



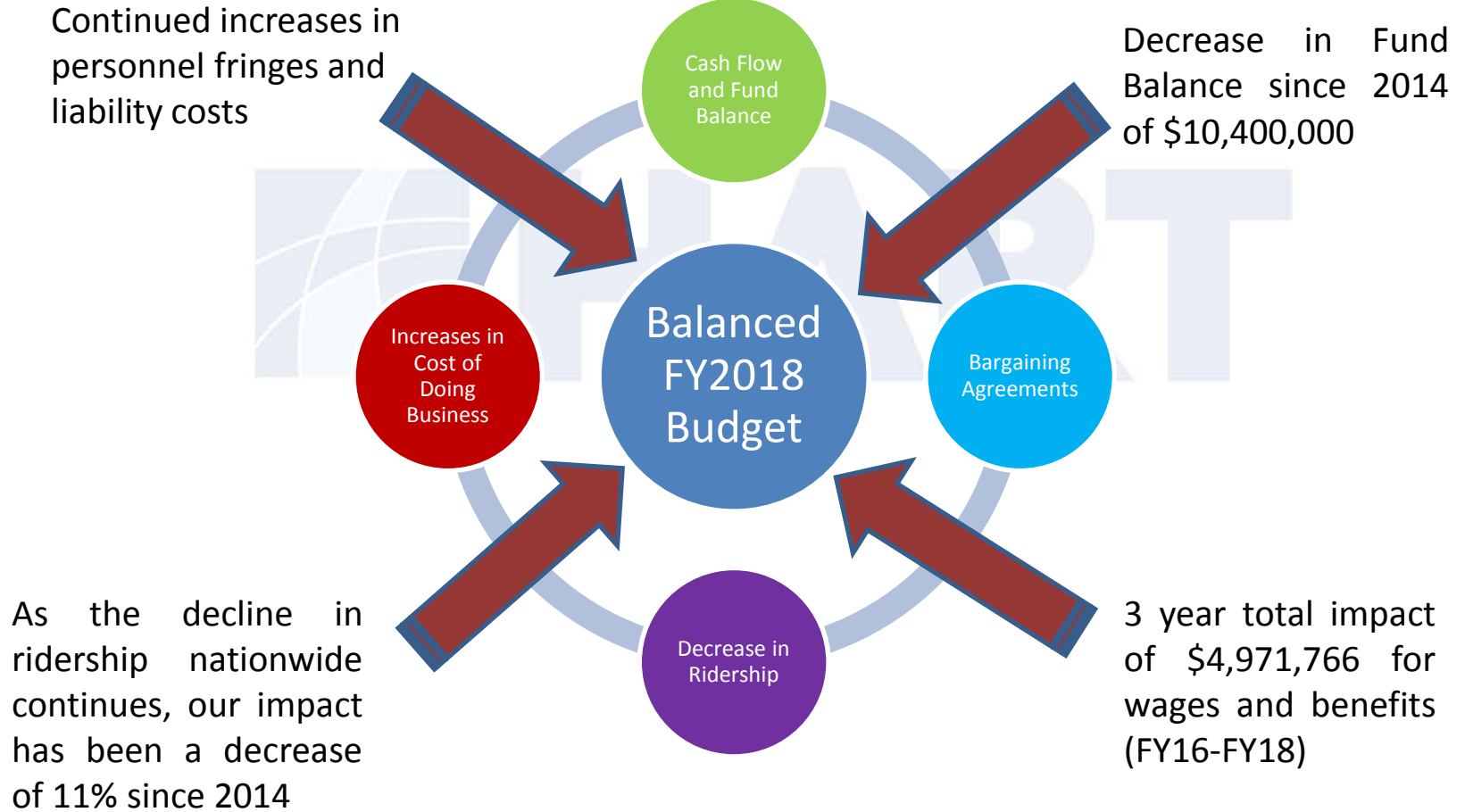
Hillsborough Area Regional Transit Authority

FY2018 Budget Development Preview

Finance and Audit Committee

April 17, 2017

Budgetary Pressures for FY2018



FY2018 Revenue Highlights

- 8% growth in ad valorem estimated at \$2,954,339
 - Commitment to “drop to Fund Balance and not to appropriate”
- Decrease in Fare revenue from FY2017 budget levels
 - \$900,000 less than projected to collect in FY2017
 - \$2,500,000 total revenue reduction in FY16/FY17
- Keeping Federal Formula and State grants flat over FY2017

FY2018 Expenditure Highlights

- **Compensation:**
 - \$1,954,201 contractual increase for Bargaining units
 - Pool for potential lump-sum increase for Non-Bargaining Pay for Performance
- **Tentative Increases:**
 - \$4,000,000 increase to ensure healthcare claims are properly funded
 - \$1,000,000 increase to ensure general liability claims are properly funded
- **Taxi Voucher program**
 - \$500,000 increase to support Taxi Voucher program (total program estimated cost of \$1,000,000 for 62,500 trips; however, if services was provided internally the cost would be \$2,000,000)

Overview Snapshot

- **Beginning draft deficit: \$13,051,401**
 - Based on actual FY2016/FY2017 spending patterns
 - Includes reduction in fare revenue and new expenditure increases
- **Implemented mitigation strategy for beginning deficit reduction**
 - Through Zero-Based Budgeting (ZBB) process, reduction of out-year capital financing payments and actual spend analysis deficit reduced to \$8,550,439
- **Continued mitigation strategy**
 - Analysis of current service model for possible route adjustments (TDP Workshop on April 25)
 - Support function business model analysis
 - Review of non-critical FTE vacancies
 - Healthcare coverage option exploration

Upcoming Budget Related Events

- April 25 Legislative and Strategic Planning Committee Workshop
 - TDP/Service and route development
- May 1 HART Board Meeting
 - Budget development preview
- June 5 HART Board Meeting
 - Tentative FY2018 Budget presented
- July 17 HART Board Meeting
 - Setting of Not-to-Exceed Millage Rate
- August 7 HART Board Meeting
 - Proposed FY2018 Budget presented
- September Public Hearings (TBD)
 - Adoption of FY2018 Operating and Capital Budgets