



Hillsborough Area Regional Transit Authority

Options for Future Revenue Growth Investment

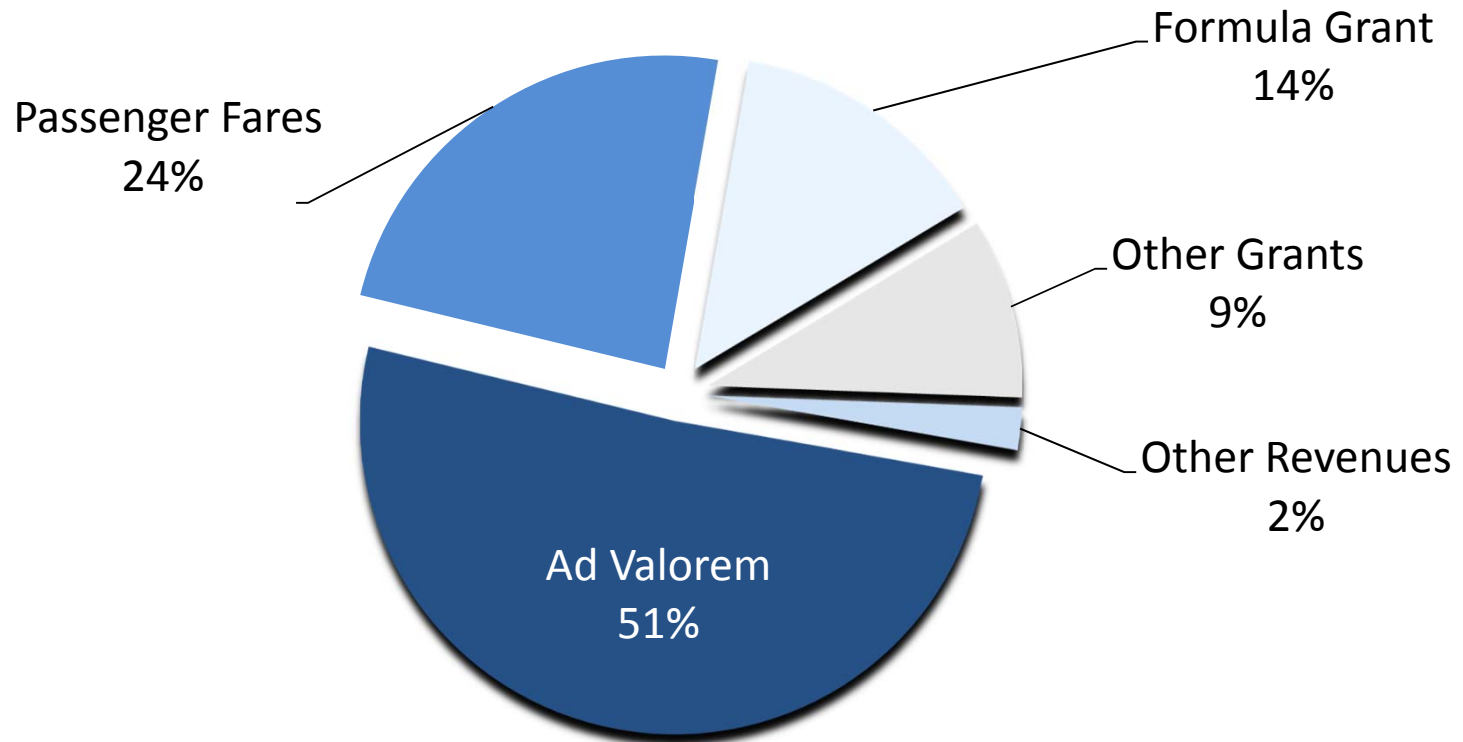
HART Finance and Audit Committee

June 20, 2016

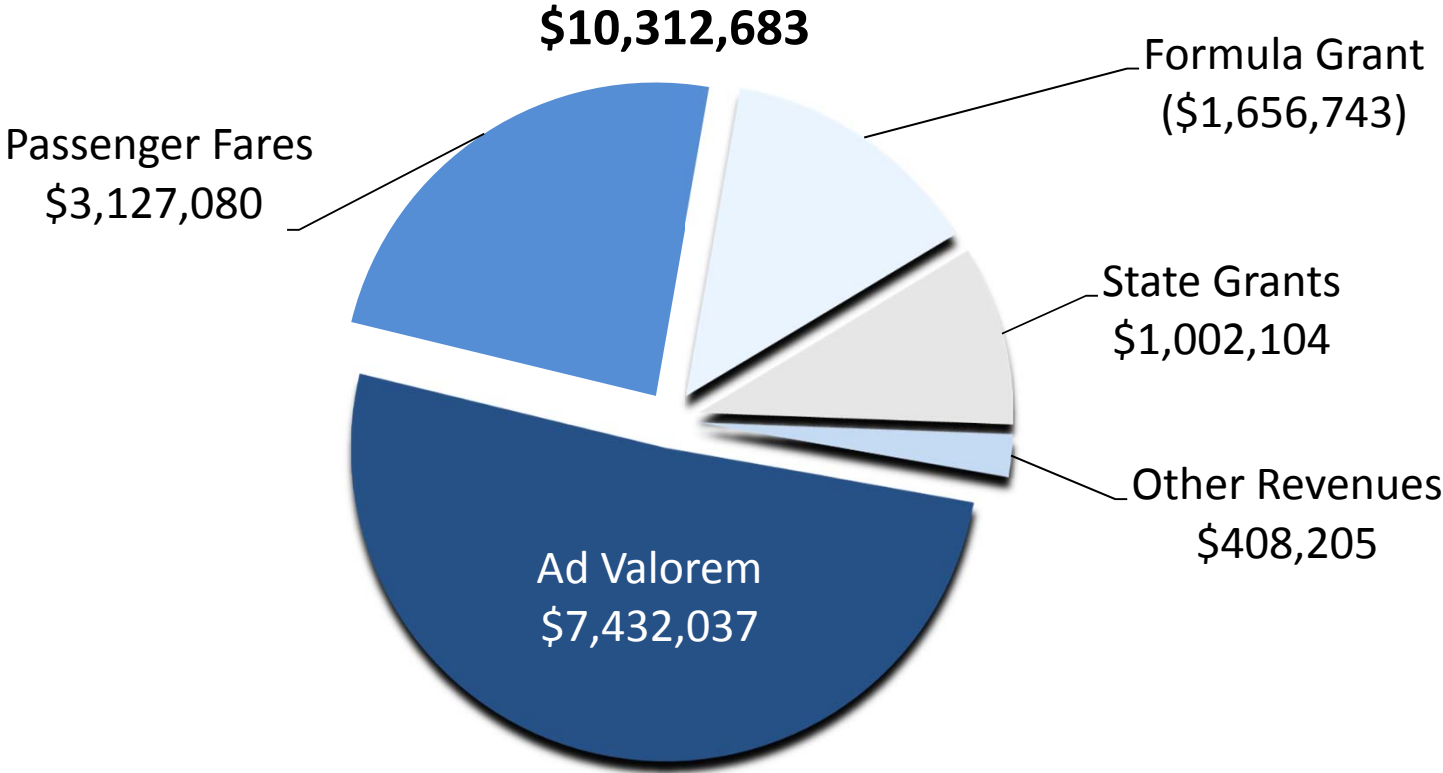
Overview

- June 6th Board discussion on possible new revenue growth policy
 - “50% of all new growth in revenue (ad valorem) dedicated to Capital”
 - Focus on funding the TDP
 - Board member questions concerning impact on current and planned budgets and long-term financial implications

Operating Revenues



Operating Revenue Growth Cumulative 2012 - 2016



Proposed Shift to Capital (Federal Recalibration Intact)

	<i>Adopted</i>	<i>Tentative</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Property Taxes	\$35,139,712	\$36,847,650	\$39,500,681	\$43,016,241	\$45,812,297	\$48,744,284
AV to CIP	(\$255,000)	(\$2,140,668)	(\$1,326,515)	(\$1,757,780)	(\$1,398,028)	(\$1,465,994)
Fares/Passes	\$17,201,411	\$17,320,549	\$17,666,960	\$17,843,630	\$18,022,066	\$18,202,287
Operating Grants	\$6,368,387	\$6,692,098	\$6,692,098	\$6,692,098	\$6,692,098	\$6,692,098
Formula	\$9,745,665	\$9,799,499	\$9,000,000	\$8,000,000	\$7,000,000	\$6,000,000
Other	<u>\$1,381,444</u>	<u>\$1,578,181</u>	<u>\$1,593,963</u>	<u>\$1,609,902</u>	<u>\$1,626,001</u>	<u>\$1,642,261</u>
Revenue	\$69,581,619	\$70,097,309	\$73,127,186	\$75,404,091	\$77,754,435	\$79,814,937
Expenses	\$68,025,479	\$72,237,977	\$76,572,256	\$81,166,591	\$86,036,586	\$91,198,782
<i>Shortfall/Overage</i>	<i>\$1,556,140</i>	<i>(\$2,140,668)</i>	<i>(\$3,445,069)</i>	<i>(\$5,762,500)</i>	<i>(\$8,282,152)</i>	<i>(\$11,383,845)</i>

Proposed Shift to Capital (No Federal Recalibration)

	<i>Adopted</i>	<i>Tentative</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Property Taxes	\$35,139,712	\$36,847,650	\$39,500,681	\$43,016,241	\$45,812,297	\$48,744,284
AV to CIP	(\$255,000)	(\$2,140,668)	(\$1,326,515)	(\$1,757,780)	(\$1,398,028)	(\$1,465,994)
Fares/Passes	\$17,201,411	\$17,320,549	\$17,666,960	\$17,843,630	\$18,022,066	\$18,202,287
Operating Grants	\$6,368,387	\$6,692,098	\$6,692,098	\$6,692,098	\$6,692,098	\$6,692,098
Formula	\$9,745,665	\$11,940,167	\$12,892,851	\$13,021,779	\$13,151,997	\$13,283,517
Other	\$1,381,444	\$1,578,181	\$1,593,963	\$1,609,902	\$1,626,001	\$1,642,261
Revenue	\$69,581,619	\$72,237,977	\$77,020,037	\$80,425,871	\$83,906,432	\$87,098,454
Expenses	\$68,025,479	\$72,237,977	\$76,572,256	\$81,166,591	\$86,036,586	\$91,198,782
<i>Shortfall/Overage</i>	\$1,556,140	\$0	\$447,782	(\$740,720)	(\$2,130,155)	(\$4,100,328)

Current Formula Split

5307 Program of Projects - Split between operating and capital						
FTA Year of Appropriation						
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Operating	9,793,199	11,080,669	10,664,273	10,700,273	10,667,352	9,745,665
Capital	1,180,109	227,608	1,345,626	1,620,332	1,684,051	3,019,534
	=====	=====	=====	=====	=====	=====
Total	\$10,973,308	\$11,308,277	\$12,009,899	\$12,320,605	\$12,351,403	\$12,765,199
	=====	=====	=====	=====	=====	=====
% Operating	89%	98%	89%	87%	86%	76%
% Capital	11%	2%	11%	13%	14%	24%

Historic Comparisons

	<u>Actual</u> <u>FY2012</u>	<u>Actual</u> <u>FY2013</u>	<u>Actual</u> <u>FY2014</u>	<u>Actual</u> <u>FY2015</u>	<u>Budget</u> <u>FY2016</u>	<u>Proposed</u> <u>FY2017</u>	Add'l rev FY13	Add'l rev FY14	Add'l rev FY15	Add'l rev FY16	Add'l rev FY17	Add'l rev 5 years
Revenues												
Ad Valorem	29,415,613	27,946,702	30,171,450	32,398,547	35,139,172	36,847,650	(1,468,911)	2,224,748	2,227,097	2,740,625	1,708,478	7,432,037
<i>Ad Valorem transfer to CIP</i>		<i>(1,480,359)</i>	<i>(408,756)</i>	<i>(1,480,359)</i>	<i>(255,000)</i>							
Fares	14,193,469	15,540,021	16,423,159	16,597,316	17,201,411	17,320,549	1,346,552	883,138	174,157	604,095	119,138	3,127,080
State	4,689,055	5,351,617	5,295,505	4,906,810	5,319,707	5,691,159	662,562	(56,112)	(388,695)	412,897	371,452	1,002,104
Federal	11,456,242	11,410,293	11,508,660	10,726,311	9,793,406	9,799,499	(45,949)	98,367	(782,349)	(932,905)	6,093	(1,656,743)
Other	2,170,915	1,775,852	2,715,010	3,589,880	826,783	2,579,120	(395,063)	939,158	874,870	(2,763,097)	1,752,337	408,205
Total Revenues	61,925,294	60,544,126	65,705,028	66,738,505	68,025,479	72,237,977	99,191	4,089,299	2,105,080	61,615	3,957,498	10,312,683
Total Operating Expenditures	58,205,096	61,878,241	66,309,233	70,388,866	68,025,479	72,237,977						
Cost of Additional Service		1,161,354	1,759,936	580,471	944,834	1,100,612					5 years service	5,547,207
Increase of		2.90%	5.43%	1.66%	2.59%	5.20%					5 years increase in AV	7,432,037
Service increase as % of overall OE		1.88%	2.65%	0.82%	1.39%	1.52%					Service is % of AV	75%
Service increase as % of increase over last year AV			79.11%	26.06%	34.48%	64.42%						

Historic Comparisons

	Actual	Actual	Actual	Actual	Budget	Proposed	Add'l rev	Add'l rev	Add'l rev	Add'l rev	Add'l rev	Add'l rev
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	FY13	FY14	FY15	FY16	FY17	5 years
Revenues												
Ad Valorem	29,415,613	27,946,702	30,171,450	32,398,547	35,139,172	36,847,650	(1,468,911)	2,224,748	2,227,097	2,740,625	1,708,478	7,432,037
<i>Ad Valorem transfer to CIP</i>		<i>(1,480,359)</i>	<i>(408,756)</i>	<i>(1,480,359)</i>	<i>(255,000)</i>							
Fares	14,193,469	15,540,021	16,423,159	16,597,316	17,201,411	17,320,549	1,346,552	883,138	174,157	604,095	119,138	3,127,080
State	4,689,055	5,351,617	5,295,505	4,906,810	5,319,707	5,691,159	662,562	(56,112)	(388,695)	412,897	371,452	1,002,104
Federal	11,456,242	11,410,293	11,508,660	10,726,311	9,793,406	9,799,499	(45,949)	98,367	(782,349)	(932,905)	6,093	(1,656,743)
Other	2,170,915	1,775,852	2,715,010	3,589,880	826,783	2,579,120	(395,063)	939,158	874,870	(2,763,097)	1,752,337	408,205
Total Revenues	61,925,294	60,544,126	65,705,028	66,738,505	68,025,479	72,237,977	99,191	4,089,299	2,105,080	61,615	3,957,498	10,312,683
Total Operating Expenditures	58,205,096	61,878,241	66,309,233	70,388,866	68,025,479	72,237,977						
Cost of Additional Service		1,161,354	1,759,936	580,471	944,834	1,100,612					5 years service	5,547,207
Increase of		2.90%	5.43%	1.66%	2.59%	5.20%					5 years increase in AV	7,432,037
Service increase as % of overall OE		1.88%	2.65%	0.82%	1.39%	1.52%					Service is % of AV	75%
Service increase as % of increase over last year AV			79.11%	26.06%	34.48%	64.42%						

Historic Comparisons

	Actual	Actual	Actual	Actual	Budget	Proposed	Add'l rev	Add'l rev	Add'l rev	Add'l rev	Add'l rev	Add'l rev
	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	FY13	FY14	FY15	FY16	FY17	5 years
Revenues												
Ad Valorem	29,415,613	27,946,702	30,171,450	32,398,547	35,139,172	36,847,650	(1,468,911)	2,224,748	2,227,097	2,740,625	1,708,478	7,432,037
<i>Ad Valorem transfer to CIP</i>		<i>(1,480,359)</i>	<i>(408,756)</i>	<i>(1,480,359)</i>	<i>(255,000)</i>							
Fares	14,193,469	15,540,021	16,423,159	16,597,316	17,201,411	17,320,549	1,346,552	883,138	174,157	604,095	119,138	3,127,080
State	4,689,055	5,351,617	5,295,505	4,906,810	5,319,707	5,691,159	662,562	(56,112)	(388,695)	412,897	371,452	1,002,104
Federal	11,456,242	11,410,293	11,508,660	10,726,311	9,793,406	9,799,499	(45,949)	98,367	(782,349)	(932,905)	6,093	(1,656,743)
Other	2,170,915	1,775,852	2,715,010	3,589,880	826,783	2,579,120	(395,063)	939,158	874,870	(2,763,097)	1,752,337	408,205
Total Revenues	61,925,294	60,544,126	65,705,028	66,738,505	68,025,479	72,237,977	99,191	4,089,299	2,105,080	61,615	3,957,498	10,312,683
Total Operating Expenditures	58,205,096	61,878,241	66,309,233	70,388,866	68,025,479	72,237,977						
Cost of Additional Service		1,161,354	1,759,936	580,471	944,834	1,100,612					5 years service	5,547,207
Increase of		2.90%	5.43%	1.66%	2.59%	5.20%					5 years increase in AV	7,432,037
Service increase as % of overall OE		1.88%	2.65%	0.82%	1.39%	1.52%					Service is % of AV	75%
Service increase as % of increase over last year AV			79.11%	26.06%	34.48%	64.42%						