



2011
*Management
&
Financial Plan*

*Indianapolis Public
Transportation Corporation*

Introduced to IndyGo Board: Thursday, August 5, 2010

IndyGo Board Adopted On: Monday, August 30, 2010

City County Council Adopted on:

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION

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To: IPTC Chair and Board of Directors
Re: IndyGo 2011 Financial & Management Plan
From: Michael A. Terry, President and CEO
Date: August 5, 2010

Introduction

Attached for your review and consideration is the 2011 IPTC proposed budget. The circumstances surrounding our current budget proposal include double-digit increases in the cost of doing business and revenue sources that are flat or reduced from previous years. The anticipated costs to operate at our existing level of service were calculated against revenues from our existing revenue streams. At this time the difference of \$2,913,247 was included as revenue from other funding sources for the 2011 budget. The revised 2010 budget is funded. Decisions about how to close 2011 budget gap through a combination of additional revenue sources and reduction in operating expenses will be forthcoming.

2011 Operating Budget Overview

The 2011 Operating Budget Expenditure totals \$55.1M. This represents a decrease of \$0.3M compared to the final revised 2010 budget of \$54.8M. The proposed budget operates as much service as possible within existing revenue streams while continuing to use Federal Capital Funds to rebuild key elements of our system's infrastructure. The operating budget as proposed includes the following objectives:

1. Maintains fixed route services at the 2010 level through 2011. Fixed Route service evaluations and moderate adjustments will continue to be conducted on existing service utilizing the board approved service standards policy.
2. Para transit service (Open Door) will mirror fixed route service in accordance with Federal law. Alternative funding sources for Para transit services outside the ADA ¼ mile area are being explored for implementation in 2011. Costs for purchased transportation and dispatch services for demand response are anticipated to increase at a rate of 5% over that of the prior year. The current agreement expires on December 31, 2010 and a new contract will be bid for 2011.
3. The taxicab voucher program for certified Para transit riders will continue in 2011. This public private partnership has enabled us to reduce the cost per ride for non-ambulatory paratransit riders and improve the quality of service.
4. Utilizing a new Para transit scheduling system and creative operational services, we will continue our efforts to achieve more efficiency and improve service.
5. The Airport Express (Green Line) demonstration service project funded through Federal Congestion Mitigation Air Quality (CMAQ) fund will continue through 2011.
6. The federal Congestion Mitigation Air Quality (CMAQ) grant for the IndyGo Commuter Express (ICE) service will be exhausted by the end of 2010. IndyGo has no plans to continue this service but is working with the Central Indiana Regional Transportation Authority on their efforts to continue the express bus program.

7. We will continue to develop relationships with educational institutions, large employers and special groups to increase ridership and utilization of our transit services.
8. No money has been budgeted to restore security details at the bus facility or on the streets; however efforts to secure federal grants continue. IndyGo maintains a close working relationship with IMPD in support of our transit safety and security efforts.
9. Utilizing ARRA (federal stimulus) and other capital funds, IndyGo invested in capital projects that will improve our operating efficiency and help to reduce our facility maintenance and energy costs. As part of the ARRA funding, IndyGo will receive 22 new large fixed route buses in January 2011. Ten of the new buses will be equipped with hybrid electric power systems further reducing energy and operational costs and harmful emissions.
10. We continue to use a rolling fixed price contract approach to lock in fuel prices at various times for 2011 to eliminate risk to market price fluctuations and control costs. Diesel fuel costs for 2010 are expected to average \$2.07 per gallon. Fuel costs for 2011 are expected to be \$2.28 per gallon.
11. We will continue efforts to maintain the full time workforce staffing levels necessary to provide scheduled service and control overtime costs within the fixed route and maintenance areas.
12. We will continue our participation in two professional organizations; the American Public Transportation Association (APTA) and the Conference of Minority Transportation Officials (COMTO). A number of IndyGo employees have assumed leadership roles in APTA and COMTO to share and utilize best practices with our peer cities to increase efficiency and improve service.
13. IPTC launched a wellness program and an on site clinic in 2009 in support of a long term strategy to improve the health of our employees and family members and control health costs. At this time however we are projecting benefit costs to increase 20%.
14. A provision for pay increases for bargaining unit employees of 1.5% effective July 1, 2010 and 2.25% effective January 1, 2011 was made (Approximately 86% of the workforce). A provision for non-bargaining unit employees was not made.
15. Repayment of the \$2M loan with the City of Indianapolis has been extended to 2011. A new loan agreement was executed that provides for IPTC to make investments in certain capital assets that have mutual benefit to the City and IPTC. Consequently, repayment of the loan has not been budgeted in the general fund.
16. IPTC has applied for an extension of CMAQ grant funding for the Transit Awareness and Outreach program. Income and expenses for this program for 2011 have been budgeted; however, the grant has not yet been awarded.