

Rhode Island Public Transit Authority

Governor's FY 2017 Revised,
FY 2018 and Capital Budget Recommendations
House Finance Committee
April 12, 2017

Organization and Structure

- Quasi-public agency
- Established in 1964
- Responsible:
 - Fixed route bus service and
 - Americans with Disabilities Act paratransit service operations
- Governed by an 8-member Board of Directors
 - 7 are appointed by the Governor
 - DOT Director or designee

Organization and Structure

- Services
- 1,436 square miles
- Operates 2,900 daily trips
- 54 statewide fixed routes
 - Routes range from 2.5 miles to 45.5 miles
- Fleet of 232 buses and trolleys and 123 paratransit vans
- Fares
 - One-way: \$2.00
 - Monthly pass: \$70.00
 - Effective March 1, 2016

Ridership – Passengers

- FY 2011: 18.2 million
- FY 2012: 20.1 million
- FY 2013: 20.0 million
- FY 2014: 20.5 million
- FY 2015: 18.5 million
- FY 2016: 18.2 million
- Totals include 0.4 million to 0.7 million passengers annually on Ride Paratransit vehicles

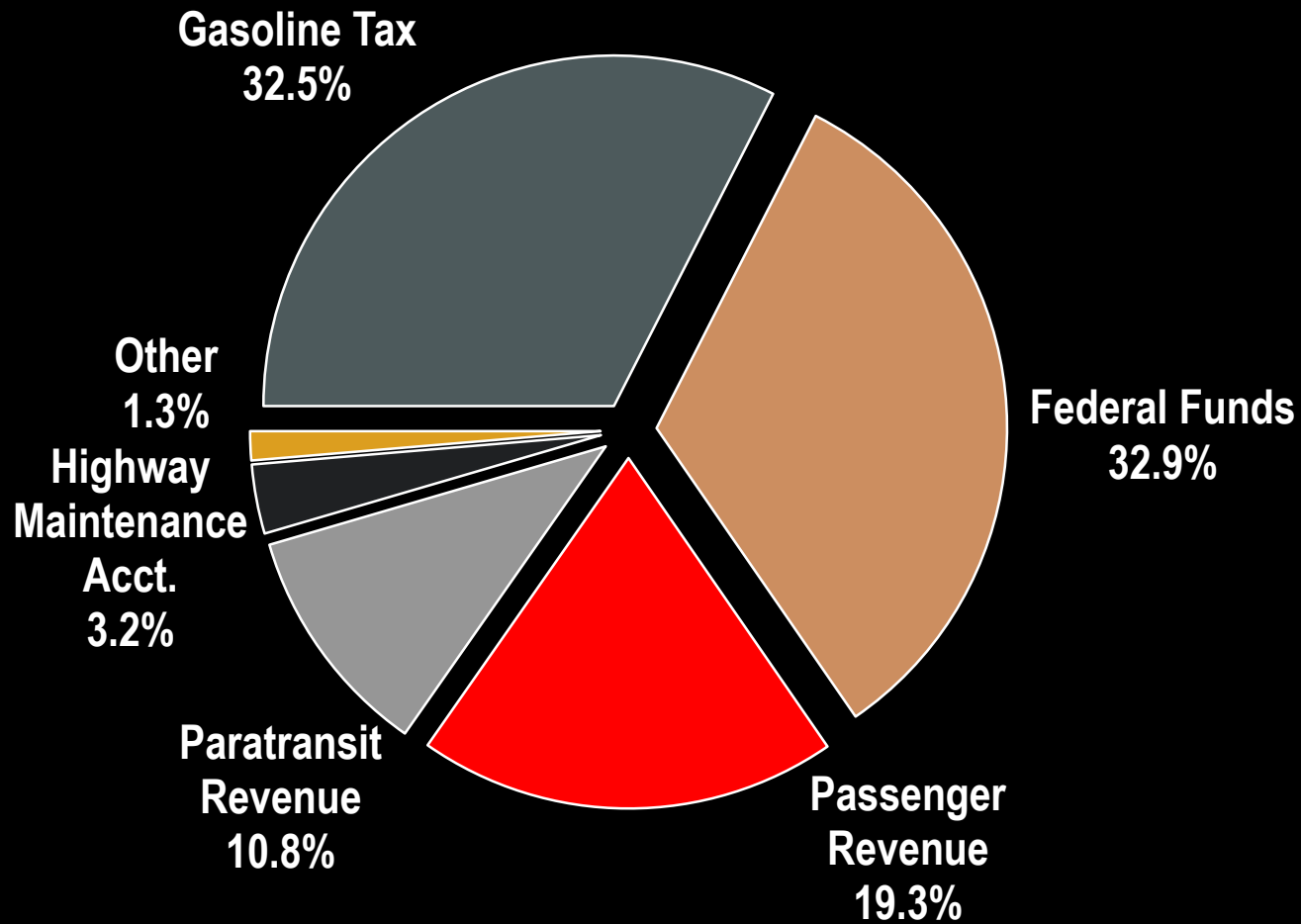
Revenues

Governor	FY 2017	FY 2018
Gasoline Tax*	\$43.5	\$43.4
Federal Funds	33.4	43.9
Passenger Revenue	22.6	25.8
Paratransit Revenue	11.0	14.4
Highway Maintenance Account - 5.0%**	4.5	4.3
State Support	0.9	-
Other	1.9	1.8
Total (\$ in millions)	\$117.8	\$133.6

**Does not reflect updated yield*

***FY 2017 appears to be overstated*

FY 2018 Revenue Sources



Gasoline Tax Proceeds (cents)

Entity	Share
Department of Transportation	19.25
<i>Public Transit Authority</i>	9.75
Turnpike and Bridge Authority	3.5
Elderly Transportation (DHS)	1.0
Environmental Protection Fee	0.5
Total	34.0

Gasoline Tax Proceeds

<i>Fiscal Year</i>	<i>Per Penny Yield*</i>	<i>RIPTA Share</i>	<i>Total Funding*</i>
2009	\$4.327	7.75	\$42.2
2010	\$4.185	9.75	\$40.8
2011	\$4.268	9.75	\$41.6
2012	\$4.206	9.75	\$41.0
2013	\$4.137	9.75	\$40.3
2014	\$4.236	9.75	\$41.3
2015	\$4.396	9.75	\$42.9
2016	\$4.479	9.75	\$43.7

**In millions*

Gas Tax Disposition

- Governor proposes legislation in Article 8, Section 1
 - Allows RIPTA to receive 79% of 1.0 cent that DHS receives for Elderly/Disabled Transportation
 - DHS would retain its 21% share
 - Currently, DHS receives money and then pays RIPTA
- Hearing was held on March 22nd

Passenger Revenues

Sources	FY 2017	FY 2018
Farebox*	\$8.2	\$10.5
Student/University Passes	4.4	4.4
Monthly Passes	3.3	3.4
Rite Care	2.6	2.6
Senior Rides	2.5	2.5
Other Passes	1.6	2.4
Total <i>(in millions)</i>	\$22.6	\$25.8

* *Combination of full year of senior/disabled fare and expected revenue growth*

RI Public Transit Authority

2014 Assembly Change

- Allocated 5.0% of funding from Highway Maintenance Account to RIPTA
 - Support operations beginning in FY 2016
 - Grow with increasing amounts of revenue in account
 - FY 2016 - \$2.7 million
 - FY 2017 - \$4.0 million
 - FY 2018 - \$4.3 million
- Part of overall plan to dedicate more money to transportation

RI Public Transit Authority

2015 Assembly change

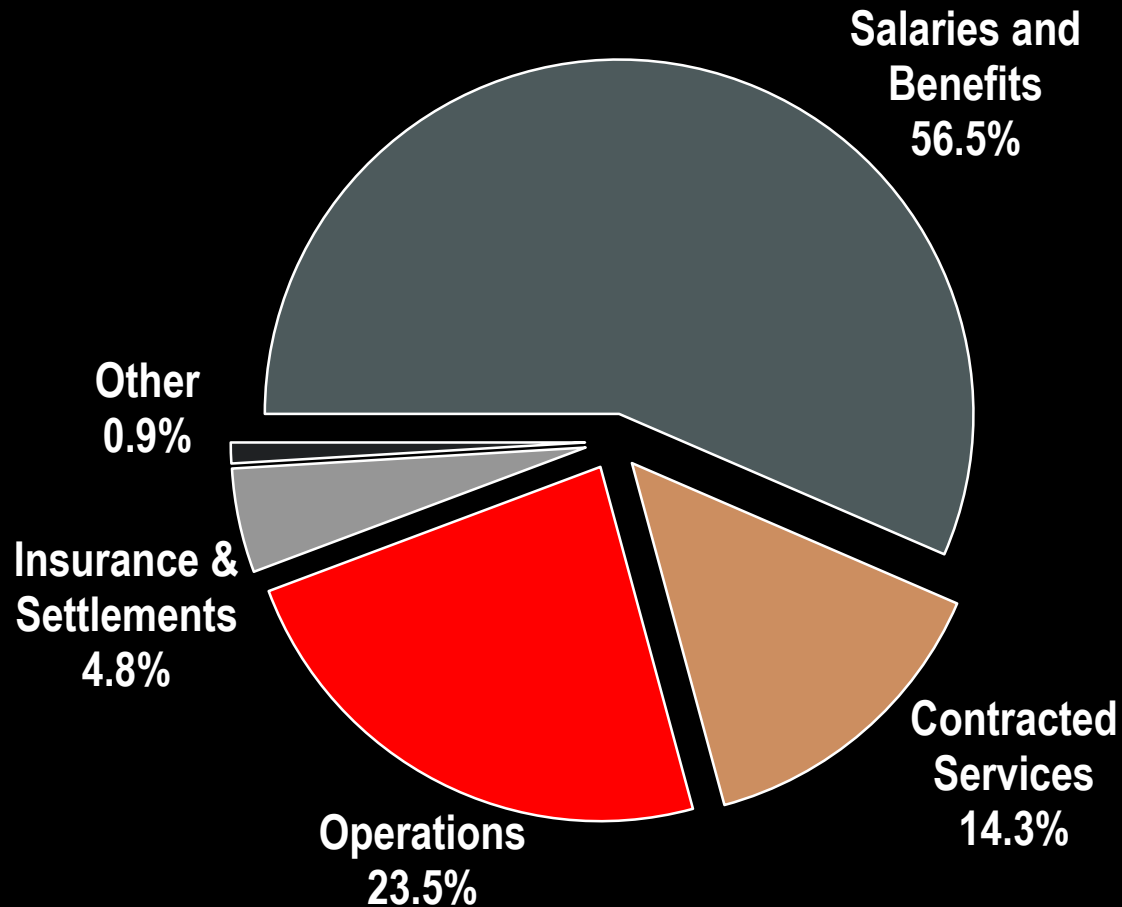
- Adopted legislation to allow RIPTA to charge low income elderly or disabled up to half-fare rate
 - Effective October 2015
- Put RIPTA more in line with other states and federal guidelines
- Board approved \$0.50 or 1/4 of current fare rate
 - Effective February 1, 2017

Expenditures

	FY 2017	FY 2018*	Chng.	%age Chng.
Salaries and Benefits	\$74.9	\$75.8	\$0.9	1.2%
Contracted Services	12.6	19.2	6.7	52.9%
Operations	23.0	31.5	8.5	37.0%
Insurance and Settlements	6.0	6.4	0.4	6.7%
All Other	1.1	1.3	0.1	1.8%
Total (\$ in millions)	\$117.6	\$134.2	\$16.6	

*Adjusted to reflect debt service of \$1.6 million is supported with general revenues

FY 2018 Expenditures



Expenditures

- Contracted services and operating increase by \$15.2 million from FY 2017 to FY 2018
- Inclusion of federal funds
 - Pass-through for Providence Transit Connector Project
 - Working with RIDOT to improve transit corridor between Kennedy Plaza, Providence Train Station and other hubs
 - Project is separate/distinct from Transit Hub
 - Voters approved \$35.0 million from GO bonds for in 2014

Expenses – Insurance

Insurance and Settlements

- Authority is self insured
 - Auto liability
 - Property damage and
 - Workers' compensation claims
- Expenditures fluctuate:
 - \$2.9 million in FY 2013
 - \$3.8 million in FY 2014
 - \$5.2 million in FY 2015
 - \$4.4 million in FY 2016

Staffing

- Budgeted for 831.0 positions
- 35 non-union members
- Union members belong to:
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
 - 808 – General Clerical and Administrative

FY 2018 Expenses

Contract Negotiations

- Two of three union contracts expired on June 30, 2016
 - 618 – Bus Operations/Maintenance
 - 618 A – Street and Shop Supervisors
- No settlements reached through negotiations
- Arbitration to start in July 2017

Expenses – *Salaries & Benefits*

Salary and Benefit Costs

- FY 2018 budget includes \$75.8 million for salary/benefit costs of 831.0 positions
 - FY 2017 to FY 2018, reflects an increase of \$0.9 million or 1.2 percent
- Currently 784.0 FTE positions filled
 - 94% filled to budget

Expenses – Overtime

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Yr. to Date
Salaries/Wages	\$38.4	\$38.4	\$38.9	\$40.1	\$41.1	\$27.3
Overtime	5.7	6.8	7.4	7.8	8.0	5.8
Total (in millions)	\$44.2	\$45.2	\$46.4	\$47.9	\$49.1	\$33.1
Overtime as a % of salaries/wages	14.9%	17.8%	19.1%	19.4%	19.4%	21.2%
Overtime share of total	13.0%	15.1%	16.1%	16.2%	16.2%	17.5%

Expenses – Overtime

- Time and half
 - Over 8 hours per day
 - Over 40 hours per week
- Double time
 - On 7th consecutive day of working
 - After 12th hour of any day working
- In process of filling 14 bus drivers
 - Held job fairs
 - Shortage of drivers with commercial license

FY 2018 Expenses

- Employee Benefits
- Defined pension benefit plan
- Health care benefits consistent with state employees
 - Co-shares and waivers are same for non-represented; but difference for union
- Currently in 2008 benefit plan
 - Considered moving to 2014 plan - with deductible
 - Upon expiration of contracts
 - Last contract expires on June 30, 2017

FY 2018 Expenses

- Retiree Health – State Employees
 - Pre-2008
 - Co-shares were in place but close to zero
 - No spousal coverage
 - Plan's price was subsidized by offering it at the active rate
 - Post-2008
 - Allowed to buy plan at 100% of cost
 - Must have at least 20 years of service & be age 59 to be eligible for state subsidy
 - 20% cost share of actual plan
 - No subsidy for spousal coverage

FY 2018 Expenses

- 2012 Assembly adopted legislation establishing a Medicare exchange for eligible retirees
- Offer a wider array of health benefit choices
- State set up a Health Reimbursement Arrangement (HRA) for each retiree and deposits state subsidy into account each month
 - Administered by OneExchange

FY 2018 Expenses

- Retiree Health – RIPTA
 - Effective January 1, 2016
 - Authority offered Health Reimbursement Arrangement (HRA) to its eligible retirees
 - Eligible retiree receives \$225/month
 - Spouse receives \$125/month
- Includes only pay-go portion of OPEB
 - \$2.1 million for pay-go – FY 2018 costs only
 - \$3.4 million – if paid on actuarial basis
- \$62.1 million - total unfunded liability
 - Actual valuation date 7/1/2015

Expenses – Operating

Operating expenses - \$31.5 million

- Fuel and maintenance
- Ride program expenses and ADA
- Historically, operating expenses included RIPTA's share of debt service for general obligation bonds
 - State general revenues used from FY 2013 through FY 2017
- Governor includes general revenues for debt service in FY 2018

Expenses – Contracted Services

- Contracted Services - \$19.2 million
 - ADA operations
 - Legal services
 - Actuarial studies
 - Auditing services
 - Environmental services
 - Project support

Projections

- FY 2017 enacted – Assembly provided \$0.9 million for general operating support
- FY 2017 revised
 - Submitted in July 2016
 - Authority projected surplus of \$0.2 million
- FY 2018 budget submitted in Oct. 2016
 - Authority projected deficit of \$2.1 million
 - Assumed Authority would pay its debt of \$1.6 million
- Governor's recommended budgets
 - Showed surplus of \$0.2 million in FY 2017
 - Showed deficit of \$0.6 million in FY 2018

Capital Recommendation

Projects	Status	5 Yr. Total	Total
College Hill Bus Tunnel	New	\$8.3	\$9.3
Providence Transit Connector	New	14.7	15.0
Pawtucket Bus Hub and Transit Connector	New	6.7	7.0
Bus Purchases	Revised	31.1	143.6
Farebox Upgrade	Revised	5.5	5.5
Land and Buildings	Revised	6.2	21.6

Capital Recommendation

Projects	Status	5 Yr. Total	Total
Enterprise Software	Ongoing	-	1.6
Fixed Route & Paratransit Cameras	Ongoing	-	2.3
Information Technology Redundancy	Ongoing	0.9	1.9
Intelligent Transportation System	Ongoing	-	8.4
Paratransit Vehicles	Ongoing	7.0	35.1
Total <i>(in millions)</i>		\$80.5	\$251.3

Capital – College Hill Bus Tunnel

College Hill Bus Tunnel

- Governor recommends \$9.3 million from RICAP, federal funds & RIPTA sources
 - Make structural and drainage repairs and safety improvements
 - Tunnel was built in 1914 and last renovated in 1992
 - More than 300 trips are made daily through tunnel

Capital – *Pawtucket Bus Hub*

- Pawtucket Bus Hub and Transit Corridor
- Governor recommends \$7.0 million from RICAP, federal funds and local sources
 - To build a transit hub
 - Adjacent to new commuter rail station on Pawtucket/Central Falls border
 - Include 6 to 8 bus berths, shelters, real-time bus information, ticket vending machines, waiting space and restrooms

Capital – *Bus Purchases*

- Five year plan includes \$31.1 million for purchases
- Recommendation includes \$3.1 million from Highway Maintenance Account
 - Provide resources for RIPTA to finance its bus purchases
 - \$2.9 million in FY 2018
 - \$0.2 million in FY 2019
 - Less resources to RIDOT
- TIP would be amended to reflect this expenditure

Capital – *Bus Purchases*

- Recommendation also assumes use of \$3.5 million from RI Capital Plan funds as state match in FY 2022
- 2016 Assembly rejected similar proposal
 - Historically capital plan funds are not used for vehicle purchases

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