



*IndyGo*SM

2023 MANAGEMENT & FINANCIAL PLAN

FISCAL YEAR JANUARY 1, 2023 - DECEMBER 31, 2023

INTRODUCED TO INDYGO BOARD: JULY 28, 2022

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION

TABLE OF CONTENTS

PROPOSED BUDGET - FY 2023

Distinguished Budget Presentation Award.....	1
Transmittal Letter.....	2
Organization and Governance.....	8
Financial Structure, Policy, and Process.....	14
General Operating Fund	
Revenue	
Revenue Assumptions.....	27
Operating Revenue Budget Summary - Future Years Outlook.....	31
Expenditures	
Financial Plan Assumptions.....	33
Operating Expenditures Categories.....	35
Operating Expenditure Budget Summary - Future Years Outlook.....	35
Budget Comparison by Expenditure Category.....	36
Comparative Departmental Budget Summary.....	38
Comparative Departmental Position Summary.....	39
Operating Expenditures Summary by Department	
Executive.....	41
Public Affairs & Communications.....	43
Legal.....	45
Transportation.....	47
Service Planning.....	49
Training & Security.....	51
Mobility Services.....	53
Fleet Services.....	55
Preventative Maintenance & Repairs.....	57
Facility Maintenance.....	59
Information Technology.....	61
Finance.....	63
People & Teammate Experience.....	65
Infrastructure, Strategy, & Innovation.....	67
Home-Rule Funds.....	69
Income Tax Revenue Fund.....	70
Debt Service.....	73
Capital Improvement Program.....	75
Glossary.....	79



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Indianapolis Public Transportation Corporation
Indiana**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

TRANSMITTAL LETTER

A BUDGETARY MESSAGE FROM PRESIDENT INEZ EVANS



Indianapolis Public Transportation Corporation
dba IndyGo
1501 W. Washington Street
Indianapolis, IN 46222
T: 317.635.2100
F: 317.634.6585
www.IndyGo.net

July 28, 2022

To: IPTC Chair and Board of Directors

From: Inez Evans, President and CEO

Subject: IPTC 2023 Financial and Management Plan

I am pleased to submit for your information and consideration a balanced FY2023 proposed Financial and Management Plan of the Indianapolis Public Transportation Corporation (d/b/a IndyGo). It is also intended as a summary and overview of the information provided in greater detail within the Budget Document.

With the lifting of the federal transportation mask mandate and the overall easing of COVID restrictions, IndyGo is already seeing ridership and revenues rebound as more riders return to work, head back into the office and experience an overall renewed peace of mind about returning to public transit. IndyGo spent much of 2021 laying the groundwork for the launch of the next line in our Bus Rapid Transit (BRT) system and celebrated a long-awaited groundbreaking for the Purple Line in February 2022. 2023 will be a year of continued growth and expansion as the agency moves back toward "normal" operations post-pandemic.



Accomplishments

IndyGo accomplished many significant triumphs in 2021, one of the biggest being our preparation and outreach for the upcoming Bus Rapid Transit route, the Purple Line. Countless hours were dedicated to this project from nearly every department of the agency, and thanks to our collective efforts last year and beyond, the project is becoming a reality. Along with faster, more convenient travel, the Purple Line will increase economic opportunity and quality of life for Indianapolis residents who need it most. The 15.2-mile project will connect Indianapolis to the City of Lawrence and will bring major infrastructure improvements, including nearly 10 miles of sidewalks, more than 350 ADA curb ramps, new street paving, a multi-use path, storm sewer separation and much more to advance the community. IndyGo broke ground on the BRT route in February 2022, with the route scheduled to open for service in 2024.

The COVID-19 pandemic hit the industry hardest in 2020, but the effects have lasted much longer, with IndyGo specifically suffering from a lack of coach operators. To replenish those employee

numbers, IndyGo launched a coach operator recruitment campaign titled, “Why I Drive.”

For this campaign, IndyGo implemented a variety of tactics to reach potential operators. The agency ran ads in the most-read local outlets and created a “Why I Drive” video to showcase reasons why current operators love to drive for IndyGo, whether that be schedule flexibility, the job providing a sense of purpose, etc. The “Why I Drive” webpage houses other campaign tactics, including the video, coach operator testimonials, a list of job benefits, a mention of IndyGo’s Second Chance Hiring Initiative and a direct link to the agency’s employment page. Social media followers were also exposed to the campaign through posts that were published almost daily. Since that campaign launched in the Fall of 2021, IndyGo has hired nearly 100 new coach operators.

Another way the agency helped alleviate the employment issue was through the implementation of its Second Chance Hiring initiative, which helps those with a criminal record re-enter the workforce while increasing the pool of qualified applicants from which IndyGo can hire. IndyGo recognizes there is a stigma associated with a criminal record and this has resulted in significant obstacles to obtain employment. This policy helps level the playing field for applicants who may be highly qualified but have had a criminal conviction.

Also in response to the pandemic, IndyGo partnered with the Marion County Public Health Department to host a vaccination clinic that offers free COVID-19 vaccines or boosters to any eligible individual who walked in the door. The clinic started at IndyGo’s east campus, but eventually moved to the Julia M. Carson Transit Center.

IndyGo also expanded the “IndyGo Cares” community outreach brand. New in 2022, the agency launched “Wellness in Transit.” In partnership with Gennesaret Free Clinics, IndyGo launched this pilot devoted to holistic community health. The program consists of a mobile medical clinic that provides FREE healthcare services weekly to visitors at the transit center regardless of health insurance status. With this program, IndyGo hopes to provide resources to enhance the well-being of riders while reducing the transportation burden of an added trip.

“Food in Transit” continues for a fifth season, also at the transit center, in partnership with Growing Places Indy and the Indianapolis Department of Metropolitan Development, to provide fresh, affordable and locally-grown produce to current and future transit riders. New in 2022, this service offers a “Pay What You Can” option, meaning community members in need can pay \$1, or even nothing, and still receive at least two items from the selection of produce that day. This option allows IndyGo to eliminate barriers and offer locally-grown produce for everyone.

Finally, IndyGo formed a significant, new partnership with Lumin-Air to increase clean, breathable air in its buses. The companies worked together to equip IndyGo’s full fleet with a state-of-the-art active air filtration and UVC lighting system to help continuously remove pathogens, allergens and odors from the air riders breathe. IndyGo will be the first transit agency in the nation to install this system on its full fleet.

Macroeconomic Factors and Financial Health

Marion County and the Indianapolis metropolitan area have seen significant economic growth in the decade since the previous recession. The Indianapolis metropolitan statistical area saw a decrease in its year-over-year unemployment rate to 1.9%. The labor force decreased slightly, by 3,224, to 491,322. Population estimates for 2021 rank Marion County 1st in Indiana, with 971,102 residents. While not immune to the rising costs associated with the real estate market, a relatively low cost of living combined with an average home price of around \$231,000, make Indianapolis and Marion County an attractive option for both personal and corporate investment.

Nationally, the unemployment rate also decreased over the year, down to 3.9% at the end of 2021. The federal fuel tax rate remained unchanged at 18.4 cents per gallon of gasoline. Uncertainty relating to the nation's pandemic recovery and rising inflation continues to have political and policy implications, the effects of which have the potential to be felt at the local level. In 2021, the Federal government continued to allocate formula-based funding to transit, as well as offer opportunities to apply for competitive grants which can be used for innovative projects that deliver exceptional transportation benefits.

For Indiana, property tax reform legislation was enacted and reinforced via a constitutional amendment for property tax caps and periodic revaluation of property values. The impact of these caps, known as the "circuit breaker," resulted in a reduction of property tax collections of approximately \$6.3 million in 2021. These caps have placed considerable strain on all levels of local government to reduce costs and become more efficient.

In April of 2011, legislation was enacted that eliminated dedicated funding for the Public Mass Transportation Fund (PMTF), which distributes state sales tax revenue to Indiana public transportation service providers. PMTF is now a budget line item instead of a dedicated source of state transit funding, subject to reductions and the biennial budget process. While no longer a dedicated source of funding, PMTF proceeds remain at a consistent level and have been budgeted accordingly.

Beginning in January of 2020, IndyGo was the focus of some Indiana State legislation that would have crippled IndyGo's ability to offer discounted rider programs and move forward with capital projects like the Purple and Blue lines. Thanks to grassroots efforts spearheaded by our local transit advocacy group, and the support of bi-partisan law makers, IndyGo was able to overcome that legislation and move forward.

Congress passed various support packages to ease the economic impacts of COVID-19 including the "Coronavirus Aid, Relief and Economic Security Act" or "CARES Act," which received final passage by Congress and was signed into law by the President on March 27, 2020. The CARES Act provides funding at a 100% Federal share, with no local match required, and is available to support operating, capital and other expenses incurred by transit agencies beginning on January 20, 2020, to prevent, prepare for and respond to the COVID-19 pandemic. IndyGo received \$44.6 million to help fund the costs of increased protective equipment, capital projects for employee protection and operational support.

On December 27, 2020, the President authorized additional coronavirus relief funding (CRRSAA) as part of the Consolidated Appropriations Act- 2021. IndyGo received \$21.1 million under this act.

The American Rescue Plan Act of 2021 (ARP), which the President signed on March 11, 2021, includes additional federal funding to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. IndyGo was the recipient of \$49.6 million in appropriations under the ARPA.

The first bond issue (Series 2018A) for the Marion County Transit Plan in the amount of \$26 million was issued in November 2018. This round of bonds finances Purple Line Rapid Transit Design Services, Blue Line Rapid Transit Design Services, Local Bus and Paratransit Infrastructure, and Bus Fleet Replacement. The funding for this bond issue comes from the 0.25% Local Income Tax. IndyGo issued another series of bonds (Series 2021D) for the purchase of 27 hybrid buses. This bond issuance will provide improved cash flow management over the next 20 years. In early 2022, Series 2022D bonds were issued for the purpose of providing funds to construct and renovate some facilities and acquire 60-foot electric vehicles. During the bonding process, IndyGo received a standalone AA- rating with Stable Outlook from S&P Global credit rating agency.

Macroeconomic factors play a significant role in IndyGo's financial health, as these factors impact primarily all sources of our revenue. As the uncertainty of these factors present unique challenges for sustaining a high level of quality transit service, IndyGo must continue to build strong community partnerships and identify alternative funding opportunities. However, with the excellent oversight of the IPTC Board of Directors, alongside the committed IndyGo team, we will maintain efficiencies that will allow IndyGo to provide the support and service our dedicated transit customers currently expect, while at the same time shaping the future of mobility for the city of Indianapolis and Marion County.

Revenue outlook and Expenditure Budgets

Estimating financial impact on the revenue sources has been very challenging as there are various factors that influence these projections while we are experiencing the COVID-19 pandemic. Like other transit agencies, IndyGo is still experiencing lagging ridership and fare revenue due to the impact of the COVID-19 pandemic. IndyGo expects a lengthy recovery before ridership and revenue return to pre-COVID levels.

IndyGo's total federal formula allocation is projected slightly higher than FY2022's budget as the Bipartisan Infrastructure Law (BIL) as part of the IIJA is projected to have an annual increase in the Federal Urbanized Area Formula grants to provide funding for transit capital and operating assistance. While the federal stimulus funds will help offset some the sharp declines in the revenues in the future years, IndyGo is working towards long-term strategies that will alleviate the gaps between the revenues and expenses in the future years by way of modifications in the service levels and avoidance in the discretionary spending. Efforts to secure additional funding from federal, state and local sources continues. Overall, the Operating Revenue budget is 5% higher than the FY2022's budget.

Operating Budget

IndyGo's FY2022's Operating Expenditure budget is balanced with its revenues at \$129.5 million, which is about 5% greater than the previous budget year. This increase is supportive of the wage adjustments, increased healthcare costs, fuel costs, as well as negotiated increase in some service contracts and operation and maintenance of the additional facilities that IndyGo has secured in FY2021.

Capital Budget

During this pandemic, IndyGo has moved forward on many capital projects. The proposed FY2023 Capital Budget of \$122.6 million and five-year Capital Improvement Program (CIP) of \$580.9 million include investments in Bus Rapid Transit and On-street Infrastructure, facilities, fleet, and information technology projects. The spending for FY2023 anticipates 34% grants funding, 41% bond proceeds, and 25% capital funds.

Debt Service Budget

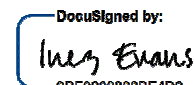
FY2023's Debt Service Budget includes annual appropriations of \$10.7 million towards Series 2018A, Series 2021D and Series 2022D bond issuance. These bonds are secured through the Transit Local Income Tax (LIT). These bond issuances cover various infrastructure projects & Bus purchases.

Acknowledgments

While the uncertainty created by the pandemic remains, we are confident in public transportation's essential role in driving the region's economic recovery. Our main challenge today is to preserve the system's network infrastructure and sustain essential transit services as the region heads towards recovery. We thank our riders, employees, and stakeholders for their continued support and collaboration as we manage through these unprecedented times.

The preparation of this budget is a collaborative effort involving every member of the Executive Management Team, various department leads, and the Office of Budgets & Grants. IPTC staff acknowledges and appreciates the guidance and leadership of IPTC Board of Directors.

Respectfully Submitted,

DocuSigned by:

9DF8289898BE4D2...

Inez Evans,

PRESIDENT & CEO
IndyGo

ORGANIZATION AND GOVERNANCE

BOARD OF DIRECTORS



Greg Hahn, Chair

Appointed by the
Council in October 2012



**Adairius J.
Gardner, Vice
Chair**

Appointed by the Mayor
in August 2018



**Richard Harry
Wilson, Jr.,
Treasurer**

Appointed by the
Council in October 2018



**Lise Pace,
Secretary**

Appointed by the
Council in February
2020



Mary Ann Fagan

Appointed by the Mayor
in December 2021



Hydre Abdullah

Appointed by the
Council in December
2021

EXECUTIVE TEAM



Inez Evans

President & CEO



Aaron Vogel

Vice President of
Operations/Chief
Operating Officer



Marcus Burnside

Vice President of
Technology/Chief
Information Officer



**Denise Jenkins-
Agurs**

Chief People Officer



Bart Brown

Vice President of
Finance and Chief
Financial Officer



Jill Russell

General Counsel



Jennifer Pyrz

Chief Development
Officer and VP of
Infrastructure, Strategy,
and Innovation



Jeffrey Brown

Chief Policy and Labor
Relations Officer



Cameron Radford

Vice President of
Government Affairs



Lesley Gordon

Vice President of
Communications and
Marketing



Charlie Carlino

Chief Administrative
Assistant - Assistant to
President/CEO & Board
of Directors

BUDGET MANAGEMENT TEAM

Hardi Shah, Deputy Chief Financial Officer

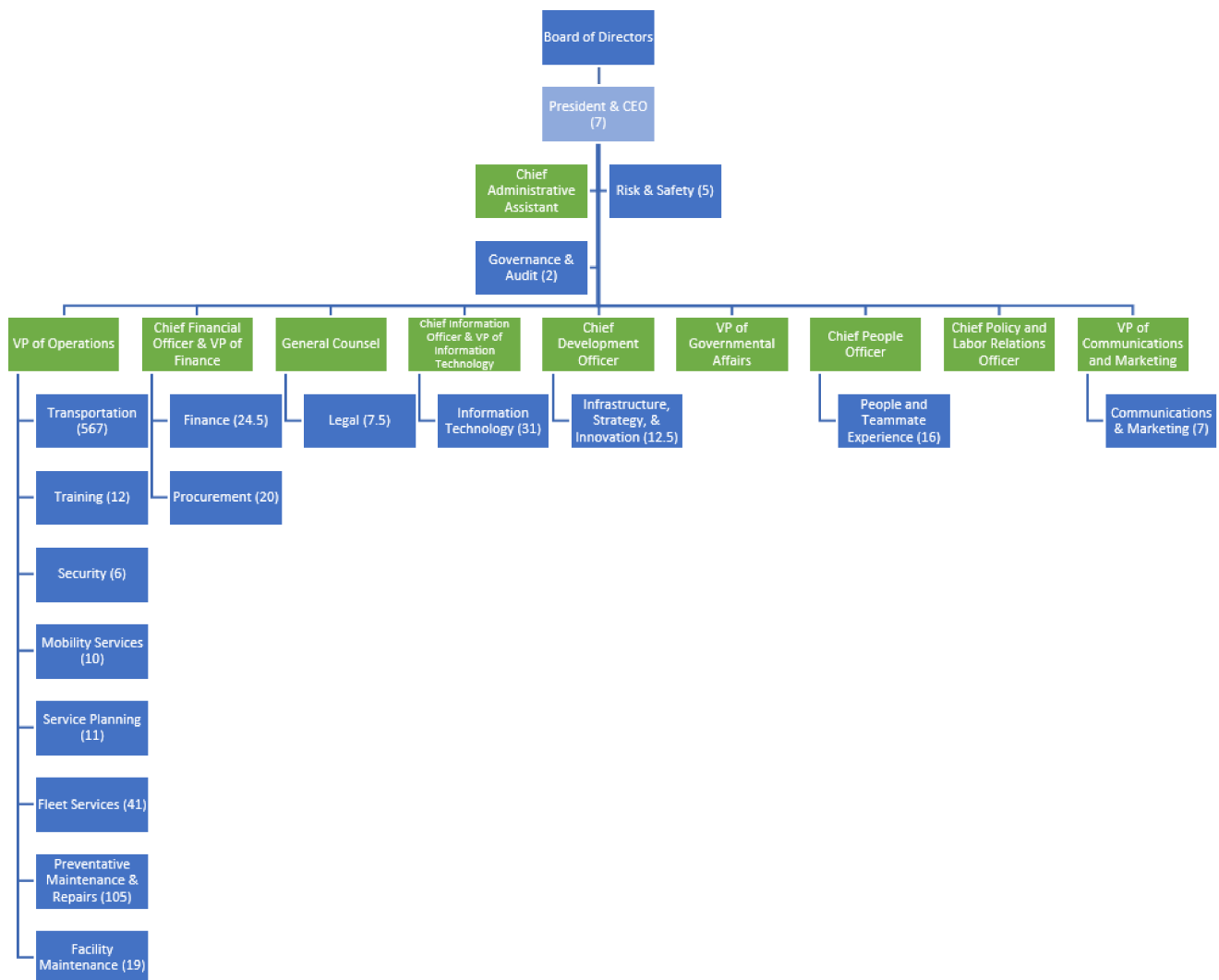
Justin Burcope, Budget Manager

Cassandra Burmeister, Grants Manager

Alexander Wang, Data & Projects Administrator

Kerstin Thiel, Grants Analyst

ORGANIZATIONAL CHART



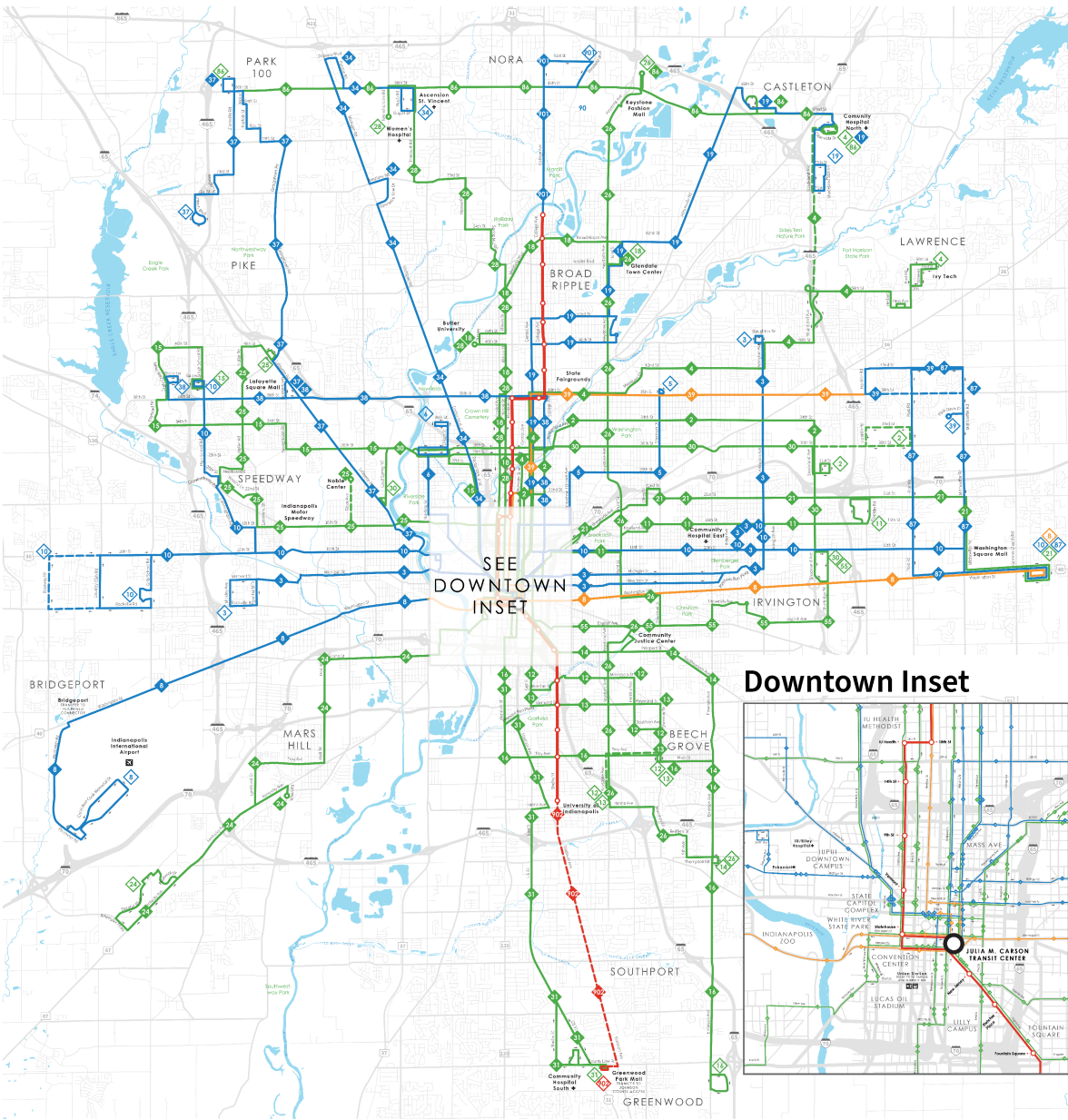
SYSTEM MAP



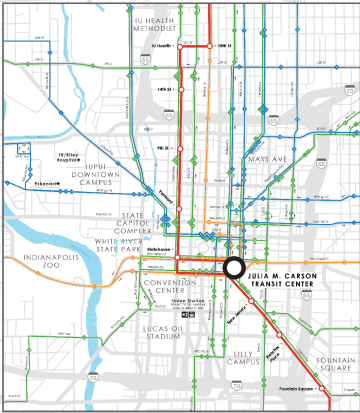
Network Map

System View

Weekday Service Schedule



Downtown Inset

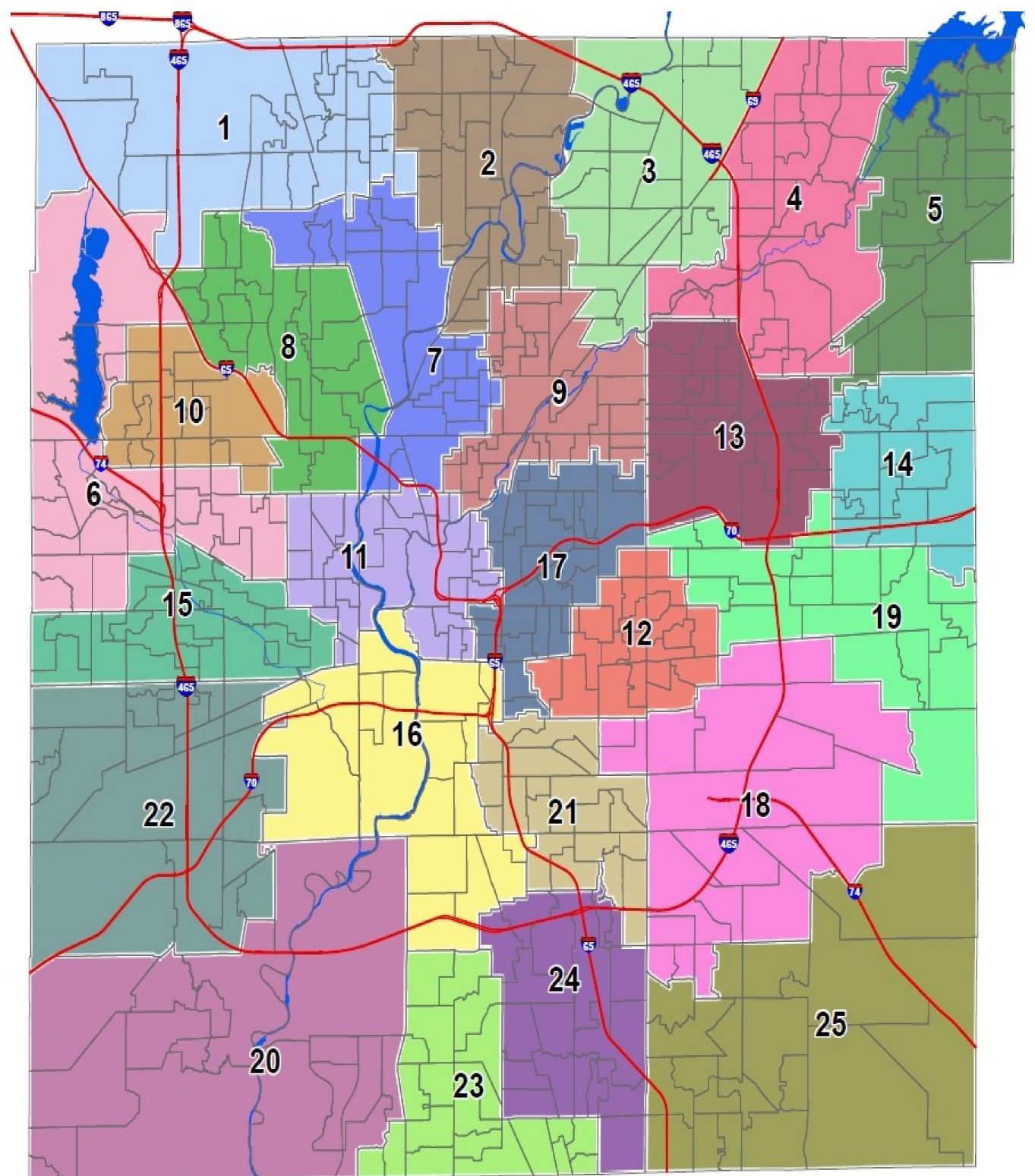


Key

- Red Line
- 15-Minute Frequency Route
- 16-30-Minute Frequency Route
- 60-Minute Frequency Route
- End of Line

updated: mch 22, 2022

INDIANAPOLIS-MARION COUNTY CITY-COUNTY COUNCIL DISTRICT MAP



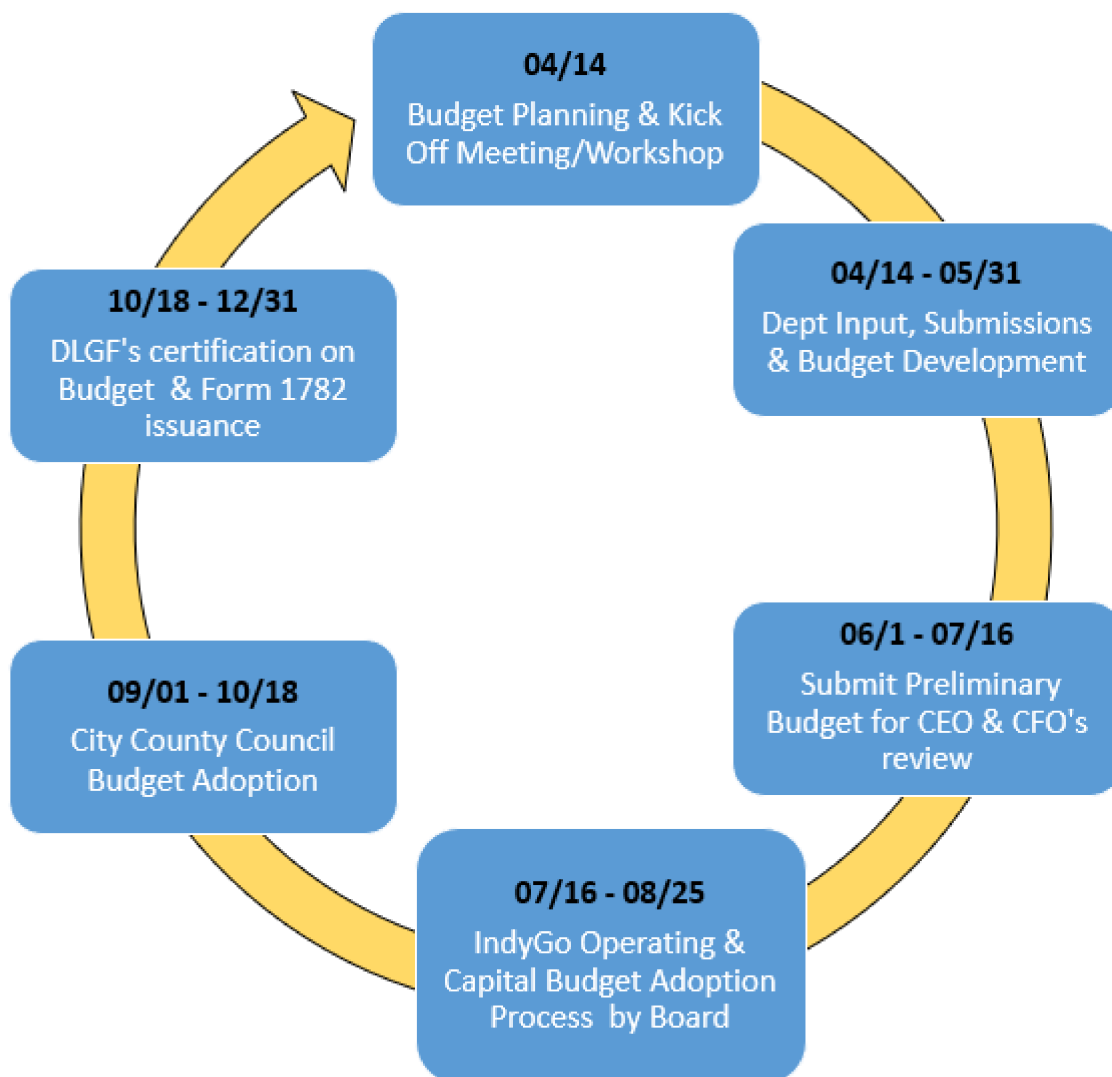
BUDGET PROCESS INFORMATION

BUDGET PROCESS

The IPTC's budget, when adopted by its Board of Directors & City County Council, becomes the official financial plan for the January 1 to December 31 fiscal year. Therefore, this makes preparation of the budget one of the most important administrative duties performed each year.

The budget process consists of three stages: preliminary planning and preparation, review and adoption and monitoring.

Various departments are involved in providing information for the annual budget. The budget calendar chronicles the budget process from the initial data gathering stages through the Budget's adoption by the end of the current fiscal year.



BUDGET PREPARATION

The annual budget development cycle begins with an analysis of the current year budget compared to projected annual expenditures and long-term capital improvement program funding. Development of the 2023 Annual Operating Budget began with a budget workshop meeting in April 2022 to review instructions and distribute budget materials. Departments were advised to use the Zero-Based budgeting methodology to build the budgets from ground up and not relying on prior budgets as a baseline. This approach is quintessential as IndyGo has gone through some changes in the services levels since passing of the referendum. It is a helpful tool especially when there is uncertainty associated with the future revenues.

During budget development, the departments prepare budgets by expenditure line items and programs. Operating expenditure requests include expenditures necessary to continue at the bare minimum level, current service level and enhanced service level.

REVIEW & PUBLIC PARTICIPATION

After review by the budget staff, each Department Director and Manager meets with the Budget team from late April - June to discuss budget requests, related trends and justifications. Preliminary decisions are made regarding the department requests and the budgets are altered accordingly. The Budget Director and the CFO review any outstanding issues and determine if the proposed budget expenditures can be funded within the projected revenues. If not, further budget adjustments may be required.

The Budget team meets with the Board Finance Committee to review options to balance the budget including possible refining of expenditure budgets. Board Approval is a three-step process:

1. Presented to Board in late July or the first week of August.
2. Public Hearing will be held ten days after introduction of the Budget to receive stakeholder input.
3. Final approval of the Operating Budget voted on in a separate Board meeting held the last Thursday of August.

The Board approved budget gets submitted to the City-County Council by September 1 in the Gateway portal. The director assists with revision of the budget as needed after review and certification by the Board of Directors, City County Council and the Department of Local Government Finance. Once adopted, it serves as the Financial plan for the agency.

BUDGET AMENDMENTS & TRANSFERS

Budget Amendment

All local units of government are bound to follow the Indiana Code 6-1.1-18-5 and Indiana code 6-1.1-18-6 for the Additional Appropriation and Transfer Procedures. Any proposed change to the total amount of the agency's Operating Budget, whether increasing or decreasing it, shall be approved by resolution of the Board of Directors. The Department of Local Government Finance must also act on all additional appropriations. Approval by the Department is only

required for the funds that receive revenue from the Property Taxes levied under IC 6.1-1. All other funds are classified as “reporting-only funds”. For reporting-only funds, the Department must acknowledge the receipt of the additional appropriation request.

Transfer of Appropriations

IPTC may transfer appropriations from one major budget classification to another within the same fund and department if:

1. They determine that the transfer is necessary;
2. The transfer does not require the expenditure of more money than the total amount set out in the budget for that fund as finally determined under IC 6-1.1; and
3. The transfer is made at a regular public meeting and by proper ordinance or resolution.

A transfer may be made under IC 6-1.1-18-6 without notice and without the approval of the Department.

MONITORING

Budget status reports are distributed monthly to all Department Directors and Division Heads. Variances are reported based on the comparison of the budget amounts versus actual expenditures. All departments are required to monitor their respective budgets using this tool to ensure that the adopted budget is being adhered to.

BUDGET ACCESS

All Budget documents are available on the IPTC’s website at www.indygo.net.

Budget Overview

IndyGo is a municipal corporation of Indianapolis – Marion County. As such, the seven-member Board of Directors is comprised of individuals appointed by either the Mayor (three members) or the City-County Council (four members). While the IndyGo Board of Directors is a self-governing body, the City-County Council and the Council's Municipal Corporations Committee have the requisite authority to review and approve local funds for the transit agency's operating budget.

The budget process takes place over a series of public meetings.

Each August, IndyGo's budget cycle begins with the introduction of the proposed budget at a Board of Directors meeting. Without exception, after the budget introduction, IndyGo holds a public hearing for comments on the proposed budget, and the final step for IndyGo's budget is approval by the IndyGo Board of Directors before it's handed off to the City-County Council.

After the IndyGo board adopts the budget, the City-County Council Municipal Corporations Committee reviews and eventually recommends final approval of the budget to the full Council.

2022 Budget Cycle

About Us

- Mission and Values
- Privacy Policy
- Staff and Executive Team
- Board of Directors
- Transit Planning
- Financial Information
- Advertising

FISCAL YEAR 2023 BUDGET CALENDAR

Budget Planning	Thursday, April 14, 2022	Budget Workshop to go over 2023 Budget Process
	Thursday, May 5, 2022	Department Directors submit their first draft budget to Finance
Department Input & Budget Development	Friday, May 6, 2022 - Tuesday, May 31,	Meeting with Departments to discuss budget submissions and further refinements
	Tuesday, May 31, 2022	Last day for county auditor to distribute to each taxing unit the amount of the supplemental distribution that is allocated to the taxing unit under subdivision (IC 6-3.6-9-15)
	Thursday, June 16, 2022	Provide Preliminary Overview of Budget to Finance & Service Committees and Seek Input
Budget Overview Review Period	Thursday, June 30, 2022	SBA to provide Assessed Value Growth Quotient (AVGQ)
	Friday, July 15, 2022	DLGF to provide reports on maximum permissible property tax levy, maximum cumulative fund tax rate & miscellaneous revenue sources estimates for the budget year 2023
IPTC Budget Finalization & Adoption	Monday, July 27, 2022	Submit 1st Advertisement for Publication in Newspaper
	Thursday, July 28, 2022	IPTC Board Meeting - Introduce budget - 5 pm
	Monday, August 1, 2022	DLGF to provide estimates on the 2023 property tax circuit breaker credits
	Monday, August 1, 2022	Submit 2nd Advertisement for Publication in Newspaper
	Monday, August 1, 2022	Certified net assessed valuation provided by county auditors on Gateway portal by DLGF
	Thursday, August 11, 2022	IPTC Board Meeting - Public Hearing/Comment on Budget - 5 pm
	Wednesday, August 24, 2022	IPTC Board Meeting - Final Adoption of Budget - 5 pm
DLGF - Gateway Submission	Thursday, September 1, 2022	Last day for municipal corporations to submit proposed 2023 budgets, tax rates, and tax levies to the County fiscal body or other appropriate fiscal body for binding adoption & Form 3 (Notice to Tax Payers) into Gateway
	Monday, September 12, 2022	Introduction of Municipal Corporation budgets at Full Council meeting - 7:00 pm
Indianapolis City County Council Budget Adoption Process	Thursday, September 15, 2022	Municipal Corporations Budget Hearing - 5:30 pm Room 260
	Wednesday, October 5, 2022	Municipal Corp Committee - Budget Review & Analysis - 5:30 pm Room 260
	Monday, October 17, 2022	City County Council - IPTC Budget Adoption - 7:00 pm
DLGF Budget Process	Tuesday, November 8, 2022	Last day for units to submit their 2023 budgets, tax rates, and tax levies to the Department through Gateway
	Saturday, December 31, 2022	Last day for the Department to accept additional appropriation requests for the 2022 Budget year from Unit
DLGF Certification	Saturday, December 31, 2022	The DLGF certifies and issues Form 1782 with 2023 budgets, tax rates, and tax levies.

BASIS OF GOVERNMENTAL FINANCE & FUND STRUCTURE

Cash Basis of Budgeting

The Agency's annual budget and 5-year forecast are based on the cash method of accounting and exclude non-cash depreciation and amortization expenses. Revenues are budgeted according to what is expected to be collected during the budget year, and expenditures are budgeted according to what is expected to be spent during the fiscal year. The cash basis recognizes revenue when cash is received and recognizes expenses when cash is spent.

Accrual Basis of Accounting

The operations of IPTC are accounted for as an enterprise fund on an accrual basis in accordance with all applicable Governmental Accounting Standards Board (GASB) pronouncements for accounting. The accrual method recognizes transactions and events when they occur, regardless if when cash is received or spent.

Comparison Between Basis of Budgeting and Financial Reporting

The term "basis of accounting" is used to describe the timing of recognition, that is, when the effects of transactions or events should be recognized. The basis of accounting used for purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document.

The comprehensive Annual Financial Report (CAFR) of IndyGo shows the status of the IndyGo's finances on the basis of GAAP. In most cases this conforms to the way in which IndyGo prepares its budget. Exceptions are as follows:

- Categories of reporting are often different in the GAAP financial statements than in budgetary reporting. For example, items reported as "other financing sources" and "other financing uses" under the GAAP basis of accounting may be classified as revenues and expenditures under the budgetary basis of accounting.
- Principal payments on long term debt within the Debt Service Funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a Budget basis.
- Depreciation on fixed assets is recorded on a GAAP basis only.
- Capital outlay are recorded as assets on a GAAP basis and expended on a Budget basis.
- Gain and losses on disposal of fixed assets are recorded on a GAAP basis only.
- Under the GAAP basis of accounting, changes in the fair value of investments generally are treated as adjustments to revenue, which commonly is not the case under the budgetary basis of accounting.
- Encumbered amounts are not classified as expenditures under the GAAP basis of accounting, while encumbrances are commonly treated as expenditures under the budgetary basis of accounting.
- Likewise, under GAAP accounting for governmental funds, payments for pension, OPEB,

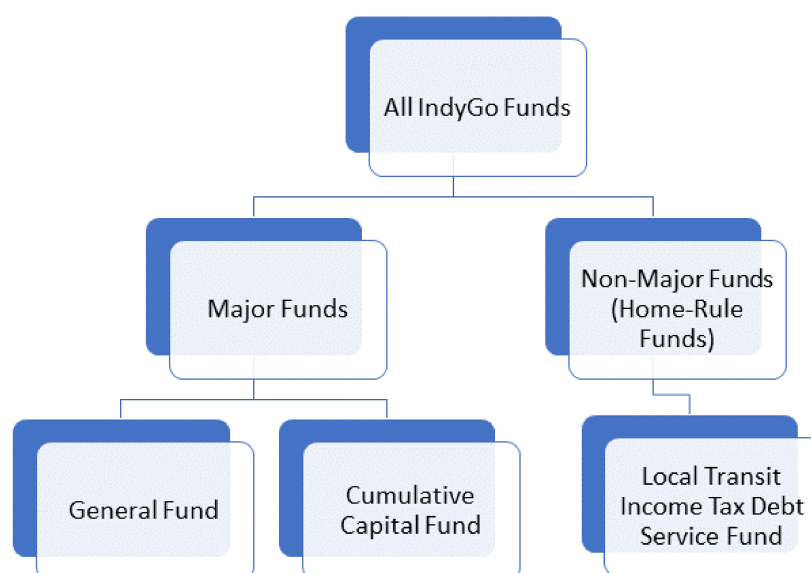
and other long-term obligations are recorded in the period they are due and payable. However, under the budgetary basis of accounting, these payments are often recorded when the disbursements are actually made.

Balanced Budget

IPTC prepares a balanced budget on an annual basis. The Budget is balanced when revenues equal expenditures. The IPTC’s budget process is governed by many policies and procedures originally adopted by its Board of Directors. The IPTC Board adopts the Budget, tax levy, and the issuance of debt. In addition, the Council approves the budget, tax levy, and issuance of debt.

IndyGo Fund Structure

IPTC's annual budget is divided into several funds. A separate sum of money is appropriated for each fund. Funds are established for special program groups, which usually have specific revenue sources associated with their expenditures.



General Fund

The General Fund is the primary operating fund of IndyGo. The General Fund is used to account for all financial resources with the exception of those required to be accounted for by another fund. The General Fund represents the largest part of the total financial operation of the organization.

Cumulative Capital Fund

The cumulative capital fund is used to fund various capital improvements projects of IndyGo such as facilities, Information technology infrastructure, Security equipment, coaches etc. This fund is funded through a specific property tax levy.

Local Transit Income Tax Fund

In November 2016, Marion County residents voted 59% in support of new dedicated funding to improve transit service in Indianapolis. The local income tax rate of 0.25% funds public transit projects in the County, including operating expenses associated with it.

Local Transit Income Tax Debt Service Fund

Any debt issuance backed by local transit income tax revenue is serviced by this fund.

IndyGo Funds and Departments

IndyGo funds are not dedicated to any particular department(s). The funds are used for their specific spending purpose i.e. operating/general funds for all operating activities by all departments. Capital funds are utilized to fund capital projects or match towards capital projects. Capital projects are summarized at the agency level by expenditure type. Debt service fund is a restricted fund and Finance department is responsible for making timely debt service payments.

FINANCIAL POLICIES

Financial Policies

A seven-member Board of Directors approves IndyGo policies relating to operations, contracted services, safety, finance, and overall corporate structure. The Mayor of Indianapolis and the City-County Council of Indianapolis and Marion County appoint the bipartisan group. The mayor selects three members and the Council selects four.

The financial policies, compiled below, set the basic framework for the overall fiscal management of the organization. Operating independently of changing circumstances and conditions, these policies assist the decision-making process of the Board of Directors and administration. Key policies are summarized as below.

Fund Reserve Policy

IndyGo has a comprehensive Fund Reserve Policy. Key components of the policy are presented here.

Reserves provide a government with options for responding to unexpected issues and a buffer against shocks and other forms of risk. The IndyGo Finance Department, led by the Chief Financial Officer, manages the maintenance and adherence to approved reserve levels.

IndyGo's policy, which is reviewed bi-annually by the Board of Directors, is to maintain an operating fund balance at a minimum level equivalent to 15% of recurring, budgeted operating expenditures.

The fund balance in the Debt Service Fund will be maintained at a level equal to or greater than the total principal and interest payable from that Fund for the upcoming semi-annual debt service payment. This fund balance will also be managed to eliminate or minimize arbitrage rebate liability.

Capital funds will be held in reserve for infrastructure projects and equipment purchases requiring IndyGo local match.

IndyGo also holds in reserve an average of insurance claims expenditures for the prior three quarters, in order to protect the agency from self-insurance risks.

Debt Policy

IndyGo has a comprehensive Debt Management Policy. Key components of the policy are presented here.

IndyGo maintains a debt policy in order to ensure fiscal prudence and to promote long-term financial sustainability. This policy establishes criteria for the acceptable level of indebtedness related to debt issuance, and management of the debt portfolio.

Outlined in the policy are acceptable financial tools for both short- and long-term debt financing. The financing purpose will determine the type of debt that IndyGo will engage in. Short-term debt instruments include line of credit services, tax and revenue anticipation warrants, bond anticipation notes, and commercial paper. General obligation bonds and notes, revenue bonds, and lease financing are options for long-term debt. Where required by statute, this policy adheres to all appropriate debt limits.

Type of Debt	Constitutional Limitation	Statutory Limitation	Policy Limitation
General Obligation (1)	2%	0.67%	0.67%
Revenue	No Limit	No Limit (2)	No Limit

(1) Includes debt payable from local income tax (LIT) revenues. For purposes of this section, IPTC recognizes that the Special Transportation LIT revenues do not count against the debt limitation of IPTC but that of Marion County.

(2) Revenue debt is not limited because no taxing power or general fund pledge is provided as security.

All payment of general obligation bonds and revenue bonds shall be from IndyGo's Debt Service Fund at a level equal to or greater than the total principal and interest payable from that Fund for the upcoming semi-annual debt service payment.

The Chief Financial Officer for IndyGo is responsible for coordinating and analyzing all necessary debt requirements. This includes timing, calculation of outstanding debt and debt limits, as well as current revenue requirements.

Capital Asset Management Policy

Annually, along with the development of the Operating Budget, IndyGo will prepare and update a five-year Capital Improvement Program (CIP) analyzing all anticipated capital expenditures, identifying associated funding sources, and future capital expenditures necessitated by changes in the landscape of service needs.

Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000 and having a useful (depreciable) life of three years or more. Also included are major maintenance projects of \$100,000 or more that have a useful life of at least three years. For accounting purposes, the definition of a Capital Improvement Project differs from that of a Capital/Fixed Asset. IPTC will maintain a schedule of individual capital assets with values in excess of \$5,000 and an estimated useful life in excess of three years. All items with an original value of less than \$5,000, or with an estimated useful life of three years or less, will be recorded as operating expenditure.

IndyGo will use the first-year capital program from the adopted CIP as the basis for the capital program to be included in the annual budget. After completion of design of a capital project, cost estimates will be revised. If the cost estimates exceed Delegation of Authority limits, the project will be brought to the Board for reconsideration.

IndyGo will maintain all assets at a level adequate to protect the agency's capital investment and to minimize future maintenance and replacement costs. IndyGo is committed to effectively managing its capital assets and to maintaining its system in a State of Good Repair (SGR) to support safe, efficient, and reliable transit. This management is consistent with federal regulations and sets the direction for establishing and following through with transit asset management strategies and plans that are achievable with available funds.

IndyGo will identify the estimated cost of capital projects and prepare a funding projection that considers revenues and operating costs to be included in the Capital Improvement Program document. IndyGo will determine the most appropriate financing method for all new projects. If appropriate, IndyGo will attempt to maintain a mixed policy of pay-as-you-go and borrowing against future revenues for financing capital projects.

Implementation of the Capital Asset Management Policy is a shared responsibility for all departments within IndyGo, with overall responsibility for oversight and development coming from the President and CEO.

Investment Policy

The objective of the policy of IndyGo to invest funds in a manner that will provide the highest investment return possible while maintaining the maximum security of the principal and meeting cash flow demands. All investments will conform to the applicable laws and regulations governing the investment of public funds. Investments to be placed with a Financial Institution approved by both the State of Indiana and Marion County Boards of Finance.

The investment objectives of IndyGo are:

Conform to all applicable legal requirements including, but not limited to, IC 5-13.

Shall be undertaken in a manner that seeks to preserve capital. At no time should the safety of

the portfolio's principal investment be impaired or jeopardized.

Investment portfolio is to remain sufficiently liquid to enable IPTC to meet those operating requirements that might be reasonably anticipated.

Yield/Return on investment should generate the highest available return without sacrificing the first 3 objectives outlined above.

Authorized and Suitable Investments include United States Government Securities, Municipal Securities, Money Market Mutual Funds, Repurchase Agreements & Certificates of Deposit.

The investing officer may make investments having a stated final maturity for not more than five (5) years after the date of purchase or entry into a repurchase agreement. (IC 5-13-9-5.7). The total outstanding investments with maturity dates past two (2) years must not exceed twenty-five percent (25%) of the total portfolio of public funds invested by IndyGo, including balances in transaction accounts. (IC 5-13-9-5.7)

The Director of Accounting shall maintain an inventory of monthly obligations and securities reports to be made available to the IndyGo Board of Directors upon request clearly provide the following information regarding the investment portfolio; types of investments; depository institutions; principal balances; maturity dates; rates of return; purchases; and sales. The Director of Accounting shall make an annual written report to IndyGo's Finance Committee summarizing IndyGo's investments during the previous calendar year. The report must contain the name of each financial institution, government agency or instrumentality, or other person with whom IndyGo invested money during the previous calendar year. (IC 5-13-7- 7)

This Investment Policy terminates four (4) years from the date of enactment. However, the policy shall be reviewed, at minimum, annually by the Finance Committee at which time the board may terminate the policy, readopt the policy, or make modifications thereto. Due consideration will be given to new laws or other conditions that impact this policy and any necessary changes may be made to this policy at any time during the year in response thereto.

Internal Controls Policy

The purpose of this policy is to communicate the Indianapolis Public Transportation Corporation's internal control objectives to all employees and appointed officials of the Indianapolis Public Transportation Corporation ("IPTC") and to firmly commit the IPTC to the seventeen key principles of internal controls as established by the Indiana State Board of Accounts. The comprehensive policy outlines each principle in more detail, but the key Components and Principles of the Internal Controls Policy are as below:

- Component One: Control Environment
 - Principle 1 - The oversight body and management demonstrate a commitment to integrity and ethical values.
 - Principle 2 - The oversight body oversees the IPTC's internal control system.
 - Principle 3 - Management establishes an organizational structure, assigns responsibility, and delegates authority to achieve the IPTC's objectives.
 - Principle 4 - Management demonstrates a commitment to recruit, develop, and retain

competent individuals.

- Principle 5 - Management evaluates performance and holds individuals accountable for their internal control responsibilities.

- Component Two: Risk Assessment

- Principle 6 - Management defines objectives clearly to enable the identification of risks and risk tolerances.
- Principle 7 - Management identifies, analyzes, and responds to risks related to achieving the defined objectives.
- Principle 8 - Management considers the potential for fraud when identifying, analyzing, and responding to risks. Code § 5-11-1-27(l) relating to the Report of Misappropriation of Funds to State Board of Accounts and Prosecuting Attorney and Ind. Code § 5-11-1-27(j) relating to the Report of Material Variances, Losses, Shortages or Thefts to the State Board of Accounts. The IPTC shall utilize a materiality threshold of \$5,000.
- Principle 9 - Management identifies, analyzes, and responds to significant changes that could impact the internal control system.

- Component Three: Control Activities

- Principle 10 - Management designs control activities to achieve objectives and respond to risks.
- Principle 11 - Management designs the IPTC's information system and related control activities to achieve objectives and respond to risks.
- Principle 12 - Management implements control activities through policies.

- Component Four: Information and Communication

- Principle 13 - Management uses quality information to achieve IPTC's objectives.
- Principle 14 - Management internally communicates the necessary quality information to achieve the IPTC's objectives.
- Principle 15 - Management externally communicates the necessary quality information to achieve the IPTC's objectives.

- Component Five: Monitoring Activities

- Principle 16 - Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.
- Principle 17 - Management remediates identified internal control deficiencies on a timely basis.

SIGNIFICANT ASSUMPTIONS - REVENUE

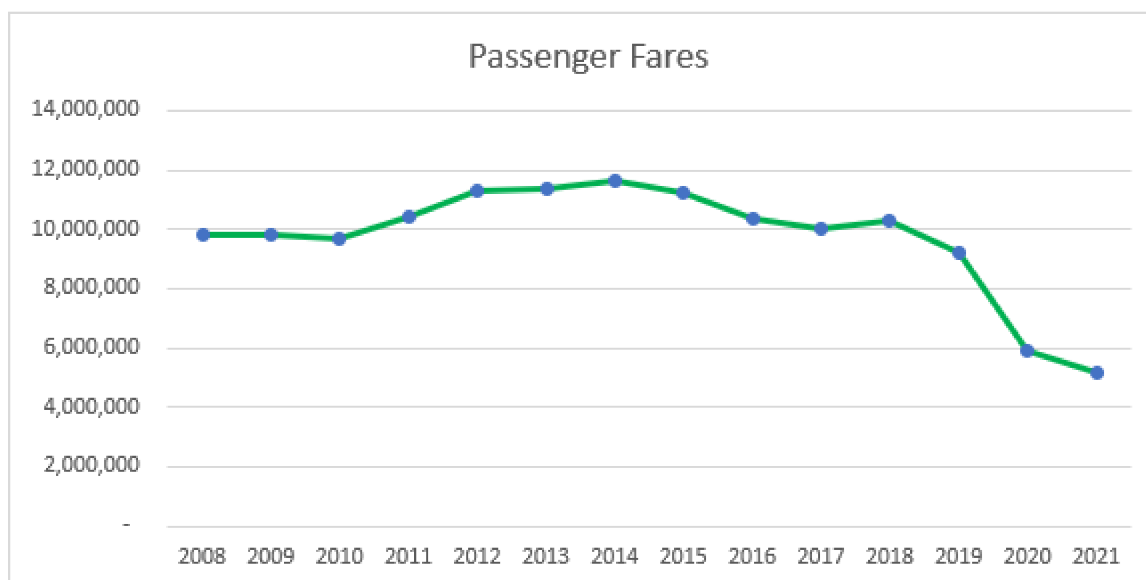
OPERATING REVENUES

As the Covid-19 pandemic drastically reduced ridership and fare revenue by 60%, federal relief funds have played a critical role in bridging IndyGo's funding gap and ensuring continued delivery of essential transit service for the citizens of Indianapolis. Federal relief funds will continue to play an important function in funding IndyGo's operations in FY2023.

During the preparation of this budget, IndyGo continues to work with its fiscal partners such as The Department of Local Government Finance (DLGF), City of Indianapolis & Marion County, and the State Budget Agency who provide various revenue estimates to the local units of the government for the next budget year and make necessary adjustments to propose a balanced budget.

Ridership & Revenue

Fare Revenue continues to be a challenge area since the onset of Covid-19 pandemic. Ridership has been significantly impacted continued presence of the COVID-19 coupled with a shift towards telecommuting and alternative work schedules resulting in lower ridership. As the ridership took a sudden downward spiral immediately at the onset of the pandemic, IndyGo invested heavily on cleaning and sanitization of its vehicles and buildings to ensure the safety and health of its riders and employees in the hopes to bring the passengers back. Ridership gained by 5% in 2021 over 2020 and about 8% in 2022 over 2021. During these times, more than ever, the federal funding became crucial in running the transit operations. While optimistic that transit ridership will rebound in the long run, the FY2023 Budget assumes same level of ridership as was realized in 2021. The fare revenue for the fiscal year 2023 is budgeted flat at 2021's actual revenue totaling \$5.2 million.

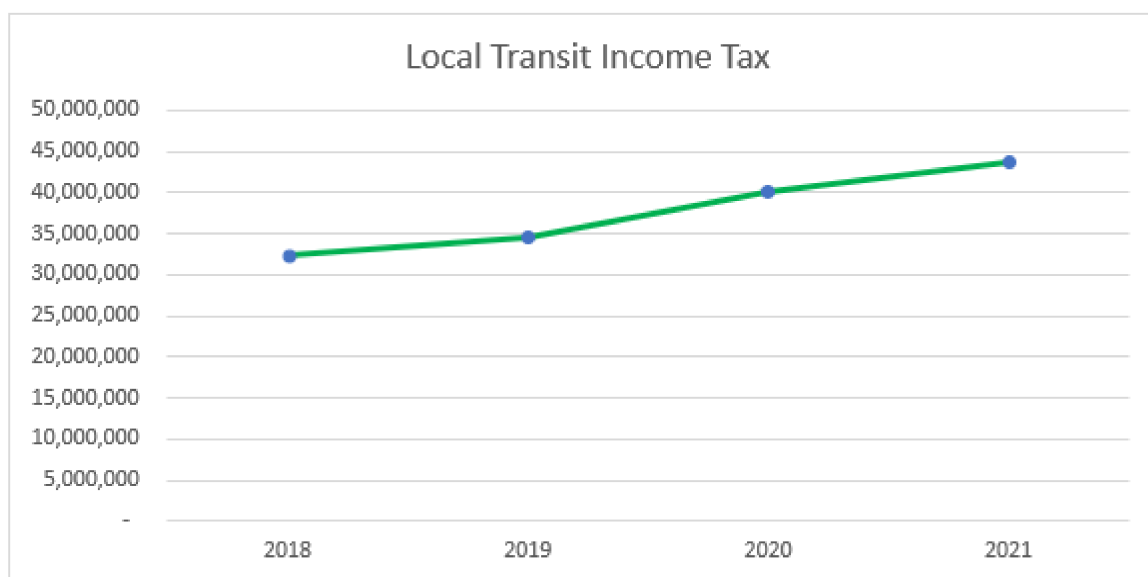


Local Property & Income Tax

Property, excise, and local option income taxes are calculated using the current rules that are in

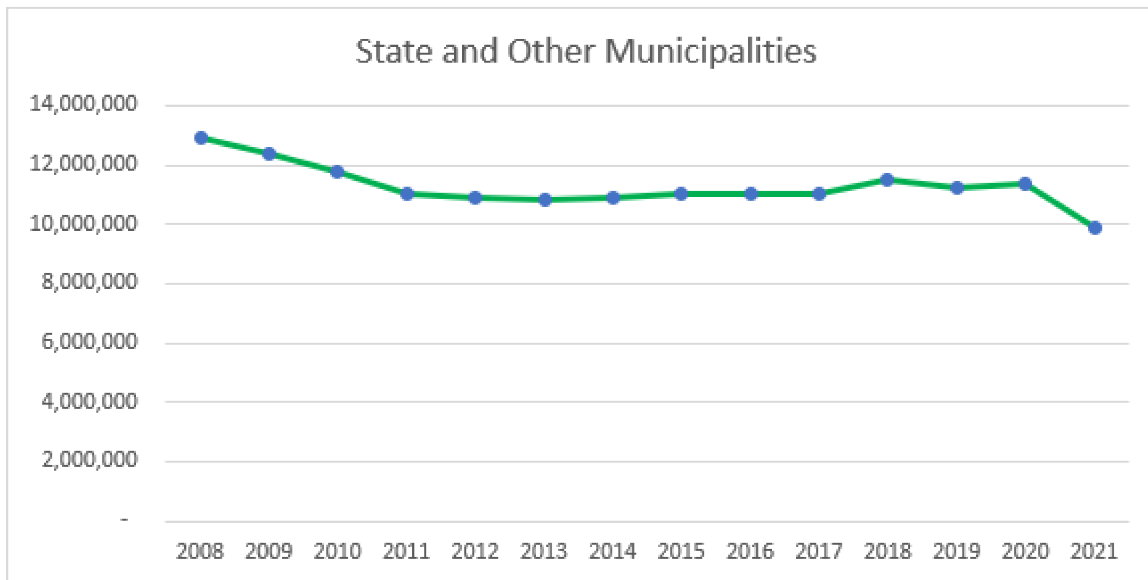
effect. FY2023's budget includes a levy growth of 5%. Two percent uncollectible taxes are estimated in the net levy collection. The impact of the circuit breaker is estimated at \$6.2 million for FY2023. As in past years, IndyGo will require a special property tax levy of \$14.8 million to balance the operating budget. This levy has remained flat since its inception and will not impose any additional burden on the taxpayers.

IndyGo's FY22 budget anticipated about 10% decline over FY21's certified distributions. On a positive note, the certified distributions of FY22 took about 2% dip in the revenue. IndyGo's FY23's budget assumes a 3 % growth over FY22's certified distribution. A total of \$64.1 million of Transit Income Tax collection is budgeted for FY2023. This funding will be directed towards operational, capital & debt service expenditure needs.



State Funding

The State Public Mass Transit Fund (PMTF) revenue remains flat at \$11.2 million.



Federal Assistance

Congress passed various support packages to ease the economic impacts of COVID-19 including the “Coronavirus Aid, Relief and Economic Security Act” (CARES Act), which provides funding at a 100% Federal share, with no local match required. IndyGo received this funding to help fund critical expenses including increased cleaning, essential transit trips and to replace lost fare revenue resulting from the ridership decline. Based on federal guidelines, this money will help ensure we can continue to operate service and meet our obligations.

On December 27, 2020, the President authorized additional coronavirus relief funding (CRRSAA) as part of the Consolidated Appropriations Act, 2021.

The American Rescue Plan Act of 2021 (ARP), which the President signed on March 11, 2021, includes additional to support the nation’s public transportation systems as they continue to respond to the COVID-19 pandemic and support the President’s call to vaccinate the U.S. population.

IndyGo’s revenue projections include funds from these various federal stimulus packages each year, alleviating gaps between the projected revenues and expenses by way of its strategic usage to advance the operations of IndyGo. The budget for FY2023 includes \$14.6 million utilization of these federal funds.

IndyGo’s total federal formula allocation is projected slightly higher than FY2022’s budget as the Bipartisan Infrastructure Law is projected to have an annual increase in the Federal Urbanized Area Formula grants to provide funding for transit capital and operating assistance. \$14.5 million of federal 5307 formula money is budgeted in preventative maintenance expenditures and ADA program in FY2023 General Fund and the remaining allocation is budgeted to fund the capital projects.



BIPARTISAN INFRASTRUCTURE LAW



Other Revenue

Service reimbursement program revenue is expected to remain the same as 2022 estimated. Transit advertising revenue is expected to grow back to pre-Covid level and budgeted at \$670,000.

Operating Revenue Budget Summary - Future Years Outlook

The following table shows a forward-looking outlook of operating revenue based on IndyGo's own projections. This table is a helpful tool to the agency to analyze its future revenues and align it with the expenditure outlook at the current service levels.

Across the country, transit agencies are signaling a near-term affordability gap created by rising financial costs coupled with stagnating resources that will no longer benefit from one-time Federal revenues, and IndyGo is no different. The stimulus Federal relief funds represent one-time funding that continues to be critical in supporting transit operations in FY23.

Due to the one-time Federal income from stimulus funding, IndyGo's FY23 Proposed Budget is fully funded and balanced. The following table provides assumptions of percentage changes in the major revenue sources.

	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook	2025 Budget Outlook	2026 Budget Outlook	2027 Budget Outlook
Revenues						
Passenger Service Revenue	6,379,045	5,190,830	5,450,371	5,722,890	6,009,035	6,309,486
Service Reimbursement Programs	265,000	265,000	265,000	265,000	265,000	265,000
Advertising Revenue	540,000	670,000	670,000	670,000	670,000	670,000
Other Operating Income	113,740	113,740	113,740	113,740	113,740	113,740
State Funds/Grants	11,240,036	11,240,036	11,240,036	11,240,036	11,000,000	11,000,000
Federal Assistance						
Federal Stimulus Funds Draw Downs	15,420,195	14,626,631	17,873,152	22,491,606	22,729,130	25,552,064
Federal Assistance - Other	11,201,842	14,552,744	14,552,744	14,689,386	14,830,128	12,398,510
Local Transit Income Tax	40,688,867	43,766,075	45,606,144	43,104,743	45,355,304	47,402,708
Local Property & Excise Taxes	37,450,873	39,333,826	40,474,135	41,655,867	42,513,794	43,400,155
Revenues Total	123,299,598	129,758,882	136,245,322	139,953,268	143,486,131	147,111,663

The following table provides assumptions of percentage changes in the revenue forecast in the major revenue sources that are expected to be hard hit due to the pandemic.

	2023	2024	2025	2026	2027
Income Tax	3.0%	3.5%	3.5%	3.5%	3.5%
Property Tax collect rate	100%	100%	101%	102%	102%
Property Tax AV Growth	5.0%	3.5%	3.5%	3.5%	3.5%
Passenger Service Revenue*	-19%	5.0%	5.0%	5.0%	5.0%
Federal Assistance	30%	0.0%	0.0%	0.0%	0.0%

* Passenger Service Revenue projected at same level as FY21 actual levels

** Federal Assistance Revenue includes anticipated appropriations in formula funding levels made available under IIJA.

The above percentage change implies increase/(decrease) in the revenue projections over prior year's figures.

SIGNIFICANT ASSUMPTIONS - EXPENDITURES

OPERATING EXPENDITURES

Operating expenditures for 2023 are budgeted around the assumption of no major service changes or network modifications.

Personal services, including wages and benefits, are budgeted for 903.5 full-time equivalents (FTEs) in 2023.

Premium diesel fuel consumption is assumed to be 105,000 gallons per month, or 1,260,000 gallons for 2023. The budgeted rate for fuel is set at \$3.50 per gallon.

An inter-local cooperation agreement between IndyGo and the City of Indianapolis through its Department of Public Works for implementation of the Marion County Transit Plan will call for an appropriation of \$1.5 million to the City in fulfilling its obligation to make available and maintain the City Infrastructure of Phase 1 of the Red Line.

IndyGo began expanding its facilities-related footprint in 2021 in order to maximize operating efficiencies and to provide greater customer service support to riders. These new facilities include north and south charging stations for Red Line battery electric buses, a facility dedicated to Mobility Services and Customer Service, and a campus of buildings that will eventually become the new headquarters for IndyGo. The operating budget for 2023 accounts for the ongoing needs of these facilities, including utilities, security, maintenance, and insurance.

Assumptions for budget increases in years 2024 - 2027 are listed below.

Assumptions	FY2024	FY2025	FY2026	FY2027
Wages, Payroll Taxes & Retirement Benefits	5%*	2%	2%	2%
Health Insurance Benefits	7%	5%	3%	3%
Materials & Supplies	3%	3%	3%	3%
Other Services & Charges	5%	3%	3%	3%

* Blended rate to account for the FTE increases needed to support the garage expansion for bus storage and infrastructure, as well as a marginal wage increase.

EXPENDITURE CATEGORIES

Personal Services

IndyGo's largest ongoing annual operating expenditure is Personal Services. Personal Services includes all employee salary and fringe benefits, overtime, payroll taxes and retirement expenses. Fringe benefit expenses include payments for employee health, vision, and dental insurance. Also included in fringe benefits are payments made for IndyGo's onsite health clinic.

Growth in the Personal Services category is typically associated with contractual wage and

benefit increases and performance-based raises.

Other Services & Charges

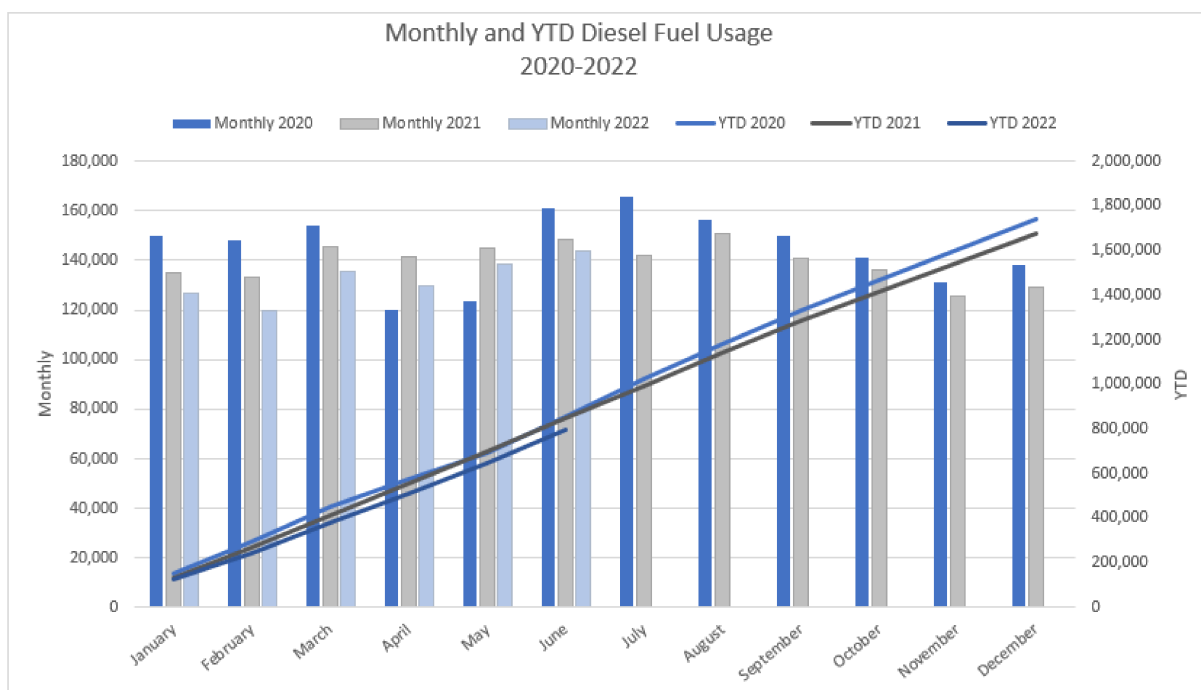
Operating expenditures related to contracted and professional services are the largest components of the Other Services & Charges category. Examples of services for which IndyGo contracts out are: security, facility and bus stop maintenance, landscaping, along with audit and legal services. The largest contracted service expense is for paratransit services.

Professional services are the services provided by third-party vendors or consultants with subject matter expertise and experience in a given area. There are many services, including but not limited to, benefits advisory services, payroll processing services, training and development services etc.

Materials & Supplies

Materials & Supplies are expenses towards items purchased to support IndyGo's operational needs. Fuel (diesel and unleaded), transit vehicle spare parts, as well as tires and tubes comprise the vast majority of these expenditures.

Fuel expenditures are budgeted with an eye on market volatility and to account for IndyGo's changing fleet. Monthly and yearly accumulated diesel fuel usage from 2020 to present are outlined below.



Operating Expenditure Budget Summary - Future Years Outlook

The purpose of the future years forecasts is to help IndyGo make informed budgetary and operational decisions by anticipating future expenditures and revenues. With the forecast, decision makers and stakeholders will know better about the necessary actions to take to help ensure balance. Such planning provides for greater financial stability, signals a prudent approach to financial management, and prioritizes services levels. The following table shows operating expenditure outlook for the future years based on the agency's own projections. While Budget projections for the year 2023 is based upon the budget requests provided by departments, for current service levels, the projected budgets for the subsequent years (2024-2027) assume a varied rate of increase depending on the nature of the expense in the overall budget over the prior year, as described earlier in the assumptions section.

The economic factors of high-cost inflation and labor shortage challenges are still prevalent. With these financial challenges, the CEO has directed staff to institute measures to start the process of controlling operating costs and evaluating capital investments at a more granular level. This deeper dive allows IndyGo to prioritize core business activities and look at possible cost reductions and project schedules for each activity. As the staff evaluate results, they will report any financial impact to the Board while discussing tradeoffs and mitigation strategies.

Despite the anticipated impact of Covid-19 on the FY2023 Proposed Budget, IndyGo continues to look toward the future and focus on services and initiatives that will support the region's long-term livability and economic growth.

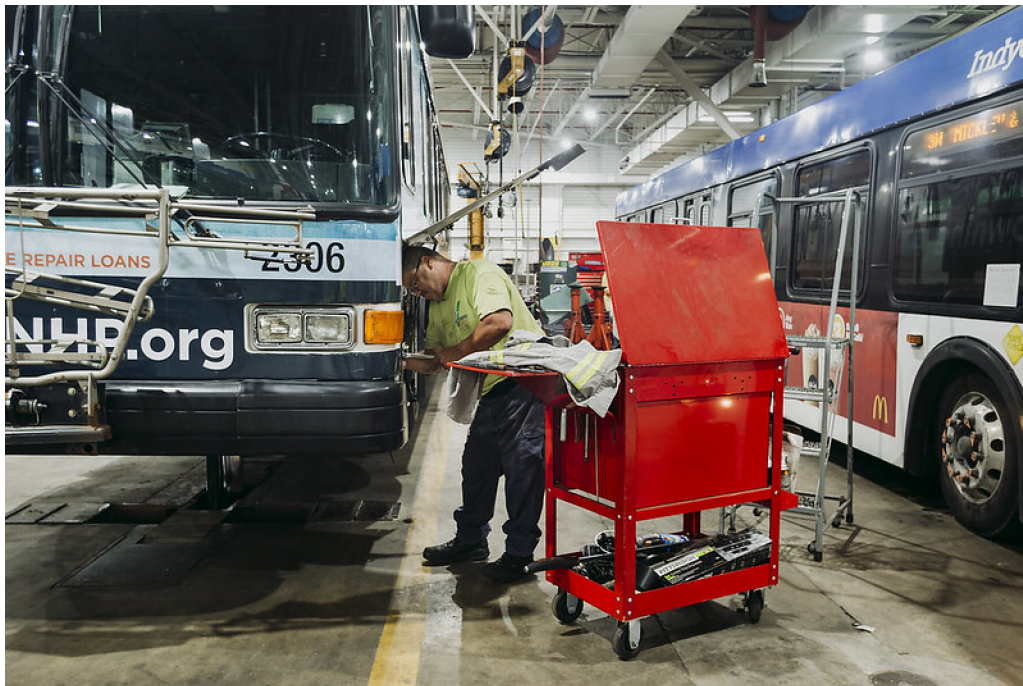
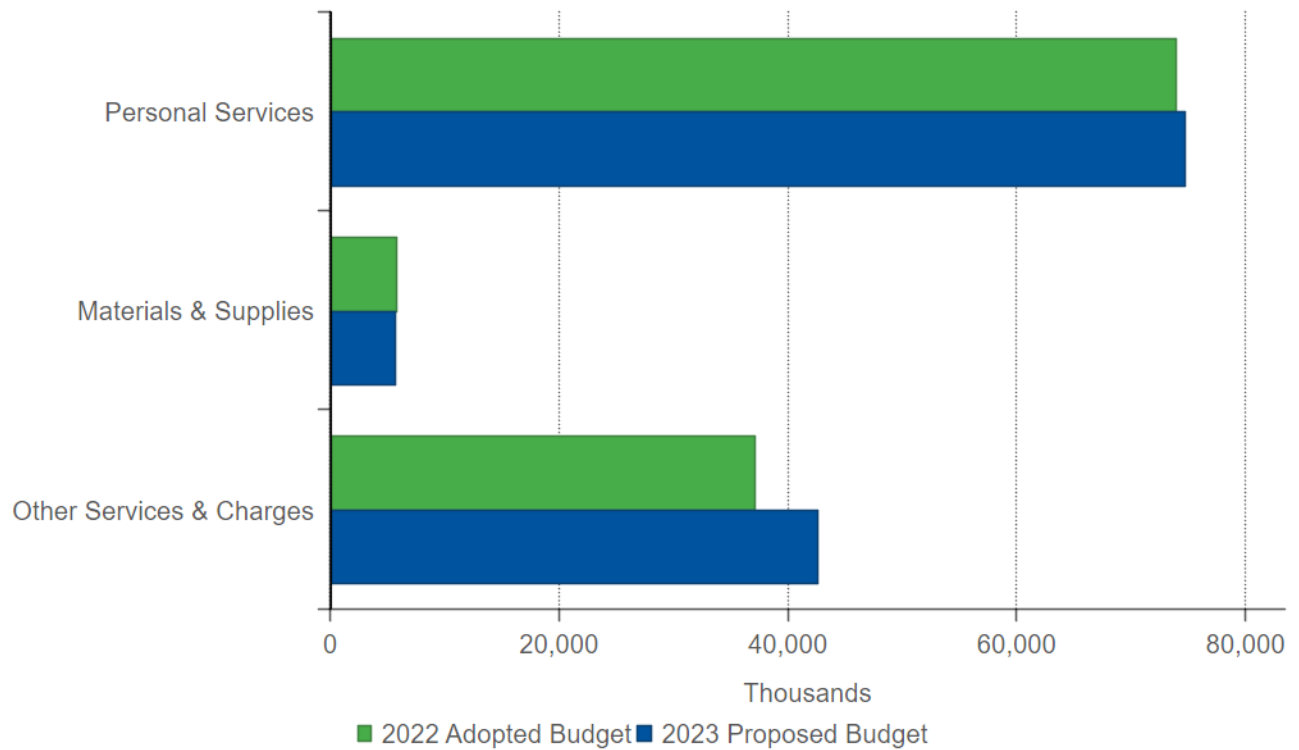
	2021 Actuals	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook	2025 Budget Outlook	2026 Budget Outlook	2027 Budget Outlook
Personal Services							
Wages	46,182,689	52,704,061	54,426,583	57,147,912	58,290,870	59,456,687	60,645,821
Benefits	10,770,139	13,761,260	12,528,652	13,405,658	14,075,941	14,498,219	14,933,166
Other Benefits	1,012,541	1,568,586	1,665,040	1,748,292	1,783,258	1,818,923	1,855,301
Payroll Taxes	3,356,185	4,031,861	4,163,636	4,371,818	4,459,254	4,548,439	4,639,408
Retirement	700,133	1,925,000	1,905,000	2,000,250	2,040,255	2,081,060	2,122,681
Personal Services Total	62,021,687	73,990,768	74,688,911	78,673,930	80,649,578	82,403,328	84,196,377
Materials & Supplies							
Fuel	3,124,424	4,515,553	5,194,733	5,350,575	5,511,092	5,676,425	5,846,718
Office Supplies	110,577	181,815	143,506	147,811	152,245	156,812	161,516
Operating Supplies	350,033	585,081	551,993	568,553	585,610	603,178	621,273
Other	646,273	1,024,642	916,731	944,233	972,560	1,001,737	1,031,789
Parts	5,522,111	5,839,356	5,703,360	5,874,461	6,050,695	6,232,216	6,419,182
Materials & Supplies Total	9,753,418	12,146,447	12,510,323	12,885,633	13,272,202	13,670,368	14,080,478
Other Services & Charges							
Contractual Services	21,532,804	27,636,831	30,032,106	31,533,711	32,479,722	33,454,114	34,457,737
Dues and Subscriptions	72,944	62,999	108,225	113,636	117,045	120,556	124,173
Insurance	4,181,718	3,676,908	4,845,000	5,087,250	5,239,868	5,397,064	5,558,976
Printing and Advertising	432,882	548,370	558,350	586,268	603,856	621,972	640,631
Professional Services	1,794,762	1,978,453	3,752,837	3,940,479	4,058,693	4,180,454	4,305,868
Telephone	424,388	532,322	554,130	581,837	599,292	617,271	635,789
Training and Conferences	187,635	395,000	423,000	444,150	457,475	471,199	485,335
Utilities	1,887,745	2,331,500	2,286,000	2,400,300	2,472,309	2,546,478	2,622,872
Other Services & Charges Total	30,514,878	37,162,383	42,559,648	44,687,631	46,028,260	47,409,108	48,831,381
Grand Total	102,289,983	123,299,598	129,758,882	136,247,194	139,950,040	143,482,804	147,108,236

Budget Comparison by Expenditure Category

The following table shows comparative summary of the budget years 2021 & 2022 by main expenditure account category. The incoming budget shows 5% increase over 2021's budget. This increase is in regard to the wages and benefits expenses, increase in various contractual services such as COVID-19 cleaning and sanitizing efforts, security services, enriched mobility programs, maintenance, upkeep and leases and rental charges as well as other professional and contractual services needed to help move our existing projects forward.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	\$ Variance	% Variance
Personal Services					
Wages	46,182,689	52,704,061	54,426,583	1,722,522	3.3
Benefits	10,770,139	13,761,260	12,528,652	(1,232,608)	(9.0)
Other Benefits	1,012,541	1,568,586	1,665,040	96,454	6.1
Payroll Taxes	3,356,185	4,031,861	4,163,636	131,775	3.3
Retirement	700,133	1,925,000	1,905,000	(20,000)	(1.0)
Personal Services Total	62,021,687	73,990,768	74,688,911	698,143	0.9
Materials & Supplies					
Fuel	3,124,424	4,515,553	5,194,733	679,180	15.0
Office Supplies	110,577	181,815	143,506	(38,309)	(21.1)
Operating Supplies	350,033	585,081	551,993	(33,088)	(5.7)
Other	646,273	1,024,642	916,731	(107,911)	(10.5)
Parts	5,522,111	5,839,356	5,703,360	(135,996)	(2.3)
Materials & Supplies Total	9,753,418	12,146,447	12,510,323	363,876	3.0
Other Services & Charges					
Contractual Services	21,532,804	27,636,831	30,032,106	2,395,275	8.7
Dues and Subscriptions	72,944	62,999	108,225	45,226	71.8
Insurance	4,181,718	3,676,908	4,845,000	1,168,092	31.8
Printing and Advertising	432,882	548,370	558,350	9,980	1.8
Professional Services	1,794,762	1,978,453	3,752,837	1,774,384	89.7
Telephone	424,388	532,322	554,130	21,808	4.1
Training and Conferences	187,635	395,000	423,000	28,000	7.1
Utilities	1,887,745	2,331,500	2,286,000	(45,500)	(2.0)
Other Services & Charges Total	30,514,878	37,162,383	42,559,648	5,397,265	14.5
Grand Total	102,289,983	123,299,598	129,758,882	6,459,284	5.2
Full Time Equivalents	899.0	908.0	903.5	-	-

Budget Comparison by Expenditure Category



Comparative Departmental Budget Summary

Division	Dept. #	Dept. Name	2022 Adopted Budget	2023 Proposed Budget	Variance	% Variance
Executive	09	Board	9,000	9,000	-	- %
	10	Executive	1,652,311	3,191,440	1,539,129	93.2 %
	24	Risk & Safety	2,092,033	2,700,895	608,862	29.1 %
	42	Governance & Audit	505,212	502,126	(3,086)	(0.6)%
			<u>4,258,556</u>	<u>6,403,461</u>	<u>2,144,905</u>	50.4 %
Public Affairs & Communications	11	Public Affairs & Communications	<u>1,294,668</u>	<u>1,353,105</u>	<u>58,437</u>	4.5 %
Legal	12	Legal	<u>2,716,755</u>	<u>5,204,807</u>	<u>2,488,052</u>	91.6 %
Operations	21	Transportation	34,328,656	35,172,810	844,154	2.5 %
	23	Training & Security	2,859,266	5,355,715	2,496,449	87.3 %
	25	Mobility Services	14,697,487	13,113,967	(1,583,520)	(10.8)%
	26	Service Planning	1,255,071	1,678,381	423,310	33.7 %
	29	Fleet Services	6,907,183	7,337,332	430,149	6.2 %
		Preventative Maintenance & Repairs	12,779,100	13,191,460	412,360	3.2 %
	33	Facility Maintenance	7,639,089	8,626,421	987,332	12.9 %
	45	Carson Transit Center	<u>2,726,725</u>	<u>-</u>	<u>(2,726,725)</u>	(100.0)%
			<u>83,192,577</u>	<u>84,476,086</u>	<u>1,283,509</u>	1.5 %
	40	Information Technology	<u>4,362,201</u>	<u>5,383,977</u>	<u>1,021,776</u>	23.4 %
Finance	41	Finance	3,015,504	3,280,187	264,683	8.8 %
	43	Procurement	<u>1,271,320</u>	<u>1,357,116</u>	<u>85,796</u>	6.7 %
			<u>4,286,824</u>	<u>4,637,303</u>	<u>350,479</u>	8.2 %
People & Teammate Experience	44	People & Teammate Experience	<u>18,797,997</u>	<u>16,569,441</u>	<u>(2,228,556)</u>	(11.9)%
Infrastructure, Strategy, & Innovation	46	Infrastructure, Strategy, & Innovation	<u>4,390,020</u>	<u>5,730,702</u>	<u>1,340,682</u>	30.5 %
			<u>123,299,598</u>	<u>129,758,882</u>	<u>6,459,284</u>	5.2 %

Comparative Departmental Position Summary

Division	Dept. #	Dept. Name	2022 Adopted Budget	2023 Proposed Budget	Variance	% Variance
Executive	10	Executive	8.0	7.0	(1.0)	(12.5)%
	24	Risk & Safety	4.0	5.0	1.0	25.0 %
	42	Governance & Audit	2.0	2.0	-	- %
			<u>14.0</u>	<u>14.0</u>	<u>-</u>	<u>- %</u>
Public Affairs & Communications	11	Public Affairs & Communications	<u>7.0</u>	<u>7.0</u>	<u>-</u>	<u>- %</u>
Legal	12	Legal	<u>7.0</u>	<u>7.5</u>	<u>0.5</u>	<u>7.1 %</u>
Operations	21	Transportation	567.0	567.0	-	- %
	23	Training & Security	14.0	18.0	4.0	28.6 %
	25	Mobility Services	13.0	10.0	(3.0)	(23.1)%
	26	Service Planning	11.0	11.0	-	- %
	29	Fleet Services	44.0	41.0	(3.0)	(6.8)%
		Preventative Maintenance & Repairs				
	31		105.0	105.0	-	- %
	33	Facility Maintenance	17.0	19.0	2.0	11.8 %
	45	Carson Transit Center	12.0	-	(12.0)	(100.0)%
			<u>783.0</u>	<u>771.0</u>	<u>(12.0)</u>	<u>(1.5)%</u>
Information Technology	40	Information Technology	<u>29.0</u>	<u>31.0</u>	<u>2.0</u>	<u>6.9 %</u>
Finance	41	Finance	24.5	24.5	-	- %
	43	Procurement	18.0	20.0	2.0	11.1 %
			<u>42.5</u>	<u>44.5</u>	<u>2.0</u>	<u>4.7 %</u>
People & Teammate Experience	44	People & Teammate Experience	<u>13.0</u>	<u>16.0</u>	<u>3.0</u>	<u>23.1 %</u>
Infrastructure, Strategy, & Innovation	46	Infrastructure, Strategy, & Innovation	<u>12.5</u>	<u>12.5</u>	<u>-</u>	<u>- %</u>
			<u>908.0</u>	<u>903.5</u>	<u>(4.5)</u>	<u>(0.5)%</u>

Comparative Departmental Position Summary

The following departmental FTE changes are being made for 2023, in order to better align departmental functions and streamline processes throughout the organization.

- Executive sees an FTE reduction with D&I staff members transferred to the newly created Department of People and Teammate Experience, offset by the IndyGo Foundation staff being moved from Transportation. Along with a slight increase in Risk & Safety staffing, the net FTE count for Executive is stagnant.
- Legal will be adding 0.5 FTEs, a part-time position that was formerly a contracted position.
- Training & Security will split into separate departments; each new department will add 2 new positions, to supplement the growing needs of training and security with the addition of new locations.
- Mobility Services will be removing 3 positions to prevent overlap of work duties.
- Fleet Services will be transferring 2 general laborers to other departments, and will delay filling 1 position in accordance with the opening of new facilities.
- Preventative Maintenance will be filling several vacant positions as part of the East campus startup apprenticeship program, but will keep constant in overall FTE count.
- Facilities sees an increase of staffing, transferred from other departments.
- Information Technology will add several new positions, as needed with current software trends and the opening of new facilities.
- Finance will be adding new positions in the Procurement department.
- The Department of People and Teammate Experience will be combining staffing from the former Diversity & Inclusion and HR departments.



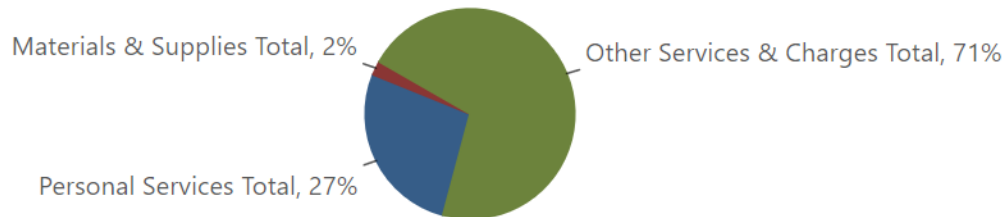
Executive

The CEO and President guides and directs all activities of the Agency. The CEO works collaboratively and closely with the Board to define and implement policy decisions, coordinates inter-agency activities, oversees IndyGo's day-to-day operations in general, and the Risk & Safety, Governance & Audit, and Inclusion & Workforce Development departments in particular.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	1,347,775	1,207,118	1,279,035	1,373,280
Other Benefits	55	-	-	-
Payroll Taxes	89,260	92,344	97,847	105,055
Personal Services Total	<u>1,437,090</u>	<u>1,299,462</u>	<u>1,376,882</u>	<u>1,478,335</u>
Materials & Supplies				
Office Supplies	5,962	17,700	6,900	8,002
Operating Supplies	20,000	34,500	25,600	37,800
Other	38,431	27,164	62,700	51,500
Parts	50,121	21,051	18,600	21,700
Materials & Supplies Total	<u>114,514</u>	<u>100,415</u>	<u>113,800</u>	<u>119,002</u>
Other Services & Charges				
Contractual Services	429,897	482,675	2,064,340	563,860
Dues and Subscriptions	28,727	53,689	75,500	75,500
Insurance	1,598,065	1,630,408	2,100,000	2,327,000
Printing and Advertising	6,582	15,475	11,250	11,250
Professional Services	141,641	280,568	236,937	487,246
Telephone	3,672	864	4,752	4,752
Training and Conferences	114,783	395,000	420,000	420,000
Other Services & Charges Total	<u>2,323,367</u>	<u>2,858,679</u>	<u>4,912,779</u>	<u>3,889,608</u>
Grand Total	<u>3,874,971</u>	<u>4,258,556</u>	<u>6,403,461</u>	<u>5,486,945</u>
Full Time Equivalents	<u>10.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>

Executive

Expenses by Category



Budget Analysis:

- Executive Department is continuing to absorb agency-wide Travel, Training & Staff Development, Conference Registration Expenses, and Meals & Entertainment budgets.
- IPTC Foundation staff have been moved to Executive.
- Contractual services now includes budget for agency programs, previously housed in Mobility Services.
- Risk & Safety Department's now includes budget for drug and alcohol testing, previously housed in HR.
- Governance & Audit Department contains audit and consulting budgets.
- Inclusion and Workforce Development has been removed from the Executive budget, and has been merged with HR to form the Department of People and Teammate Experience.

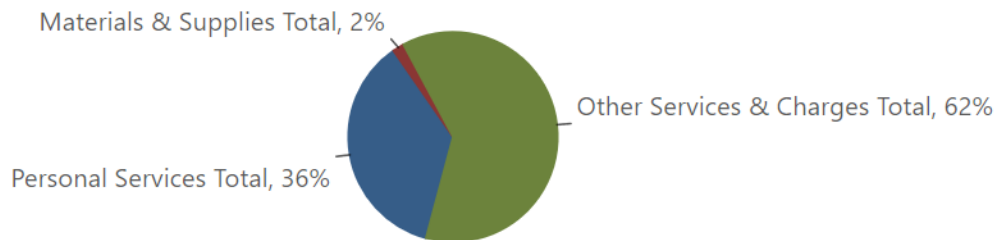
Public Affairs & Communications

The Public Affairs department champions all strategic internal and external communications for the agency through the handling of media relations, reputation management, public policy, rider education and more. Additionally, the department spearheads community outreach and engagement and event management, helping the agency maintain positive relationships with partners, key stakeholders and the public. It also plays an essential role in managing the long-term mission, vision, values and goals that inform every decision the organization makes.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	436,115	458,446	473,669	508,571
Payroll Taxes	32,759	35,071	36,236	38,906
Personal Services Total	<u>468,874</u>	<u>493,517</u>	<u>509,905</u>	<u>547,477</u>
Materials & Supplies				
Office Supplies	18,548	17,500	22,500	22,500
Operating Supplies	7,695	2,000	2,000	2,000
Other	2,434	2,500	1,500	2,500
Materials & Supplies Total	<u>28,677</u>	<u>22,000</u>	<u>26,000</u>	<u>27,000</u>
Other Services & Charges				
Contractual Services	229,412	173,651	182,500	207,500
Dues and Subscriptions	1,340	1,000	2,500	2,500
Printing and Advertising	399,818	468,500	496,200	547,500
Professional Services	47,310	135,000	135,000	180,000
Telephone	-	1,000	1,000	1,000
Training and Conferences	2,244	-	-	-
Other Services & Charges Total	<u>680,124</u>	<u>779,151</u>	<u>817,200</u>	<u>938,500</u>
Grand Total	<u>1,177,675</u>	<u>1,294,668</u>	<u>1,353,105</u>	<u>1,512,977</u>
Full Time Equivalents	<u>9.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>

Public Affairs & Communications

Expenses by Category



Budget Analysis:

- Contractual services includes website hosting and maintenance, and media and outreach events.
- Professional services includes budget for educational and construction videos and associated photography.
- Advertising expenses cover ad placement for employee hiring and general awareness. Printing includes costs to produce route maps, public meeting materials, and sales pieces for larger scale partnerships.
- Office Supplies sees an increase from increased Postage budget, with additional need necessary from outreach mailings.

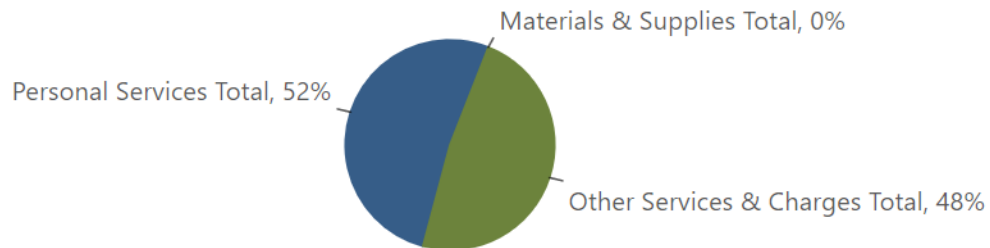
Legal

In-house counsel addresses and resolves all legal and regulatory matters of federal and state compliance, transactional matters, and day-to-day operational issues. IndyGo also utilizes a legal panel of firms throughout the area secured through a competitive procurement process for representation in broad areas of practice and litigation. The department is also responsible for administering IndyGo's Supplier Diversity, Disadvantage Business Enterprise, Equal Employment Opportunity, and Title VI Programs, including monitoring, enforcing, and regularly reporting out on the agency's compliance with the nondiscrimination laws as they apply to internal and external matters.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	509,146	555,043	673,346	722,961
Payroll Taxes	39,380	42,461	51,511	55,306
Retirement	-	-	1,825,000	2,000,000
Personal Services Total	<u>548,526</u>	<u>597,504</u>	<u>2,549,857</u>	<u>2,778,267</u>
Materials & Supplies				
Office Supplies	650	1,000	750	750
Operating Supplies	83	-	-	-
Other	50	-	-	-
Materials & Supplies Total	<u>783</u>	<u>1,000</u>	<u>750</u>	<u>750</u>
Other Services & Charges				
Contractual Services	156,493	132,251	108,000	90,000
Dues and Subscriptions	540	1,000	1,200	1,200
Insurance	1,209,846	1,200,000	1,800,000	1,800,000
Professional Services	409,818	785,000	745,000	695,000
Training and Conferences	625	-	-	-
Other Services & Charges Total	<u>1,777,322</u>	<u>2,118,251</u>	<u>2,654,200</u>	<u>2,586,200</u>
Grand Total	<u>2,326,631</u>	<u>2,716,755</u>	<u>5,204,807</u>	<u>5,365,217</u>
 Full Time Equivalents	 <u>5.0</u>	 <u>7.0</u>	 <u>7.5</u>	 <u>7.5</u>

Legal

Expenses by Category



Budget Analysis:

- Attorney litigation and arbitration expenses fall under the legal department's professional services budget.
- Contractual services has decreased, with a part-time position added to offset.
- Personal injury settlement expenses are included in other services and charges.
- Pension and related charges have been moved to Legal, from HR.

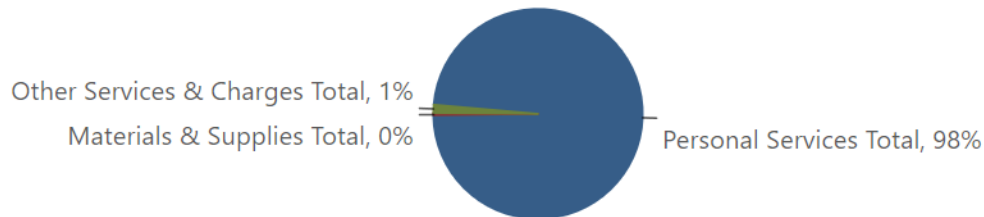
Transportation

Fixed route transportation is responsible for delivering all fixed route and bus rapid transit service seven days a week. This includes operators, supervisors, radio room, and Transit Center management.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	26,717,091	31,109,486	31,944,529	34,602,447
Other Benefits	215,029	240,600	216,800	251,700
Payroll Taxes	1,940,735	2,379,876	2,443,756	2,647,087
Personal Services Total	28,872,855	33,729,962	34,605,085	37,501,234
Materials & Supplies				
Fuel	8,315	60,000	62,100	63,963
Office Supplies	15,236	26,600	20,076	37,076
Operating Supplies	1,352	-	-	-
Other	15,147	18,000	3,000	25,800
Parts	13,568	13,988	6,200	3,900
Materials & Supplies Total	53,618	118,588	91,376	130,739
Other Services & Charges				
Contractual Services	400,305	465,830	461,209	461,209
Printing and Advertising	54	6,500	6,500	6,500
Professional Services	1,994	-	-	-
Telephone	5,400	7,776	8,640	9,504
Training and Conferences	1,567	-	-	-
Other Services & Charges Total	409,320	480,106	476,349	477,213
Grand Total	29,335,793	34,328,656	35,172,810	38,109,186
 Full Time Equivalents	 581.5	 567.0	 567.0	 586.0

Transportation

Expenses by Category



Budget Analysis:

- Personal services in Transportation include salary, benefits, and overtime for IndyGo's Professional Coach Operators.
- Driver's license fees are budgeted in other services and charges.
- IPTC Foundation staff members have been moved to Executive.
- A Purchased Transportation contract, along with related fuel costs, is included in Transportation's budget to supplement the Red Line's end of route service.
- The CTC's managers and supervisors, and related non-personnel expenses, have been absorbed by Transportation.
- Other Services & Charges sees a decrease, as employee recognition events will be covered by People and Teammate Experience.

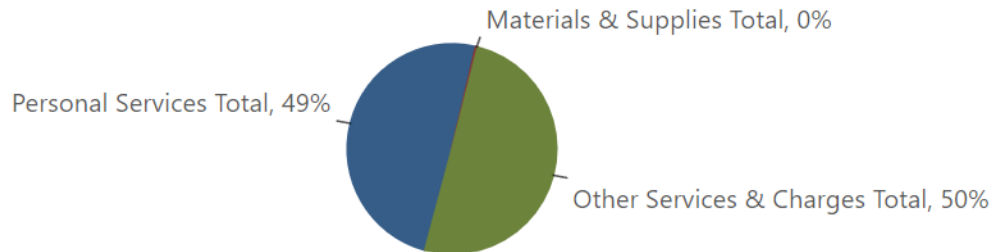
Service Planning

Service Planning department is responsible for the service planning and scheduling of IndyGo's fixed route and bus rapid transit operations.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	638,412.7	712,179.0	724,029.0	777,378.0
Payroll Taxes	45,226.5	54,482.0	55,388.0	59,469.0
Personal Services Total	<u>683,639.2</u>	<u>766,661.0</u>	<u>779,417.0</u>	<u>836,847.0</u>
Materials & Supplies				
Office Supplies	85.4	4,000.0	2,500.0	5,000.0
Operating Supplies	33,164.8	-	-	-
Other	191.2	-	-	-
Materials & Supplies Total	<u>33,441.4</u>	<u>4,000.0</u>	<u>2,500.0</u>	<u>5,000.0</u>
Other Services & Charges				
Contractual Services	232,023.6	483,046.0	895,100.0	847,925.0
Dues and Subscriptions	-	500.0	500.0	500.0
Telephone	864.0	864.0	864.0	864.0
Training and Conferences	325.0	-	-	-
Other Services & Charges Total	<u>233,212.6</u>	<u>484,410.0</u>	<u>896,464.0</u>	<u>849,289.0</u>
Grand Total	<u>950,293.2</u>	<u>1,255,071.0</u>	<u>1,678,381.0</u>	<u>1,691,136.0</u>
Full Time Equivalents	<u>-</u>	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>

Service Planning

Expenses by Category



Budget Analysis:

- Licensing and maintenance costs for service planning software are included in the IT Software budget.
- Professional scheduling services and training are included in Service Planning's contractual services budget.
- Updated and replacement signage related to IndyGo's Comprehensive Operational Analysis is included in Service Planning's contractual services budget.

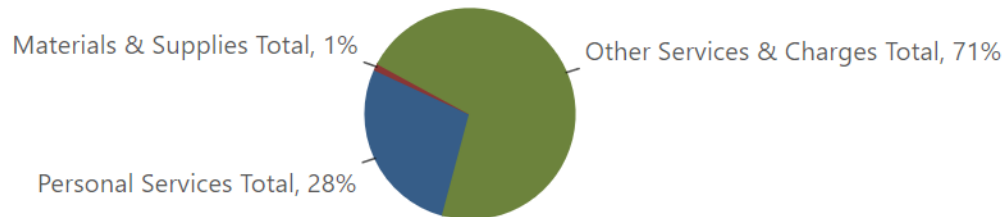
Training & Security

The Security Department ensures the agency adheres to all FTA security and life safety regulations. Security also oversees all security contracts that provide services for on-road service, all facilities, fare inspection, and other areas as needed. Training facilitates all training for incoming and current professional coach operators. It also facilitates training for employment recruits seeking commercial driver licensing (CDL).

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	902,882	866,452	1,230,195	1,518,126
Payroll Taxes	64,898	66,284	94,110	116,137
Personal Services Total	967,780	932,736	1,324,305	1,634,263
Materials & Supplies				
Office Supplies	6,534	9,000	10,000	10,000
Operating Supplies	5,975	8,625	9,750	10,175
Other	6,920	986	1,350	-
Parts	23,884	18,600	43,650	39,850
Materials & Supplies Total	43,313	37,211	64,750	60,025
Other Services & Charges				
Contractual Services	1,171,733	1,875,976	3,955,692	4,165,702
Printing and Advertising	-	12,475	5,100	9,525
Professional Services	-	-	5,000	10,000
Telephone	648	868	868	868
Training and Conferences	732	-	-	10,875
Other Services & Charges Total	1,173,113	1,889,319	3,966,660	4,196,970
Grand Total	2,184,206	2,859,266	5,355,715	5,891,258
 Full Time Equivalents	 14.5	 14.0	 18.0	 18.0

Training & Security

Expenses by Category



Budget Analysis:

- Fixed Route Training Instructors are included in Training & Security Department.
- Professional services includes budget for professional route videos, for training purposes.
- Printing and Advertising includes budget for printing training manuals for 200 students per year.
- Training will be budgeting for Overtime costs going forward, to prevent auxiliary work from cutting into training hours.
- IndyGo's contract for security services include fare enforcement services and security at the 1501 West Washington Street facility, as well several new facilities in 2022. As IndyGo transitions to full utilization of the East Campus, these expenses will increase. Fare inspector rates are set in line with industry standards.
- Contractual Services for this department has baseline increases due to the increasing number of total facilities, as existing items such as testing and inspection will have to be applied to each additional facility as well.
- Security-related parts and contracts for the CTC, previously budgeted in the CTC department, will now be fully housed in Security.

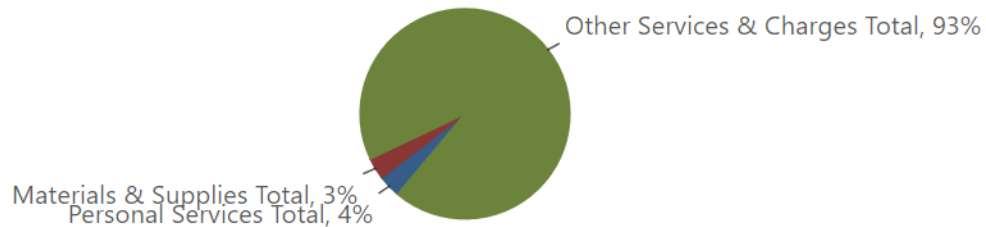
Mobility Services

Mobility Services provides county-wide paratransit services, in adherence to all federally mandated ADA guidelines and requirements. This is a reservation and application-based service for all eligible paratransit riders within IndyGo's service area. This department also manages the contract for paratransit eligibility assessment services and facilitates collaborations for alternative mobility options. Mobility Services has also assumed responsibility for Indygo's customer service staffing and budgeting.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	611,222	747,817	630,922	677,411
Payroll Taxes	44,079	57,208	48,266	51,822
Personal Services Total	655,301	805,025	679,188	729,233
Materials & Supplies				
Fuel	267,087	458,457	586,402	645,039
Office Supplies	15,183	8,000	10,500	12,375
Operating Supplies	2,489	2,551	2,550	2,550
Other	62,272	7,000	2,000	7,000
Parts	5,825	12,000	12,000	12,000
Materials & Supplies Total	352,856	488,008	613,452	678,964
Other Services & Charges				
Contractual Services	9,601,999	13,396,834	11,815,935	19,191,533
Printing and Advertising	297	6,300	2,800	5,300
Professional Services	1,705	-	-	-
Telephone	2,739	1,320	2,592	2,592
Training and Conferences	37,565	-	-	-
Other Services & Charges Total	9,644,305	13,404,454	11,821,327	19,199,425
Grand Total	10,652,462	14,697,487	13,113,967	20,607,622
 Full Time Equivalents	 12.0	 13.0	 10.0	 10.0

Mobility Services

Expenses by Category



Budget Analysis:

- Contractual services cover the agreement with IndyGo's vendor to provide on-demand paratransit services, as well as the procurement of taxi vouchers.
- Contractual services' previous budget for agency mobility programs has been moved to the Executive department.
- IndyGo provides fuel for all paratransit vehicles and is included in Mobility Service's budget. Changes in this fleet's makeup have shifted spending towards unleaded fuel, away from diesel. Budget for this item has trended upwards with the rising cost of fuel.
- IT Software includes mobility and customer service-related software.

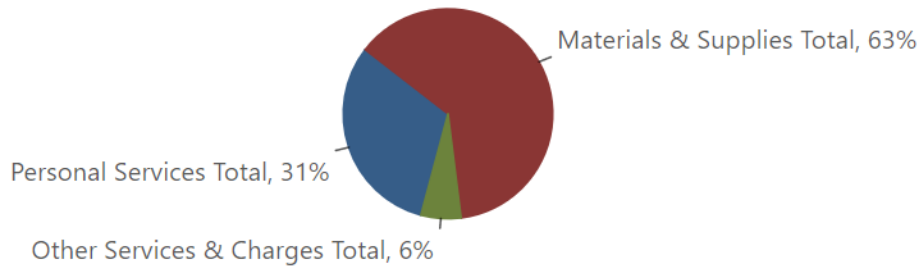
Fleet Services

The Fleet Services department is responsible for the daily storage, fueling, cleaning and washing, charging, and billing out of IndyGo's fleet. It also facilitates IndyGo's vehicle replacement and rehabilitation strategy.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	1,694,702	2,119,387	2,066,942	2,267,129
Other Benefits	2,078	30,578	4,000	4,000
Payroll Taxes	125,153	162,133	158,121	173,435
Personal Services Total	1,821,933	2,312,098	2,229,063	2,444,564
Materials & Supplies				
Fuel	2,693,430	3,964,671	4,511,431	4,729,911
Office Supplies	9,691	15,330	8,037	11,037
Operating Supplies	8,034	11,854	5,293	12,293
Other	19,834	23,384	12,707	12,707
Parts	76,220	180,990	114,535	114,535
Materials & Supplies Total	2,807,209	4,196,229	4,652,003	4,880,483
Other Services & Charges				
Contractual Services	90,937	397,128	455,402	479,867
Insurance	(90)	-	-	-
Telephone	1,296	1,728	864	864
Other Services & Charges Total	92,143	398,856	456,266	480,731
Grand Total	4,721,285	6,907,183	7,337,332	7,805,778
 Full Time Equivalents	 57.0	 44.0	 41.0	 42.0

Fleet Services

Expenses by Category



Budget Analysis:

- The budget for IndyGo's diesel fuel used in fixed route operations is budgeted with Fleet Services & Inventory Control. Fleet Services also maintains an unleaded fuel budget for its support vehicles, as well as other fluids for the total fleet.
- Fleet Services' parts budget shows a decrease, as less maintenance will be required with a younger fleet.
- Fuel sees an increase due to the upward trend of fuel costs. It also now includes the budget for training fleet fueling at commercial sites.
- Contractual Services contains the contracts for bus servicing and detailing, and will see an increase in the bus build inspection contract.
- Other, under Other Services & Charges, includes diesel taxes. This is slightly decreased in accordance with service.

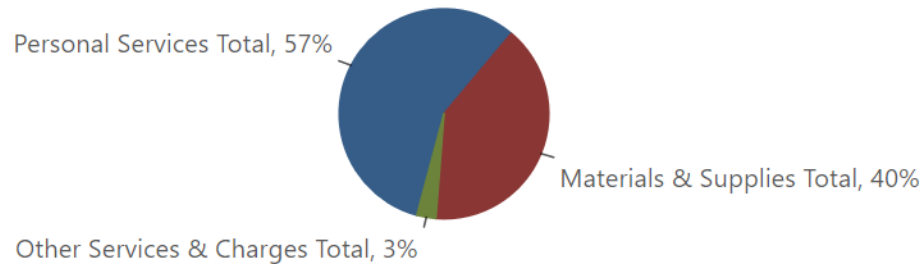
Preventative Maintenance & Repairs

The Preventative Maintenance and Repairs department is responsible for all IndyGo revenue and non-revenue fleet maintenance. This includes all preventative maintenance, defect repairs, and collision work.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	5,334,974	6,408,625	6,834,831	7,874,226
Other Benefits	197,526	152,880	205,300	214,300
Payroll Taxes	391,794	490,260	522,865	602,378
Personal Services Total	5,924,294	7,051,765	7,562,996	8,690,904
Materials & Supplies				
Fuel	154,803	14,925	23,300	23,800
Office Supplies	8,882	10,000	8,000	12,000
Operating Supplies	40,608	40,051	50,000	56,260
Other	19,095	44,186	24,324	64,165
Parts	5,130,106	5,246,727	5,162,875	5,967,024
Materials & Supplies Total	5,353,494	5,355,889	5,268,499	6,123,249
Other Services & Charges				
Contractual Services	211,500	366,262	354,781	440,316
Telephone	3,240	5,184	5,184	5,184
Training and Conferences	3,540	-	-	-
Other Services & Charges Total	218,280	371,446	359,965	445,500
Grand Total	11,496,068	12,779,100	13,191,460	15,259,653
 Full Time Equivalents	 90.0	 105.0	 105.0	 111.0

Preventative Maintenance & Repairs

Expenses by Category



Budget Analysis:

- IndyGo's inventory of replacement vehicle parts and tires comprise the entirety of the parts budget for Preventative Maintenance & Repairs. This sees a slight reduction, as fewer parts will be necessary to maintain a younger fleet.
- Preventative Maintenance and Repairs maintains a budget for fuel and other fluids, used for non-revenue vehicles and support trucks. This sees an increase in accordance with increasing fuel costs.
- Contractual Services contains towing and offsite repairs contracts, for substantial repairs that cannot be completed on-site.
- Preventative Maintenance and Repairs will be converting some vacant positions to apprenticeships, but the net worker count will remain unchanged.
- Uniform Allowance's budget has increased to better match actual spend in previous years.

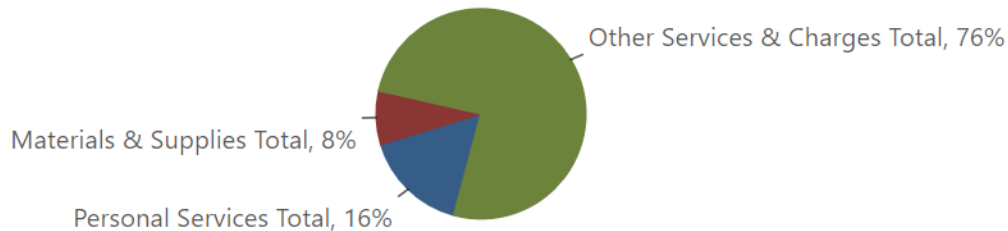
Facility Maintenance

Facilities Maintenance department is responsible for daily cleaning, maintenance and repairs of IndyGo facilities including its headquarters, transit center, bus stop amenities, BRT stations and grounds.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	1,034,342	1,039,378	1,160,569	1,302,709
Other Benefits	3,765	11,916	5,920	12,220
Payroll Taxes	75,908	79,512	88,784	99,657
Personal Services Total	<u>1,114,015</u>	<u>1,130,806</u>	<u>1,255,273</u>	<u>1,414,586</u>
Materials & Supplies				
Fuel	291	17,500	11,500	17,500
Office Supplies	1,118	5,000	12,000	16,000
Operating Supplies	19,993	252,000	157,500	258,000
Other	3,137	50,000	10,000	50,000
Parts	193,728	330,000	340,000	380,000
Materials & Supplies Total	<u>218,267</u>	<u>654,500</u>	<u>531,000</u>	<u>721,500</u>
Other Services & Charges				
Contractual Services	3,357,981	3,568,191	4,535,648	4,126,400
Dues and Subscriptions	15,232	-	-	-
Professional Services	-	15,000	15,000	20,000
Telephone	2,160	2,592	3,500	3,500
Training and Conferences	2,077	-	-	-
Utilities	1,831,203	2,268,000	2,286,000	2,473,050
Other Services & Charges Total	<u>5,208,653</u>	<u>5,853,783</u>	<u>6,840,148</u>	<u>6,622,950</u>
Grand Total	<u>6,540,935</u>	<u>7,639,089</u>	<u>8,626,421</u>	<u>8,759,036</u>
 Full Time Equivalents	 <u>16.0</u>	 <u>17.0</u>	 <u>19.0</u>	 <u>20.0</u>

Facility Maintenance

Expenses by Category



Budget Analysis:

- The opening of several new IndyGo facilities represents a large portion of the increased budget amounts in Other Services & Charges. Each of these facilities will also need cleaning, utilities, etc.
- In addition to IndyGo's new facilities, the CTC facility's maintenance expenses will be added to the Facilities Maintenance department, as the CTC department will be dissolved.
- Contractual services include contracts for facilities and bus stop maintenance, landscaping, and snow removal. Also included is general cleaning and sanitizing/disinfecting of IndyGo facilities.
- Sewer, water, electricity, and natural gas expenses are budgeted in the utilities line item. Utilities sees a small increase, as additional budget will be required for utilities at the new facilities.
- Contractual Services sees an increase, as new facilities will add budget for landscaping, trash removal, etc. Much of the increase comes from expenses previously budgeted in the CTC department.
- Parts sees a small increase, largely due to an increased need for Non-Stock Equipment for the new vehicle maintenance garages.
- Other, under Materials & Supplies, sees a decrease due to a reduction in the Miscellaneous account.

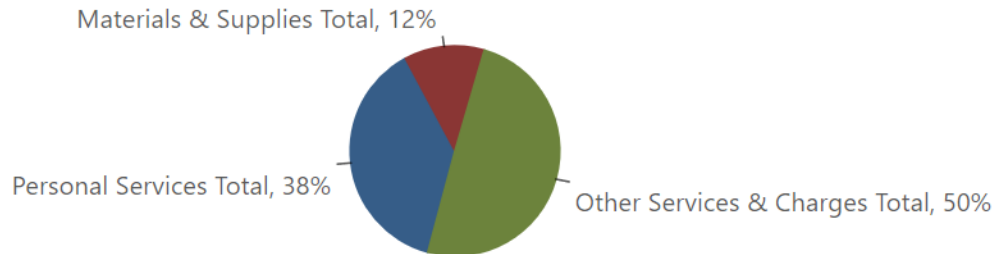
Information Technology

Information Technology department provides cost-effective and efficient enterprise products, services and solutions within a secure and reliable environment for IndyGo through strategic planning, standards and policies, fiscal responsibility, architecture and oversight. It monitors and manages tech incidents, enterprise technology platforms, IndyGo Fleet CAD/AVL equipment, vehicle communications, and vehicle camera systems.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	1,684,033	1,978,506	2,321,176	2,594,210
Other Benefits	4,440	-	5,500	5,500
Payroll Taxes	123,929	151,355	177,570	198,457
Personal Services Total	<u>1,812,402</u>	<u>2,129,861</u>	<u>2,504,246</u>	<u>2,798,167</u>
Materials & Supplies				
Office Supplies	2,511	9,000	7,000	11,000
Operating Supplies	3,424	3,500	8,800	8,800
Other	357,843	805,571	773,950	890,550
Parts	6,864	-	-	-
Materials & Supplies Total	<u>370,642</u>	<u>818,071</u>	<u>789,750</u>	<u>910,350</u>
Other Services & Charges				
Contractual Services	1,000,421	860,040	1,516,527	2,979,627
Dues and Subscriptions	1,247	-	-	-
Professional Services	20,082	54,451	68,200	68,200
Telephone	387,979	499,778	505,254	608,000
Other Services & Charges Total	<u>1,409,729</u>	<u>1,414,269</u>	<u>2,089,981</u>	<u>3,655,827</u>
Grand Total	<u>3,592,773</u>	<u>4,362,201</u>	<u>5,383,977</u>	<u>7,364,344</u>
 Full Time Equivalents	 <u>25.0</u>	 <u>29.0</u>	 <u>31.0</u>	 <u>31.0</u>

Information Technology

Expenses by Category



Budget Analysis:

- Hardware to support IndyGo's information technology needs is located in IT's materials and supplies budget. This includes items for maintenance of vehicle CAD/AVL and communications equipment.
- Software licensing and other subscription fees are all considered contractual services in this budget.
- IndyGo's internet and cellular services is included in IT's telephone budget. This includes Fixed Route cell phones and Mobility Services tablets.
- Information Technology department continues to absorb agency-wide IT Hardware budgets related to PC requests and replacement.
- Other, under Materials & Supplies, sees an increase due to the addition of several new items under IT Hardware. These include annual licensing and maintenance costs for hardware, as well as tech acquisitions and replacements for the agency.
- Contractual Services sees an increase largely due to several new software licensing and maintenance costs under IT Software. This includes licensing for Microsoft D365, after its implementation in 2022. Also included is an additional need for staff augmentation for operational project support.
- Other, under Other Services & Charges, sees an increase due to the associated costs of IT's support vehicles.

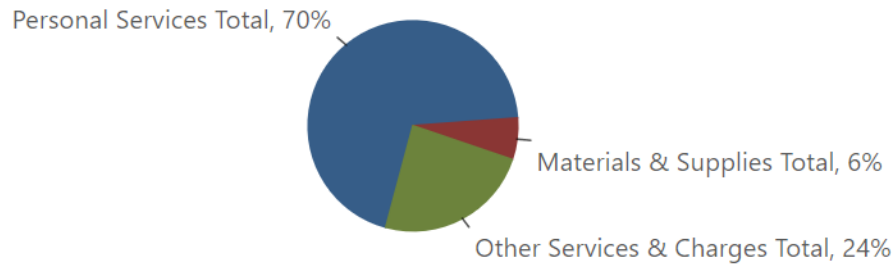
Finance

Finance department plans, allocates and manages the agency's financial resources, programs and priorities, as well as monitors its financial condition and ensures fiscal integrity. The budget office is responsible for formulating the annual financial plan, financial reporting, and grants management. The accounting office manages payroll, accounts payable, accounts receivable, treasury management, liquidity management, and revenue collections. Finance also facilitates agency-wide procurements.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	2,763,112	2,754,152	2,851,676	3,358,041
Other Benefits	7,379	16,600	14,780	20,975
Payroll Taxes	202,185	210,693	218,153	256,890
Personal Services Total	<u>2,972,676</u>	<u>2,981,445</u>	<u>3,084,609</u>	<u>3,635,906</u>
Materials & Supplies				
Fuel	498	-	-	-
Office Supplies	12,674	20,000	14,000	25,000
Operating Supplies	195,259	225,500	287,500	292,500
Other	43,917	10,451	10,450	10,450
Parts	7,944	500	5,500	5,500
Materials & Supplies Total	<u>260,292</u>	<u>256,451</u>	<u>317,450</u>	<u>333,450</u>
Other Services & Charges				
Contractual Services	960,864	999,000	1,167,616	1,185,856
Dues and Subscriptions	3,357	2,380	2,380	2,380
Insurance	1,185	1,500	-	-
Printing and Advertising	24,646	15,000	18,000	18,000
Professional Services	145,711	25,000	25,000	25,000
Telephone	13,933	6,048	19,248	19,248
Training and Conferences	9,960	-	3,000	-
Other Services & Charges Total	<u>1,159,656</u>	<u>1,048,928</u>	<u>1,235,244</u>	<u>1,250,484</u>
Grand Total	<u>4,392,624</u>	<u>4,286,824</u>	<u>4,637,303</u>	<u>5,219,840</u>
 Full Time Equivalents	 <u>34.0</u>	 <u>42.5</u>	 <u>44.5</u>	 <u>49.5</u>

Finance

Expenses by Category



Budget Analysis:

- Banking fees, armored car service, and payroll fees make up Finance's contractual services budget.
- Replacement parts needed for farebox repairs make up Finance's operating supplies budget.
- Operating Supplies sees an increase in the Warranty account, as ticket vending machine warranties expire in 2022.
- Printing and Advertising sees a small increase, as there is an additional need for legal advertisements for procurements.
- Contractual Services sees an increase, largely due to additional software licensing fees in the IT Software account.

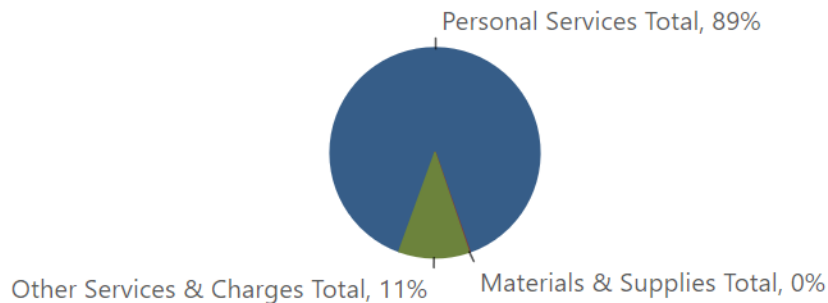
People & Teammate Experience

The Department of People and Teammate Experience (DPTE) strives to enthusiastically recruit, hire, and onboard a transformative team of diverse individuals who support the entire organization's vision, mission, and goals. While investing in a dynamic workforce through ongoing virtual and in-person education, mentorship, apprenticeship, and skill development, DPTE maintains a positive work environment by focusing on recognition, appreciation, differences, equity, and relationship building. Our policies, programs, regulatory compliance, and inclusive initiatives, all establish the groundwork for effectively guiding teammates in the realm of labor and employee relations, organizational development and advancement, classification and compensation, staffing and recruitment, benefits and well-being, and retirement.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	742,343	870,384	1,164,961	1,250,653
Benefits	10,770,139	13,761,260	12,528,652	13,659,933
Other Benefits	582,268	1,100,000	1,212,740	1,212,740
Payroll Taxes	53,906	66,585	89,120	95,675
Retirement	700,133	1,925,000	80,000	80,000
Personal Services Total	12,848,789	17,723,229	15,075,473	16,299,001
Materials & Supplies				
Office Supplies	5,063	12,500	14,113	15,600
Operating Supplies	4,042	3,500	3,000	3,000
Other	14,795	18,000	9,000	9,000
Materials & Supplies Total	23,900	34,000	26,113	27,600
Other Services & Charges				
Contractual Services	153,993	132,834	449,656	455,656
Dues and Subscriptions	20,418	2,000	24,335	24,335
Insurance	1,370,462	845,000	945,000	1,045,000
Printing and Advertising	881	20,000	16,000	120,000
Professional Services	41,753	38,434	32,000	34,000
Telephone	864	2,500	864	2,500
Training and Conferences	7,213	-	-	292,000
Other Services & Charges Total	1,595,584	1,040,768	1,467,855	1,973,491
Grand Total	14,468,273	18,797,997	16,569,441	18,300,092
Full Time Equivalents	13.0	13.0	16.0	16.0

People & Teammate Experience

Expenses by Category



Budget Analysis:

- The Human Resources department has been merged with the Diversity, Inclusion, and Workforce Development department, to create the Department of People and Teammate Experience. Associated budgets from those two departments have been aggregated in DPTE's.
- Workers' compensation and unemployment insurance are paid from DPTE's insurance budget.
- Healthcare related fringe benefits for IndyGo employees include medical, dental, and vision coverage. Onsite at IndyGo Headquarters is a health clinic, which is free for employees and their families. The organizational costs for these benefits are budgeted for here.
- Drug and alcohol testing, previously housed in HR's budget, has been moved to Risk & Safety.
- Contractual Services includes interns and fellow, diversity contractors, Learning Management System subscriptions, among other items for diversity and workforce development.

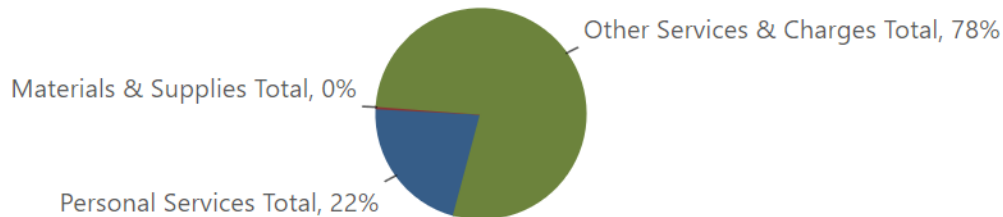
Infrastructure, Strategy, & Innovation

The Department of Infrastructure, Strategy, and Innovation (ISI) is responsible for much of the agency's long-range and strategic planning activities, as well as the planning, design and construction of IndyGo's capital projects. This includes managing the agency's three Bus Rapid Transit projects through final construction; developing and implementing other on-street infrastructure projects; overseeing all facility improvement and new-build projects; and leading or assisting with long-range planning studies in a variety of areas including, but not limited to, microtransit, fleet technology and expansion, network improvements and design, transit asset management, transit-oriented development, and fare modernization. The ISI team supports all competitive grant applications, pilot programs and demonstration projects, equity analyses, surveys, and studies, maintains and updates IndyGo's Title VI Program, IndyGo's universal sponsored rides program, and fare studies. They also administer Section 5310, 5307/5311, and 5339 activities, and further facilitate the distribution of formula funding apportionments from the FTA on behalf of IndyGo and the other transit providers throughout the Central Indiana Region.

	2021 Actual	2022 Adopted Budget	2023 Proposed Budget	2024 Budget Outlook
Personal Services				
Wages	1,059,746	1,012,007	1,070,703	1,212,837
Payroll Taxes	73,871	77,418	81,909	92,782
Personal Services Total	1,133,617	1,089,425	1,152,612	1,305,619
Materials & Supplies				
Office Supplies	6,288	6,985	7,130	7,450
Operating Supplies	7,576	-	-	-
Other	61,741	10,000	5,750	14,550
Parts	8,106	-	-	-
Materials & Supplies Total	83,711	16,985	12,880	22,000
Other Services & Charges				
Contractual Services	2,157,843	2,630,260	2,069,700	1,848,000
Dues and Subscriptions	1,951	2,430	1,810	1,870
Insurance	2,249	-	-	-
Printing and Advertising	605	4,120	2,500	5,400
Professional Services	984,749	645,000	2,490,700	2,841,071
Telephone	216	1,800	500	500
Training and Conferences	7,005	-	-	-
Other Services & Charges Total	3,154,618	3,283,610	4,565,210	4,696,841
Grand Total	4,371,946	4,390,020	5,730,702	6,024,460
Full Time Equivalents	12.0	12.5	12.5	12.5

Infrastructure, Strategy, & Innovation

Expenses by Category



Budget Analysis:

- Contractual services includes on-call planning advisory services and program management support services. Also included is the Red Line's operations & management costs to the Department of Public Works.
- Consulting services for the mobility planning and TOD planning are included within other services and charges.
- Budget for Transit Asset Management baseline assessment, update, and maintenance is included in professional and contracted services.
- Professional Services sees an increase due to further needs for engineering and traffic studies, as well as consulting for transition plans and transit signal priority modifications.

INCOME TAX REVENUE FUND

Income Tax Revenue Fund

REVENUES - WHERE THE MONEY COMES FROM

In November 2016, Marion County residents voted 59% in support of new dedicated funding to improve transit service in Indianapolis. The public question that appeared on the ballot described the purpose of the income tax increase, up to 0.25%, dedicated for these transit improvements:

- Create a connected network of buses and rapid transit lines.
- Increase service frequency.
- Extend operation hours.
- Implement three new rapid transit lines.

The Statute allows IPTC purchase, establish, operate, repair, or maintain the public transportation project if the public transportation project is located, either entirely or partially, within the eligible county.

Process of Revenue Collection

The Indiana State Budget Agency (the “Budget Agency”) is required to publish an estimate of the statewide total amount of certified distributions before May 1 of every even-numbered year to be made under the LIT Statute during the following calendar year. As it is collected from each county, local income tax revenue is to be deposited in a separate trust account for each county within the State General Fund. Revenue derived from the imposition of the tax is to be distributed to the county that imposed it. The amount that is to be distributed to a county during an ensuing calendar year equals the amount of tax revenue that the Budget Agency determines has been: (1) received from that county for a taxable year ending in a calendar year preceding the calendar year in which the determination is made; and (2) reported on an annual return or amended return processed by the Department of Revenue in the State fiscal year ending before July 1 of the calendar year in which the determination is made; as adjusted for refunds of taxes made in the State fiscal year.

Before August 2 of each calendar year, the Budget Agency must provide the Department of Local Government Finance (DLGF) and the county auditor of each adopting county an estimate of the amount that will be distributed to the county, based on known tax rates. Not later than fifteen (15) days after receiving the estimate of the certified distribution, the DLGF is required to determine for each taxing unit and notify the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit during the ensuing calendar year. Not later than thirty (30) days after receiving the DLGF’s estimate, the county auditor shall notify each taxing unit of the amounts estimated for the taxing unit.

Before October 1 of each calendar year, the Budget Agency shall certify to the DLGF and the county auditor of each adopting county: (1) the amount determined under section 4 of the LIT Statute; and (2) the amount of interest in the county’s account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county’s certified distribution for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under sections 6, 7, and 8 of the LIT Statute. Not later than fifteen (15) days after receiving the amount of the certified distribution, the DLGF shall determine for each taxing unit and notify the

Income Tax Revenue Fund

county auditor of the certified amount of property tax credits, school distributions, public safety revenue, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under the LIT Statute during the ensuing calendar year. Not later than thirty (30) days after receiving the DLGF's estimate, the county auditor shall notify each taxing unit of the certified amounts for the taxing unit. For purposes of a consolidated city, a taxing unit includes the consolidated city and all special taxing districts, all special service districts, and all entities whose budgets and property tax levies are subject to review under IC 36-3-6-9.

Upon receipt, each monthly payment of a county's certified distribution or supplemental distribution shall be allocated and distributed to the appropriate entities in accordance with the LIT Statute and the allocation ordinances adopted by each adopting body. The following table provides the total Marion County adjusted gross income collections per tax year.

Beginning January 1, 2018, IndyGo started receiving monthly distributions of Transit Income Tax Revenue. As required by IC 6 -3.6 -9 -5, before October 1 of each calendar year, the Budget Agency shall certify the local income tax distribution to the county based on the best information available regarding local income tax processed collections and local income tax rates at the time.

Appropriations out of the Transit Income Tax are expected to be \$64.1 million for 2023.

USES OF REVENUE - WHERE THE MONEY GOES

IPTC utilizes the receipts of income tax revenue to fund its operating, capital, and debt service budgets.



DEBT SERVICE

Debt Service Fund

Series 2018A Bonds

On February 22, 2018, the Board of Directors of the Indianapolis Public Transportation Corporation (IPTC) passed Ordinance No. 2018-01, which authorized the issuance of the Qualified Obligations for the purpose of providing funds to finance the costs of certain public transportation projects within the City and County. On August 13, 2018, the City -County Council (1) approved the issuance of the Qualified Obligations by IPTC and (2) pledged by Fiscal Ordinance No. 227, 2018, and pursuant to IC 8-25-3-7 and IC 5-1-14-4, the Transportation LIT Revenues to IndyGo for the payment of principal of and interest on the Qualified Obligations and, if necessary, the funding and replenishment of a reserve therefore, for a term of years equal to the term of the Qualified Obligations. The principal of and interest on the Qualified Obligations will be payable from the Transportation LIT Revenues and will finance certain projects. The Projects are a part of the Capital Plan for 2018 and 2019.

The Indianapolis Local Public Improvement Bond Bank Local Income Tax Revenue Bonds, Series 2018A, dated November 21, 2018, were issued in the aggregate principal amount of \$26,000,000. The Series 2018A bond proceeds are planned to be used for IPTC's rapid transit plan as well as paratransit infrastructure and bus replacement. The bonds bear interest at 5.0%, payable on January 15 and July 1 annually, beginning in 2019 and ending January 15, 2028. The trust indenture includes minimum debt service reserve requirements to be held on deposit.

Series 2021D Bonds

On July 27, 2020, the Board of Directors of the Indianapolis Public Transportation Corporation (IPTC) adopted Ordinance No. 2020-01 authorizing the issuance of the Qualified Obligations for the purpose of providing funds to (i) procure twenty-seven (27) 40-Foot Hybrid low floor buses to be utilized within the City and Marion County. On August 10, 2020, the City-County Council (i) approved the issuance of the Qualified Obligations by the IPTC and (ii) pledged by Special Ordinance No. 5, 2020, and pursuant to IC 8-25-3-7 and IC 5-1-14-4, the Transportation LIT Revenues to the IPTC for the payment of principal and interest on the Qualified Obligations on a parity with the IPTC Local Income Tax Revenue Bonds, Series 2018A. The principal of and interest on the Qualified Obligations will be payable from the Transportation LIT Revenues on a parity with the Prior Qualified Obligations. The Project is in furtherance of the Capital Plan. The bonds bear interest at 4.0%, payable on January 15 and July 1 annually, beginning in 2021 and ending January 15, 2033. The trust indenture includes minimum debt service reserve requirements to be held on deposit.

Series 2022D Bonds

On October 28, 2021, the Board of Directors of the Indianapolis Public Transportation Corporation (IPTC) adopted Ordinance No. 2021-12 authorizing the issuance of the Qualified Obligations for the purpose of providing funds to (a) any or all or any portion of the following projects: (i) the construction, renovation, installation and equipping of a building, bus storage, site development and paving, lighting, fencing, heat lamps and drainage improvements located at 2425 West Michigan Street, (ii) the construction, renovation, installation and equipping of buildings and related improvements at the 9503 East 33rd Street campus (the "East campus"), (iii) the construction, installation and equipping of a new bus/vehicle facility for the East campus, (iv) the acquisition, installation and equipping of UV-C lighting for the IPTC fleet and facilities, (vi) the construction and

Debt Service Fund

renovation of underpasses along Rural Street, and (vii) the acquisition of twenty-two (22) sixty (60)-foot electric buses,(b) capitalized interest, if necessary, (c) a debt service reserve allocable to the Qualified Obligations, and (d) costs incurred in connection with the issuance of the Qualified Obligations.

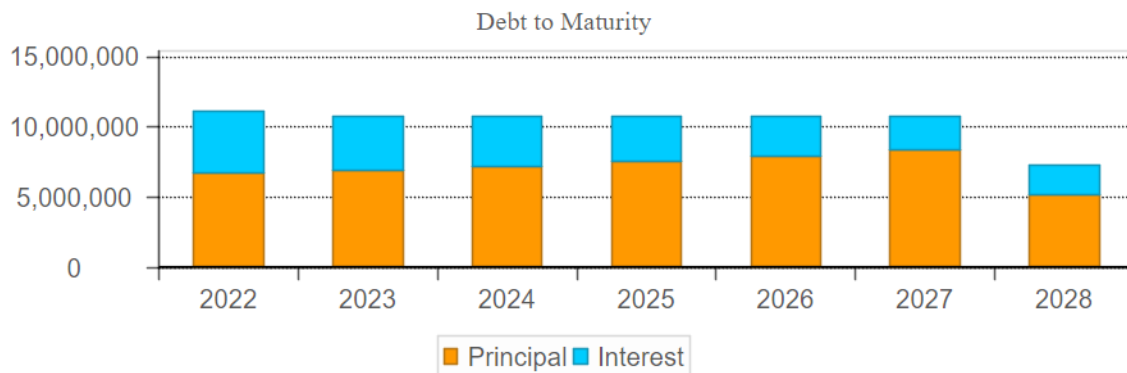
On October 18, 2021, the City-County Council (i) approved the issuance of the Qualified Obligations by the IPTC and (ii) pledged by Special Ordinance No. 22, 2021, and pursuant to IC 8-25-3-7 and IC 5-1-14-4, the Transportation LIT Revenues to the IPTC for the payment of principal and interest on the Qualified Obligations on a parity with the IPTC Local Income Tax Revenue Bonds, Series 2018A and the Indianapolis Public Transportation Corporation Local Income Tax Revenue Bonds, Series 2021A (together, the "Prior Qualified Obligations") and, if necessary, the funding and replenishment of a reserve therefore, for a term of years equal to the term of the Qualified Obligations (the "Transportation LIT Pledge").

The Project is in furtherance of the Capital Plan. Series 2022D Bonds with final maturities on July 15, 2033, July 15, 2034, July 15, 2036, July 15, 2037, July 15, 2038 bear interest at the rate of 5.00%, July 15, 2038, and January 15, 2042 bear interest at the rate of 4.00%, payable on January 15 and July 1 annually, beginning July 15, 2022.

IndyGo carries a standalone AA- rating with Stable Outlook from S&P Global credit rating agency.

The debt service budget on the bonds payable for years subsequent to December 31, 2021 are as follows:

	Principal	Interest	Total
2022	6,780,000	4,340,183	11,120,183
2023	6,905,000	3,871,350	10,776,350
2024	7,240,000	3,537,600	10,777,600
2025	7,595,000	3,187,275	10,782,275
2026	7,965,000	2,819,850	10,784,850
2027	8,345,000	2,434,475	10,779,475
2028	5,215,000	2,074,050	7,289,050
2029 - 2041	39,485,000	9,277,425	48,762,425
Total	89,530,000	31,542,208	121,072,208



CAPITAL IMPROVEMENT PROGRAM

CAPITAL IMPROVEMENT PROGRAM

IndyGo maintains a 5-year capital improvement program, serving as a road map for implementing the Marion County Transit Plan. The Marion County Transit Plan will expand the frequency and hours of its local fixed-route network, construct and operate three new bus rapid transit lines, and change the orientation of its network from a hub-and-spoke network to a grid system. The 5-year program is updated annually to account for new and illustrative projects, completed projects, or changes in assumptions. This process is very diligent and undertaken by the Strategic Planning & Capital Projects Division and Finance Division in key phases such as planning, defining/formulating, and decision making. A standardized template with necessary information/data is provided by project owners is being used in this process. The leadership and the Finance team considers external mandates, program needs, and funding considerations in making the decisions for inclusion in the capital budgets.

Annually, IndyGo’s Board of Directors adopts the amount of capital appropriations for the upcoming budget year as well as any updates to the out years of the capital program. The Board adopts these appropriations and program updates separately, with the capital budget included in the annual management and financial plan. The separate, board adopted 2023–2027 Capital Plan will be included as Appendix A to this document, for that reason. The 2023–2027 Capital Plan includes detailed project descriptions, historical expenditure tables, and comprehensive explanations of IndyGo’s capital project funding sources.

The following summary table outlines IndyGo’s Board Adopted 5-year Capital Improvement Program. IndyGo’s budget for capital expenditures in 2023 is set at \$122.7M. This budget will provide capital support for the following project areas: BRT and On-Street Infrastructure, Facilities, Safety and Security, IT and Finance, Public Affairs, and Fleet. Funding sources for these projects in 2023 is comprised of grants (34%), bonds (41%), and cash (25%).

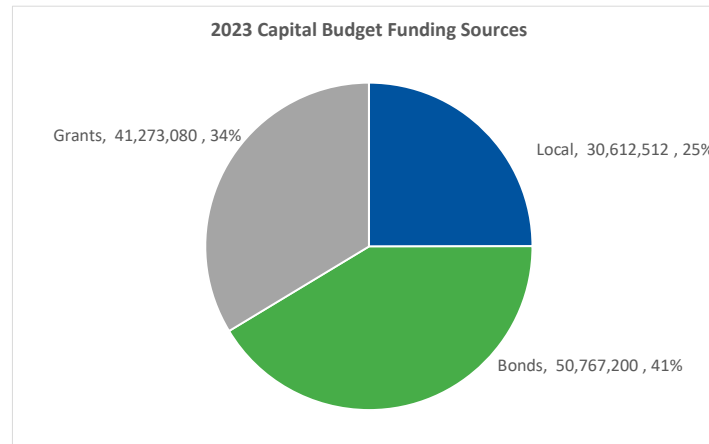


Indianapolis Public Transportation Corporation
2023 Proposed Capital Improvement Program

	2023	2024	2025	2026	2027	5 Year CIP Total
BRT and On-Street Infrastructure	61,152,792	64,726,394	122,153,400	115,900,000	38,050,000	401,129,266
29th & 30th Streets Two-Way Conversion	0	2,171,889	0	0	0	2,171,889
Blue Line BRT	0	25,649,900	112,590,000	112,550,000	36,450,000	287,239,900
CTC - BRT Docking Solution	4,000,000	5,000,000	0	0	0	9,000,000
CTC - Purple Line Inductive Charging	425,000	0	0	0	0	425,000
East Washington Mobility Hub	0	3,160,000	1,980,000	0	0	5,140,000
New York & Michigan Streets Two-Way Conversion	0	4,253,680	0	0	0	4,253,680
Purple Line BRT	50,971,100	15,611,705	0	0	0	66,582,805
Red Line Phase I Closeout	289,390	0	0	0	0	289,390
Red Line Phases II & III	0	0	1,750,000	1,750,000	0	3,500,000
Rural Street Underpass Clearance	300,000	3,762,600	2,508,400	0	0	6,571,000
South Madison Park & Ride	0	1,175,000	925,000	0	0	2,100,000
Super Stops 2.0 Alabama, Ft. Wayne and Vermont Stations	2,617,322	0	0	0	0	2,617,322
Transit Signal Priority	549,980	1,216,620	0	0	0	1,413,280
Transit Stop Amenities	2,000,000	2,725,000	2,400,000	1,600,000	1,600,000	9,825,000
Facilities	30,220,000	30,622,369	5,875,000	0	0	65,949,369
1501 - HVAC VRF System Replacement	70,000	0	0	0	0	70,000
1501 - Maintenance Area Garage Renovations	0	2,560,000	0	0	0	2,560,000
1501 - Parking Lot Fence & Gate Replacement	500,000	0	0	0	0	100,000
1501 - Security Door Upgrades	200,000	0	0	0	0	200,000
Battery Electric Bus Charging Software Management System	75,000	0	0	0	0	75,000
CNC Mill	0	65,000	0	0	0	65,000
CTC - Lounge / Office Renovations	215,000	0	0	0	0	215,000
Depot Charging - Equipment Installation	1,620,000	0	0	0	0	1,620,000
East Campus - Facilities Equipment	0	200,000	0	0	0	200,000
East Campus - New Garage Construction	19,040,000	27,657,369	5,860,000	0	0	52,557,369
Facilities Fencing	460,000	125,000	0	0	0	217,000
Facilities Signage	50,000	15,000	15,000	0	0	80,000
Fuel Island Exhaust Reels	90,000	0	0	0	0	90,000
Fuel Piping & Pump System	400,000	0	0	0	0	400,000
Maintenance Heavy Equipment Replacement	300,000	0	0	0	0	300,000
Tire Bay Demolition	250,000	0	0	0	0	250,000
West Michigan Street - Assessment Center Facility Renovation	200,000	0	0	0	0	200,000
West Michigan Street - Exterior Improvements, Vehicle Wash, & Solar Array Installation	6,750,000	0	0	0	0	6,750,000
Finance	397,800	405,756	0	0	0	803,556
Farebox Maintenance / Replacement	397,800	405,756	0	0	0	803,556
Fleet	27,852,200	43,686,291	18,148,814	19,706,963	300,000	109,694,268
Fixed-Route Bus Replacement / Expansion, 40' Buses	0	15,824,091	16,298,814	17,906,963	0	50,029,868
Fixed-Route Bus Replacement, BYD Electric Buses for Purple Line	26,037,200	26,037,200	0	0	0	52,074,400

Indianapolis Public Transportation Corporation
2023 Proposed Capital Improvement Program

	2023	2024	2025	2026	2027	5 Year CIP Total
Paratransit Bus Replacement	1,500,000	1,550,000	1,550,000	1,550,000	0	6,150,000
Support Vehicle Replacement	315,000	275,000	300,000	250,000	300,000	1,440,000
Information Technology	3,000,000	400,000	0	0	0	3,352,000
BRT Station Signage Upgrade	1,705,000	0	0	0	0	1,705,000
Distributed Antenna System	355,000	400,000	0	0	0	755,000
Fare Validator Replacement	700,000	0	0	0	0	700,000
Mobility- or Software-as-a-Service	240,000	0	0	0	0	192,000
Safety and Security	30,000	0	0	0	0	6,000
1501 - South Vehicle Gate	30,000	0	0	0	0	6,000
Grand Total	122,652,792	139,840,810	146,177,214	135,606,963	38,350,000	580,934,459



GLOSSARY

GLOSSARY

Accrual Accounting - A method of financial accounting where revenues are recorded when earned, however, the revenue does not have to be received in the same reporting period. Similarly, expenditures are recorded as soon as the goods or services are received; the payment of the expenditure does not have to be made in the same reporting period.

Accrued Expense - Expenses incurred and recorded during an accounting period for which payment will be made in the future.

Accrued Revenue - Revenue which has been earned and recorded during an accounting period that will be collected in the future.

Americans with Disabilities Act (ADA) - of 1990, requires that public entities, which operate non-commuter fixed route transportation services, also provide complementary Paratransit service for individuals unable to use the fixed route system.

Amortization - Amortization is the process of allocating the cost of an intangible asset over a period of time.

Appropriation - An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is limited in amount and to the time when it may be expended.

Assessed Valuation - The County Property Appraiser's estimation of the Fair Market Value of real estate or other property. This valuation is used to determine taxes levied upon the property.

Audit - Audit is an official inspection of an organization's financial statements, typically by an independent body.

Balanced Budget - The Authority considers the budget balanced when total expenditures equal total revenues. The budget is also balanced in situations where total expenditures are less than total revenues, which is called a surplus. There are also few instances where the Authority might plan to spend fund balances from previous years on one-time or non-routine expenditures, provided the funding from previous years is available. The Authority, however, must have a plan in place to not build ongoing expenditures into this type of funding.

Base Budget - The amount programmed in the budget year for conducting the same program and performing the same services as are planned for the current year.

Bond - The written evidence of the debt issued by the Authority. It bears a stated rate of interest and maturity date on which a fixed sum of money plus interest is payable to the holder.

Budget Basis - The starting point for budget deliberations, usually the current budget year appropriation, or the Midyear Review estimate of expenses.

Budget Deficit - Usually, this is a projection of expenditures exceeding appropriations. It is normally determined during a quarterly review. The budget is controlled so that expenditures plus encumbrances should not exceed appropriations.

Bus Rapid Transit (BRT) - A broad term given to transit systems that use buses to provide a service that is of a higher quality than an ordinary bus line.

CAFR - Comprehensive Annual Financial Report, contains audited financial statements, financial notes, and related materials.

Capital Expenditures - Funds in the Capital Improvement Program are used to account for the acquisition, construction, replacement, repair and renovation of capital facilities, assets, and equipment. Under Routine Capital Fund, local funds are used for the purchase of vehicles and equipment, where each unit has a value of at least \$5,000 and a useful life of greater than 3 years.

Capital Improvement Budget - The current year estimated revenues and expenses of construction projects and capital equipment purchases in the Capital Improvement Plan. The Capital Budget includes maintenance and expansion projects that are funded through grants and local sources.

Capital Improvement Plan (CIP) - A five to ten-year plan for constructing, acquiring, or maintaining capital assets.

CARES Act - Coronavirus Aid, Relief, and Economic Security Act. The CARES Act provides emergency assistance and health care response for individuals, families and businesses affected by the COVID-19 pandemic and provide emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. Funding is provided at a 100-percent federal share, with no local match required, and is available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19.

Cash Accounting - A major accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

Debt Limit - A statutory or constitutional limit on the principal amount of debt that an issuer may incur or have outstanding at one time.

Debt Service - Principal and interest paid on long term and short-term debt.

Depreciation - Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life and is used to account for declines in value.

DLGF - Department of Local Government Finance is responsible for ensuring property tax assessment and local government budgeting are carried out in accordance with Indiana law. The Department is charged with publishing property tax assessment rules and annually reviewing and approving the tax rates and levies of every political subdivision in the state, including all counties, cities, towns, townships, school corporations, libraries, and other entities with tax levy authority.

Encumbrance - Obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. To encumber funds means to set aside or commit funds for future expenditures. They cease to be encumbrances when paid or when the actual liability is set up.

Enterprise Resource Planning (ERP) - Technology applications that improve enterprise wide decision support and operational efficiency through information integration and process improvement. ERP systems are based on software that integrates information from diverse applications into a common database and suggest that business processes can be improved by using the built -in best practices for financial and other administrative operations.

Expenditure -The use of appropriated funds to purchase an item, service, or other object. Expenditures are not considered encumbrances.

Expenses -Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.

Farebox Revenue - Income generated from passengers using transit service. This includes cash deposited in fareboxes, income from the sales of tickets and monthly passes, and revenue from special pass programs.

Federal Transit Administration (FTA) - Supports a variety of locally planned, constructed, and operated public transportation systems throughout the U.S., including buses, subways, light rail, commuter rail, streetcars, monorail, passenger ferry boats, inclined railways, and people movers.

Fiscal Year - The 12 -month period that the Authority uses for accounting purposes. The Fiscal Year for the Authority is concurrent with the Calendar Year.

Full -Time Equivalent (FTE) Position - A part -time position converted to the decimal equivalent of a full -time position based on 2,080 hours per year for 40 hours per week employees.

Fund - An accounting term referring to a self -balancing set of accounts recording all financial resources together with corresponding liabilities and residual equities or balances, and changes. Funds are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - Fund balance is the net position of governmental funds calculated in accordance with generally accepted accounting principals (GAAP) or a government's budgetary basis.

Fund Deficit - An excess of expenditures over revenues during a fiscal year. This is not an acceptable condition and must be addressed by transferring revenue to the fund in deficit. See Balanced Budget.

GAAP - Generally Accepted Accounting Principles. These principles are guidelines and rules for use by accountants in preparing financial statements.

INDOT - Indiana Department of Transportation

Levy -To impose taxes, special assessments, or service charges for the support of city activities.

Major Funds - Major Funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental funds.

Modified Accrual Accounting -A basis of accounting in which expenditures are recognized when the related fund liability is incurred, but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting, since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or available and measurable. This type of accounting basis is a conservative financial approach and is recommended as the standard for most governmental funds.

Revenue - The amount of money that a company actually receives during a specific period, usually a year.

Operating Budget - The portion of the budget that pertains to daily operations which provide basic governmental services.

Operating Expenses -Those expenses from a fund which are directly related to accomplishing the fund's primary functions. Payroll would be one example of an operating expense.

Operating Revenue -Funds that the government receives as income to pay for ongoing operations that pay for day -to -day services, i.e. taxes, fees from specific services, interest earnings, and grant revenues.

Ordinance -A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments and service charges, usually require ordinances.

Outlays - The payments on obligations in the form of cash, checks, the issuance of bonds or notes, or the maturing of interest coupons.

Paratransit - Paratransit is scheduled service for people who cannot use regular fixed route bus service.

Pass -Thru - A situation where the Authority functions as a channel for the expenditure of funds from another source without authorization to decide the use of the funds.

Principal - The face amount of a bond, which the issuer promises to pay at maturity.

Property Tax - An ad valorem tax levied on both real and personal property according to the property's valuation and tax rate.

Purchase Order - A document issued to authorize a vendor or vendors to deliver specified merchandise or render a specified service for a stated price. Outstanding purchase orders are called encumbrances.

Proposed Budget - Refers to the budget prepared with preliminary estimates by the President/CEO for the consideration of the IndyGo Board.

Referendum - A vote by the people.

Revenue - Funds that the government receives as income, i.e. tax payments, fees from specific services, receipts from other governments, fines, forfeitures, share revenues, and interest income.

Revenue Bond - A bond on which the debt service is payable solely from the revenue generated from the operation of the project being financed.

State of Good Repair (SOGR) - A Federal initiative to identify and maintain the nation's assets for bus and rail systems. This is essential for delivering safe and reliable transit service to millions of daily riders and one of the FTA's highest priorities.

Tax Levy - The total amount to be raised by general property taxes for purposes specified in the Tax Budget.

Section 5309 (formerly Section 3) - A Federal discretionary program directed primarily to those rail modernization and major bus projects that require funding beyond that available under Section 9.

Section 5307 (formerly Section 9) - A Federal formula program which makes resources available to urbanized areas for planning, capital, and operating assistance purposes. Funding allocations are earmarked by Congress.

