



OPERATING AND CAPITAL
BUDGET FOR YEAR ENDING
DECEMBER 31, 2019



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CONTACT

CATS 2019 Operating Budget Narrative

The Agency's revenue for 2019 is currently estimated at nearly \$27 million to fund estimated expenses to be \$26.9 million.

CATS CY2019 Operating Budget is \$26,999,987, compared to estimated CY2018 actuals of \$25,534,759. This is an increase of \$1,465,228, or 5.7%.

Highlights:

- **First quarter 2019 implementation of the Service Improvement Plan (SIP), which includes the agency's first Bus Rapid Transit (BRT) route on Plank Road**
- **CY2019 budget includes a full employment for operators**
- **Implementation of Phase I of CATS' Technology Improvement Plan**
- **\$400,000 decrease in cost of Paratransit on demand services**
- **CY2019 Budget includes Catastrophe Coverage as required by the FTA**
- **The first-ever acquisition and delivery of three (3) electric buses**
- **The construction and completion of Cortana Transit Center**
- **The agency's first Microtransit Service Pilot Project**

Throughout the 2018 budget year, CATS has been able to reduce its budget compared to 2017 by nearly \$2.0 million. Furthermore, CATS projects its 2018 year-end actual expenditures to be \$25,534,759, leaving a balance of approximately \$1.0 million in revenues that will be used for capital match and restricted reserves in 2019.

CY18 was a challenging budget year, as CATS sought to position its financial capacity to manage the beginning of its future phased-in service and capital improvements in 2019 and beyond.

There have been a number of improvements in 2018, and several are paving the way for future operating and capital programs, including a Service Improvement Plan that will take place in February 2019. Additionally, these cost efficiency measures will allow for key capital improvement investments in 2019, including the Cortana Transit Center and the North Baton Rouge Transit Center.

Operating Revenue

2019 operating revenues are expected to total \$27.0 million. As indicated by the budget and revenue projections, the majority of CATS operating revenues

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come from the dedicated property tax millage and federal grants; the balance comes from passenger revenues, the Parish Transportation Fund, the Hotel/Motel tax, and advertising revenues.

Operating Expenses

Budgetary measures were put in place in 2018, and CATS expects to continue benefiting from those in 2019. With the addition of eleven new buses (eight diesel and three electric), CATS expects maintenance costs savings as well as improvement in service reliability, which helps ensure improved service performance. CATS is targeting full operator employment in 2019, and has budgeted accordingly. Full employment with operators results in improved customer service and service sustainability. CATS will continue to upgrade its technology efforts in 2019, and this includes the implementation of a new, state-of-the-art financial management software system (ERP) to replace the current antiquated financial system; there will also be an upgrade of CATS desktops, laptops, tablets, servers and related operations and applications.

Capital Program

In addition to the CY19 kick-off of several capital improvement projects, CATS has positioned itself for the next five years with a Board-approved Capital Improvement Investment Plan (CIIP). In 2019, the community will see the arrival of three electric buses, the flagship of the new BRT network CATS is planning. Expected to be Louisiana's first Bus Rapid Transit service, CATS looks to implement the first BRT line on Plank Road in late 2019.

CATS will have its first transit center, the East, or Cortana Transit Center, completed in early 2019. The agency remains focused on efforts to begin the North Baton Rouge Transit Center, adjacent to LSU Health facilities, in 2019.

The CIIP provides for the acquisition of sixteen (16) revenue and four (4) non-revenue vehicles. This will allow CATS to retire older vehicles and obtain an average fixed route fleet age of less than four (4) years.

CATS will continue to retain and attract new ridership while looking to diversify revenue in 2019.

Capital Area Transit System

Operating Budget

For the Year Ending December 31, 2019

Operating Revenues

Draft

Description	2019	2018	Dollar
	Budget	Projected	Variance
Operating Revenue			
Passenger Paid Fares	1,701,630	1,731,821	(30,191)
Special Transit Fares (Contract)	311,319	290,447	20,872
ADA/Paratransit Revenue	92,000	90,963	1,037
Advertising Revenue	732,647	720,098	12,549
Interest Income	162,183	152,474	9,709
Other Agency Revenue	179,366	184,700	(5,334)
Total CATS Generated	3,179,146	3,170,503	8,643
Non Federal Revenue			
Hotel/Motel Tax	1,250,823	1,260,658	(9,835)
Parish Transportation Fund	550,000	550,000	0
* Property Tax Revenue	17,608,470	15,592,201	2,016,268
Total Non Federal	19,409,292	17,402,859	2,006,433
Federal Operating Subsidies			
FTA - Preventive Maintenance	4,186,549	4,101,500	85,049
FTA - Project Administration		124,600	(124,600)
FTA - Planning	225,000	200,000	25,000
FTA - JARC/New Freedom		535,297	(535,297)
Total Federal Operating	4,411,549	4,961,397	(549,848)
Total Operating Revenues	26,999,987	25,534,759	1,465,228
TOTAL SOURCES OF REVENUE	26,999,987	25,534,759	1,465,228

*2018 property tax is estimated at \$17.8 million, \$15.6 million was applied to balance the operating budget; the balance will be applied to capital match, reserve and restricted reserve.

Capital Area Transit System

Operating Budget For the Year Ending December 31, 2019 Operating Expenses

DRAFT

Description	2019	2018	Dollar
	Budget	Projected	Variance
Operating Expenses			
Labor	10,885,580	9,922,072	963,508
Fringe Benefits	6,482,182	6,535,022	(52,840)
Labor and Fringe Benefits	17,367,762	16,457,094	910,668
* Casualty and Liability	1,686,478	1,650,549	35,929
Services	1,790,710	1,680,247	110,463
Purchased Transportation	2,250,000	2,039,282	210,718
Materials & Supplies	2,733,238	2,708,828	24,410
Utilities	272,000	206,365	65,635
Miscellaneous Expenses	739,799	616,843	122,956
Leases and Rentals	160,000	175,551	(15,551)
Total Operating Expenses	26,999,987	25,534,759	1,465,228
NET BALANCE (+/-)	0.00	0.00	

*The Casualty and Liability line item includes a settlement fund of \$300,000.00

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Resolution of CATS Board of Commissioners Approving 2019 Budget

BE IT RESOLVED by the Board of Commissioners of Capital Area Transit System that the attached document setting forth the 2019 budget for the Capital Area Transit System, which has been made available for public inspection and presented to the Board, is hereby approved.

BE IT FURTHER RESOLVED that the agency's Chief Executive Officer shall have the authority to make changes to the line item amounts of the operating budget without the approval of the Board of Commissioners if the change does not exceed 10% in either direction. If the change exceeds a 10% variance in either direction, the agency's Chief Executive Officer shall have to return to the Board of Commissioners for approval. In no event may the amounts for total revenues or total expenditures be changed without approval of the Board of Commissioners.