.0	Bus Shelters
3,000.0	Central Station
357.5	WHTC
75.0	American Way
75.0	Airways
600.0	Facilities
63.0	ITS
815.2	Other Projects

**See pg 10**



\$ 10,495.9		PROJECTS	\$ 10,495.9	Department
3,450.2	<b>Vehicles</b>	Buses	800.0	Fixed Route Bus Operations
		MATApplus Vans (10)	600.0	MATApplus Operations
		MATApplus Cutaway Vehicles (8)	850.2	MATApplus Operations
		Trolley	1,200.0	Maintenance – Trolley
109.0	<b>Bus Shelters</b>		109.0	Marketing & Customer Service/Transit Advertising
3,000.0	<b>Central Station</b>			
		Multimodal Center	3,000.0	Maintenance – Trolley
357.5	<b>WHTC</b>	Restroom Refurbishment – WHTC	175.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
		Upgrade Camera System -- WHTC	100.0	Risk Management
		Various agreed-upon improvements	82.5	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
75.0	<b>American Way</b>			
		Roof Replacement – American Way Transit Ctr	75.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
75.0	<b>Airways</b>			
		Trench Drain Repair at Airways Transit Center	75.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
1,951.1	<b>Trolley Rehabilitation and operations infrastructure</b>			
		Motors for Melbourne Trolleys	116.1	Maintenance – Trolley
		Trolley Car Wiring	160.0	Maintenance – Trolley
		North Main Elastomeric Grout Repair	500.0	Maintenance – Trolley
		Butler Station Relocation to Vance	175.0	Maintenance – Trolley
		Trolley Tracks, Switches & Frogs	500.0	Maintenance – Trolley
		Trolley Traction Power Substations	150.0	Maintenance – Trolley
		Trolley Roadbed	100.0	Maintenance – Trolley
		Main Street Trolley Poles	50.0	Maintenance – Trolley
		Trolley Lifts	50.0	Maintenance – Trolley
		Overhead Catenary System	100.0	Maintenance – Trolley
		Trolley Signals	50.0	Maintenance – Trolley
600.0	<b>Facilities</b>			
		Trolley Maintenance Facility Roof	100.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
		Drainage Improvements/ E&W Ditch in Easement	85.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
		Restroom Refurbishment – Levee Road	100.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
		Bus Wash System Upgrade	100.0	Maintenance – Fixed Route/MATApplus/Bldg & Grnds
		Pressure Washers	60.0	Maintenance – Fixed Route/MATApplus
		Bus Lifts	105.0	Maintenance – Fixed Route/MATApplus
		Park-and-Ride Lot Leases (2)	50.0	Fixed Route Bus Operations
63.0	<b>ITS</b>	Laptop Upgrades for Supervisor Vehicles	63.0	Information Technology
815.2	<b>Smaller Projects</b>		815.2	