



Fiscal Year 2014

Operating and Capital Budgets

Presented to the Suburban Mobility Authority for Regional Transportation Board of Directors May 23, 2013



Suburban Mobility Authority for Regional Transportation Board of Directors

WAYNE COUNTY

Mayor Abdul Haidous, City of Wayne
Alan Helmkamp

OAKLAND COUNTY

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Robert Daddow

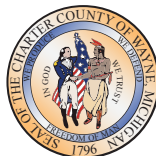
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John Swatosh, Deputy General Manager, Administration
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Executive Summary

FY2014 Operating Budget
EXECUTIVE SUMMARY

OVERVIEW

We continue to deal with the downturn trend in the local SE Michigan economy, but the outlook for FY2014 is not as drastic as the previous 5 years. The local community contribution (property tax revenues) continues its decline which began in FY2008, however at a much lesser rate; the compound effect of the previous years has resulted in a 35% reduction in property tax revenue as compared to FY2008. It will take many years, some estimates as long as 24 years, to recover to the FY2008 property values and we are faced with the possible elimination of the personal property tax portion of our revenues, to be replaced at 80% value by the State. This issue will be decided by the voters in the coming elections. However, based on the initiatives taken in previous years, such as drastic budget reductions resulting in staff and operating reductions, employee salary and fringe concessions, and the reduction in service effective in December, 2011, SMART is proposing a balanced budget for FY2014. The budget continues the many budget reductions enacted in FY2010, the reduced service delivery from December, 2011 and the significant employee sacrifices in wage and fringe benefit concessions through a very lengthy and productive negotiation with the various labor unions as well as the equally significant concession imposed on the non-represented personnel. SMART and its unionized employee groups have entered into a 4 year agreement through mid January, 2015.

The Board of Director's implemented a service reduction plan, which reduced SMART's service area by approximately 20%. This plan eliminated the least travelled routes equally through the tri-county area affecting ridership at the minimum.

Although the budget is balanced, it still relies on the continued use of fund equity to balance it, due to the requirements to book non-cash depreciation expenses in the budget. However, SMART's cash flow remains positive through these times.

Of significant concern are the continuing yo-yo effects on the costs of fuel and the possible loss of additional revenues due to the general economic condition of the local, state, and federal governments. SMART also must address the need to provide capital equipment funding in the future for the eventual replacement of the aging bus fleet as well as other infrastructural needs. To that end, SMART has been aggressive in pursuing every available Federal/State grant to meet these needs, but there is insufficient funding available to replace all the equipment requirements at this time. SMART was able to obtain a Federal Grant which will allow us to address some of our capital needs; however we still have a significant number of buses in need of replacement due to age and mileage. We are anticipating that the decision regarding the current Federal 5307 fund, 65/35 split between DDOT and SMART, will be split on a more equitable level, allowing some much needed capital funds to replace more of the fleet.

In addition, the creation of the new RTA Board in March, 2013 will continue to organize, and will begin its oversight duties over transit service as well as become the designated recipient for Federal Funds on October 1, 2013

FY2014 Operating Budget
EXECUTIVE SUMMARY

REVENUE

Contributions from local communities (property tax revenue) for FY2014 are expected to decrease by another 2%, or approximately \$1.1 million, a total of \$13 million reduction over the 5 year period FY2010-FY2014.

Given the absence of new fixed route services, the ability to use CMAQ (Congestion Mitigation Air Quality) federal awards as operational revenue has decreased by over \$857,010 in FY2011 to \$0 in FY2012, FY2013 and FY2014. In FY2010, SMART received \$3.2 million in CMAQ dollars.

Fare box revenue is down due to the December, 2011 route reductions of 20%. SMART is hopeful that with the economy still in decline especially with rising fuel costs, the demand for bus service will result in increased ridership in the future.

SMART will continue to receive the Federal 5307 Capital funding, used to offset the cost of preventive maintenance in FY2014. It is anticipated that the State of Michigan will continue to provide the required 20% local match for the Federal Funds.

The State of Michigan Act 51 funding is now distributed to SMART as an independent agency, meaning SMART is no longer subject to the 65%/35% split with DDOT, as was done in the past.

EXPENSE

Total expenses are also budgeted with the reductions as a result of employee wage and fringe concessions, and the December, 2011 implemented route cuts. Diesel fuel costs, employee health care, and liability expenses continue to be of major concerns even with the adjustments made to the budget over the last 5 years.

The Finance Department and Administration has worked with the Board of Director's Budget Committee in the development of this proposed budget, and we wish to thank them for their time and effort put into this difficult but necessary process.

Financial Review

1) Income Statement (Functional Version)

**SMART FUNCTIONAL
FY2014 OPERATING BUDGET**

	FY2013 BUDGET	FY2014 BUDGET	\$ Variance FAV(UNFAV)	% Variance FAV(UNFAV)
REVENUE				
FEDERAL OPERATING REVENUE:				
SECTION 5307	\$ 15,802,000	\$ 16,382,600	\$ 580,600	3.5%
OTHER FEDERAL GRANTS	305,500	305,500	-	
TOTAL FEDERAL OPERATING REVENUE	16,107,500	16,688,100	580,600	3.5%
STATE OF MICHIGAN				
ACT 51	25,727,900	24,987,700	(740,200)	-3.0%
STATE PM REVENUE	3,000,000	4,011,800	1,011,800	25.2%
CONTRIBUTION FROM COUNTY TRANSIT AUTHORITIES	38,844,000	38,057,000	(787,000)	-2.1%
OPERATING REVENUE				
FIXED ROUTE	14,629,900	13,391,000	(1,238,900)	-9.3%
CONNECTOR	688,800	656,200	(32,600)	-5.0%
FUND EQUITY	3,854,100	5,600,000	1,745,900	31.2%
INTEREST REVENUE	60,000	60,000	-	
RESTRICTED REVENUE	6,067,300	6,545,400	478,100	7.3%
TOTAL REVENUE	108,979,500	109,997,200	1,017,700	0.9%
EXPENSES				
OPERATIONS:				
FIXED ROUTE	78,125,300	78,613,700	(488,400)	-0.6%
CONNECTOR	10,525,900	10,679,200	(153,300)	-1.4%
GENERAL ADMINISTRATION	9,953,900	9,911,200	42,700	0.4%
COMMUNITY CREDITS	2,832,100	2,832,100	-	
TRI COUNTY POS ASSISTANCE	273,000	273,000	-	
COMMUNITY BASED SERVICE	142,600	142,600	-	
INTEREST EXPENSE	59,400	-	59,400	
CONTINGENCY	1,000,000	1,000,000	-	
RESTRICTED EXPENSES	6,067,300	6,545,400	(478,100)	-7.3%
TOTAL EXPENSES	108,979,500	109,997,200	(1,017,700)	-0.9%
REVENUE OVER (UNDER) EXPENSE	\$ -	\$ -	\$ -	

2) Income Statement (Operational Version)

SMART OPERATIONAL		FY2014			
				OPERATING BUDGET	
		FY 2013 Budget	FY 2014 Budget	\$\$ Variance FAV(UNFAV)	% Variance
REVENUE					
Route Revenue:					
Fare Revenue		14,586,200	13,309,000	(1,277,200)	-9.6%
Agency Revenue		166,100	168,800	2,700	1.6%
Total Route Revenue		14,752,300	13,477,800	(1,274,500)	-9.5%
	<i>% Of Total Revenue</i>	14%	12%		
Federal Sources:					
Section 5307 Revenue		15,802,000	16,382,600	580,600	3.5%
Other Federal Grant		305,500	305,500		
Total Federal Sources		16,107,500	16,688,100	580,600	3.5%
	<i>% Of Total Revenue</i>	15%	15%		
State Sources:					
State Act 51 SMART		25,727,900	24,987,700	(740,200)	-3.0%
State PM Revenue		3,000,000	4,011,800	1,011,800	25.2%
Total State Sources		28,727,900	28,999,500	271,600	0.9%
	<i>% Of Total Revenue</i>	26%	26%		
Local Sources:					
Contributions From Local Transit Authorities		39,344,000	38,557,000	(787,000)	-2.0%
Allowance For MTT		(500,000)	(500,000)		
Total From Local Sources		38,844,000	38,057,000	(787,000)	-2.1%
	<i>% Of Total Revenue</i>	36%	35%		
Other Income:					
Fund Equity		3,854,100	5,600,000	1,745,900	31.2%
Interest Income		60,000	60,000		
Advertising		500,000	500,000		
Miscellaneous		66,400	69,400	3,000	4.3%
Total Other Income		4,480,500	6,229,400	1,748,900	28.1%
	<i>% Of Total Revenue</i>	4%	6%		
Restricted Pass Through Revenue (Exp. Match):		6,067,300	6,545,400	478,100	7.3%
TOTAL REVENUE		\$ 108,979,500	\$ 109,997,200	\$ 1,017,700	0.9%

SMART OPERATIONAL **FY2014**
OPERATING BUDGET

FY 2013 Budget

FY 2014 Budget

\$\$ Variance FAV(UNFAV)

% Variance

EXPENSES (Part 1 of 3)

WAGE AND WAGE RELATED EXPENSES:

ACTIVE EMPLOYEES:

Active Salaries, Wages & Taxes:

Administrative	5,101,700	4,932,400	169,300	3.4%
Operations	23,588,300	24,040,900	(452,600)	-1.9%
Maintenance	7,203,300	7,737,400	(534,100)	-6.9%
Total Active Salaries, Wages, Taxes	35,893,300	36,710,700	(817,400)	-2.2%
<i>% Of Total Revenue</i>	33%	33%		

Active Employee Benefits:

Hospitalization/Medical	9,338,700	9,917,100	(578,400)	-5.8%
Employee Premium Sharing-Health Care	(1,458,100)	(1,366,100)	(92,000)	6.7%
Life, AD&D, Drug, Dental, Optical	1,184,100	1,370,900	(186,800)	-13.6%
Other Employee Benefits	606,400	480,600	125,800	26.2%
Workers Compensation	1,407,300	1,449,600	(42,300)	-2.9%
FICA	2,745,300	2,811,700	(66,400)	-2.4%
Pension Funding	5,413,600	5,878,900	(465,300)	-7.9%
Employee Premium Sharing-Pension	(1,614,900)	(1,654,000)	39,100	-2.4%

Total Active Employee Benefits	17,622,400	18,888,700	(1,266,300)	-6.7%
<i>% Of Total Revenue</i>	16%	17%		
<i>% Of Total Active Wages</i>	49%	51%		

Total Active Employee Wages & Benefits:	53,515,700	55,599,400	(2,083,700)	-3.7%
<i>% Of Total Revenue</i>	49%	51%		

RETIRED EMPLOYEES:

Post Employment Benefits:

OPEB Net Unfunded Obligation	5,816,900	3,560,300	2,256,600	63.4%
Retiree Medical and/or Drug Premiums	5,579,300	7,248,700	(1,669,400)	-23.0%
Post Retirement Benefits Subtotal	11,396,200	10,809,000	587,200	5.4%
Other Post Employment Benefits	182,900	173,400		

Total Post Retirement Benefits	11,579,100	10,982,400	587,200	5.3%
<i>% Of Total Revenue</i>	11%	10%		

Total Wage and Wage Related Expenses	65,094,800	66,581,800	(1,496,500)	-2.2%
<i>% Of Total Revenue</i>	60%	61%		

SMART OPERATIONAL **FY2014**
OPERATING BUDGET

FY 2013 Budget

FY 2014 Budget

\$\$ Variance FAV(UNFAV)

% Variance

EXPENSES (Part 2 of 3)

Operations:

Operational Expenses

Direct Variable (Vehicle):

Diesel Fuel	9,685,900	9,726,000	(40,100)	-0.4%
Gas, Oil, Lubricants, Etc.	500,000	612,000	(112,000)	-18.3%
Repair Parts	3,900,000	3,800,000	100,000	2.6%
Tires	634,900	670,700	(35,800)	-5.3%
Vehicle Insurance	5,597,300	5,742,000	(144,700)	-2.5%
Bus Contract Repairs-Maintenance	446,300	348,500	97,800	28.1%
Contract Repairs-Accidents	250,000	240,000	10,000	4.2%
Towing	150,000	150,000		
Total Direct Variable (Vehicle)	21,164,400	21,289,200	(124,800)	-0.6%
<i>% Of Total Revenue</i>	<i>19%</i>	<i>19%</i>		

Indirect Variable:

Radio Towers	95,600	25,000	70,600	282.4%
Fare Collection Costs	640,600	557,000	83,600	15.0%
Route Facilities Maint.	124,200	149,200	(25,000)	-16.8%
Other- Operational	57,900	38,900	19,000	48.8%
Total Indirect Variable	918,300	770,100	148,200	19.2%
<i>% Of Total Revenue</i>	<i>1%</i>	<i>1%</i>		

Facilities:

Utilities	1,976,100	1,681,800	294,300	17.5%
Contract Bldg Maint.	606,600	615,000	(8,400)	-1.4%
Business Insurance	58,300	60,900	(2,600)	-4.3%
Total Facilities	2,641,000	2,357,700	283,300	12.0%
<i>% Of Total Revenue</i>	<i>2%</i>	<i>2%</i>		

Total Operational Expense	24,723,700	24,417,000	306,700	1.3%
<i>% Of Total Revenue</i>	<i>23%</i>	<i>22%</i>		

SMART OPERATIONAL FY2014 OPERATING BUDGET		FY 2013 Budget	FY 2014 Budget	\$\$ Variance FAV(UNFAV)	% Variance
EXPENSES (Part 3 of 3)					
Administration, Other, Spec. Serv, Contingency :					
Administrative					
General Supplies		822,700	790,700	32,000	4.0%
Professional, Outside Serv.		864,400	793,200	71,200	9.0%
Outside Counsel (Non V/L & W/C)		300,000	300,000		
Computer Maint.		581,600	554,200	27,400	4.9%
Marketing Expense		183,500	239,900	(56,400)	-23.5%
Other- Administration		127,300	140,600	(13,300)	-9.5%
Total Administration		2,879,500	2,818,600	60,900	2.2%
	<i>% Of Total Revenue</i>	3%	3%		
Other					
Depreciation-Eligible		6,120,000	5,600,000	520,000	9.3%
Interest Expense		59,400		59,400	
Total Other		6,179,400	5,600,000	579,400	10.3%
	<i>% Of Total Revenue</i>	6%	5%		
Special Services:					
Community Credit Exp.		2,832,100	2,832,100		
POS & Community Transit Serv.		202,700	202,300	400	0.2%
Total Special Services:		3,034,800	3,034,400	400	0.0%
	<i>% Of Total Revenue</i>	3%	3%		
Contingency					
		1,000,000	1,000,000		
Restricted Pass Through Expense (Rev. Match)		6,067,300	6,545,400	(478,100)	-7.3%
Total Operational Expenses		43,884,700	43,415,400	469,300	1.1%
	<i>% Of Total Revenue</i>	40%	39%		
TOTAL EXPENSES (Wages & Operational)	\$	108,979,500	\$ 109,997,200	\$ (1,017,700)	-0.9%
	<i>% Of Total Revenue</i>	100%	100%		
NET INCOME (LOSS)	\$	-	\$ -	\$ -	

3) Restricted Operating Budget

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 RESTRICTED OPERATING BUDGET
 SUMMARY

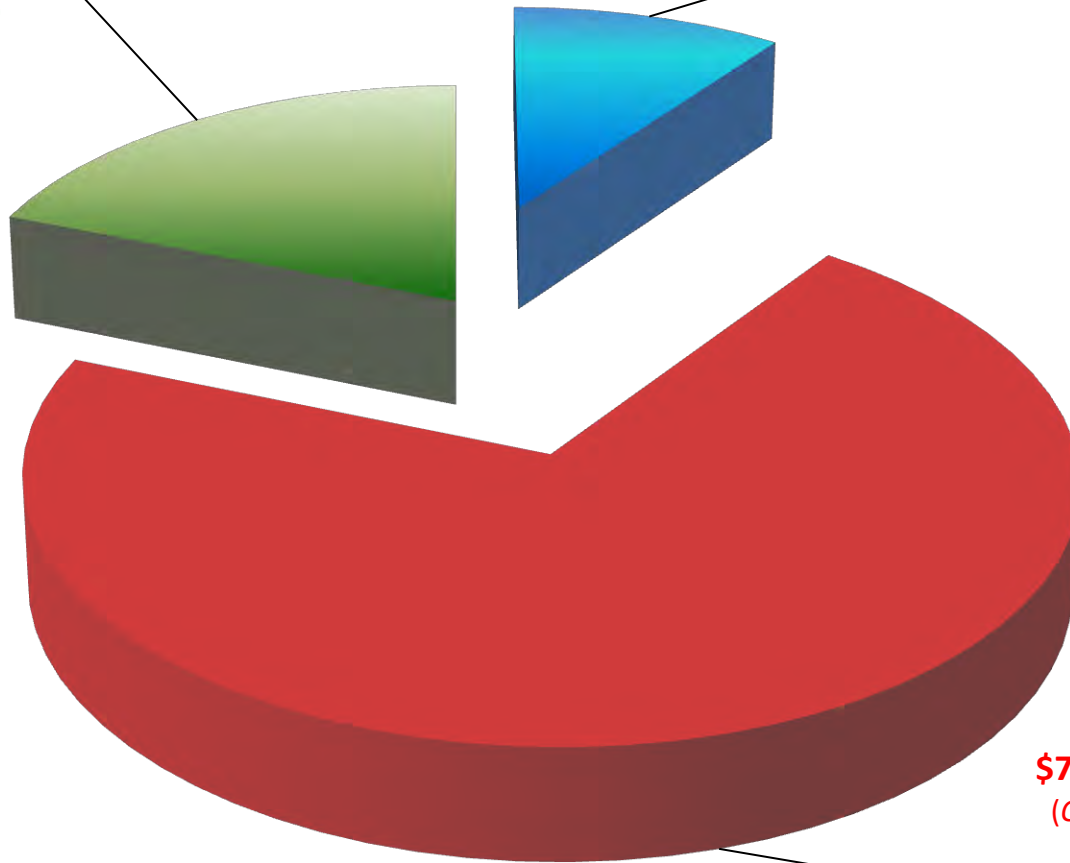
	FY2014 BUDGET	FY2013 BUDGET	INCREASE (DECREASE)
RESTRICTED REVENUE			
MUNICIPAL CREDITS:			
MUNICIPAL CREDIT - ACT 51	\$ 1,630,600	\$ 1,630,600	\$ -
MUNICIPAL CREDIT - SPECIAL APPROPRIATION	1,630,500	1,630,500	-
TOTAL MUNICIPAL CREDITS	<u>3,261,100</u>	<u>3,261,100</u>	<u>-</u>
OUTER COUNTY POS:			
FTA SECTION 5307			
LAKE ERIE	596,600	193,500	403,100
FTA CMAQ			
LAKE ERIE	-	-	-
BEDFORD	-	-	-
STATE ACT 51			
BEDFORD	102,000	114,400	(12,400)
MONROE	299,900	287,800	12,100
LAKE ERIE	1,247,500	1,197,000	50,500
STATE SECTION 5311			
MONROE	137,400	127,200	10,200
LAKE ERIE	57,800	53,500	4,300
TOTAL OUTER COUNTY POS	<u>2,441,200</u>	<u>1,973,400</u>	<u>467,800</u>
OTHER STATE SUBSIDIZED SERVICES:			
SPECIALIZED SERVICES GRANT	787,800	787,800	-
ROYAL OAK TOWNSHIP	55,300	45,000	10,300
TOTAL OTHER STATE SUBSIDIZED SERVICES	<u>843,100</u>	<u>832,800</u>	<u>10,300</u>
TOTAL RESTRICTED REVENUE	<u>6,545,400</u>	<u>6,067,300</u>	<u>478,100</u>
RESTRICTED EXPENSES			
MUNICIPAL CREDITS	3,261,100	3,261,100	-
OUTER COUNTY POS	2,441,200	1,973,400	467,800
OTHER STATE SUBSIDIZED SERVICES	843,100	832,800	10,300
TOTAL RESTRICTED EXPENSE	<u>6,545,400</u>	<u>6,067,300</u>	<u>478,100</u>
REVENUE OVER (UNDER) EXPENSE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

4) Expense Allocation Graph

FY 2014 BUDGET EXPENSE ALLOCATION

OTHER NON-OPS
\$19.6 Million (20.2%)
(Retiree 10.6%, Community Programs 3.0%, Financial & Depreciation 5.4%)

ADMINISTRATIVE
\$10.2 Million (9.9%)
(Salaries & Benefits 7.2%, General Expenses 2.7%)



OPERATIONS
\$73.6 Million (71.1%)
(Operations Salaries & Benefits 35.2%, Maintenance Salaries 11.4%, Vehicle Operations 21.2%, Facilities 2.3%, Contingency 1.0%)

5) Revenue Assumptions

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
REVENUE ASSUMPTIONS**

FEDERAL SOURCES:

FTA Section 5307:

The Authority is a recipient of funds under Section 5307 of the Urban Mass Transportation Act of 1964, as amended, which provides funds for mass transportation programs. The funds are provided for capital projects.

Effective in FY1998, preventive maintenance cost became eligible as a “capital project.” SMART’s FY2014 Operating Budget assumes allocating \$16.4 millions of this funding to cover preventive maintenance expense this fiscal year. It is anticipated that SMART will receive additional funding for Capital Equipment depending on the decision regarding the 65/35 split with DDOT. A decision of use of any additional funds will be determined when the amount is granted. These funds are included in the 5 year Capital Budget included in this document.

CONGESTION MITIGATION AIR QUALITY (CMAQ):

There are no Congestion Mitigation Air Quality (CMAQ) dollars for FY2014 because no new services are planned for this fiscal year. This funding has been as high as \$3M per year in prior budgets. However there is no CMAQ funding available for operating. Any CMAQ funding would be restricted for capital purchases if available.

OTHER FEDERAL GRANTS:

Unified Work Program (UWP) in the amount of \$305,500 in FY2014.

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
REVENUE ASSUMPTIONS**

STATE OF MICHIGAN SOURCES:

State of Michigan- Act 51

	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>
Detroit UZA			
Standard Formula	\$26,618,300	\$24,987,700	\$ 1,630,600
Bedford UZA			
Standard Formula	102,000	-0-	102,000
Monroe			
Standard Formula	299,900	-0-	299,900
Lake Erie			
Standard Formula	<u>1,247,500</u>	<u>-0-</u>	<u>1,247,500</u>
Total Act 51 Formula Funding	\$28,267,700	\$24,987,700	\$ 3,280,000
Municipal Credit Appropriation Sec. 10e (4) (d)	\$ 1,630,500	\$ -0-	\$ 1,630,500

The Authority is a recipient of operating assistance funds from the State of Michigan under Act 51 of the Public Acts of 1951 (Comprehensive Transportation Fund or CTF), as amended. Under Act 51, as amended, the State of Michigan makes a distribution of CTF funds which are annually appropriated by the State Legislature for mass transit operating assistance, and has remained at \$166.6 million for the last several years. Based on eligible expenses submitted by each transit agency a funding allocation of CTF funds is calculated by MDOT for distribution to each eligible transit agency. Under Act 51, SMART is eligible to receive up to 50% eligible expense reimbursement as a large urban transit agency. Non-urban agencies are eligible to receive up to 60%. However, due to limited Act 51 CTF funding, SMART is only eligible for 32.4% reimbursement and non-urban agencies 38.9%. SMART's actual FY2013 Act 51 is reimbursed at 27.11%, down from 30.65% in FY2012. Non-urban's actual FY2013 Act 51 is reimbursed at 38.49%, up from 36.23% in FY2012. Preliminary FY2014 reimbursement is estimated to remain at the same rate.

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
REVENUE ASSUMPTIONS**

LOCAL SOURCES:

Contributions from County Transit Authorities (local property tax revenue):

On August 8, 2010, voters approved a .59 mill property tax in portions of Wayne and Oakland counties and all of Macomb County. The tax is for a period of four years FY2011 – FY2014 in Wayne and Macomb Counties and for the two year period ending 2012 in Oakland County. On August 7, 2012, Oakland County voters renewed a two year .59 mill renewal for the 2 years FY2013-FY2014. The millage will be again before the voters in 2014. In FY2015 and beyond, SMART will be affected by the Legislature’s requirement in the phasing out of the personal property taxes. The affect on SMART is currently being analyzed.

In FY2014, .59 mill is applied against taxable property values, estimated to decrease 2% from FY2013. The FY2014 net of estimated adjustments, projected tax revenue, as adjusted, is estimated below:

<u>Est. Contributions by County</u>	<u>In Millions</u>	<u>Percentage</u>
Wayne	\$ 9.7	25.5%
Oakland	15.0	39.3%
Macomb	<u>13.4</u>	<u>35.2%</u>
Total	<u>\$38.1</u>	<u>100%</u>

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
 REVENUE ASSUMPTIONS**

OPERATING SOURCES:

Fare Collections

	<u>Fixed Route Services</u>	<u>Connector Services</u>
Customers	9,358,824	355,796
Average Fare	x \$1.37	x \$ 1.37
	-----	-----
Total	<u>\$12,821,600</u>	<u>\$ 487,400</u>

OTHER REVENUE SOURCES

Interest Revenue:

SMART invests temporary surplus funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow needs, and will comply with all State statutes governing the investment of public funds. FY2014 interest revenue has remained flat to reflect the rate of return currently prevalent in the weakened financial markets.

Advertising Revenue:

SMART has entered into a revenue contract for advertising on buses and shelters. A minimum monthly guarantee payment of \$41,667 shall be made via ACH or wire transfer fifteen (15) days following the last day of each month of the contract term. Annual reconciliation of the monthly guarantee payment and net revenues of 50% shall also be made fifteen (15) days following the last day of each contract year. SMART is guaranteed a minimum annual payment of \$500,000.

6) Expense Assumptions

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
EXPENSE ASSUMPTIONS**

EMPLOYMENT COSTS

Salaries Expense:

Non-represented employees.

Wages Expense:

Represented / contractual (Represents the 3rd year of a 4 year contract)

- AFSCME- Dispatchers, Road Supervisors, Vault Pullers, Maintenance Supervisors
- ATU –Fixed Route Operators
- ATU-Clerical employees
- Teamsters -Connector Operators and Customer Service Operators,
- UAW - Maintenance employees

Employee Benefits:

	<u>BASE MAX.</u>	<u>RATE</u>
Medicare -	Unlimited	1.45%
Social Security	\$ 113,700	6.20%

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
EXPENSE ASSUMPTIONS**

Employee Benefits: (continued)

Dental	4.0%	Flat
Hospitalization:		
Active Employee	9.0%	Increase, with employee premium co-pay of 11%-20%
Retirees	9.0 %	Increase, with new retirees premium co-pay
Life Insurance	0.0 %	Flat
Optical	0.0 %	Flat
Sick & Accident	0.0 %	Flat

Pension - Municipal Employees Retirement System (MERS):

SMART participates in the MERS pension plan. SMART makes payments to the pension plan based on an actuarial evaluation prepared each year. For FY2014, the actuarially determined contribution is \$5,878,900, with all employees contributing 4.5% of wages toward the pension contribution to MERS.

Retiree Health Care (OPEB):

Effective June 30, 2008, SMART is in compliance with the Governmental Accounting Standards Board issued Statement No.45 *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension Plans* (OPEB liability). As of June 30, 2012, SMART has contributed nearly \$18 million to the MERS trust on an accumulative basis.

For FY2014, the actuarially determined contribution (expense) for the OPEB liability is approximately \$10.8 million. SMART makes payments toward the annual OPEB liability, both on a pay as you go basis direct to retiree health care premiums, and a portion by way of an annual contribution to the trust. For FY2014 SMART's payments, on the pay as you go basis, are projected at approximately \$7.3 million. The balance of \$3.5 million is expensed in FY2014 and some or this entire amount will be paid to the trust at the discretion of SMART's Board of Directors.

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FY2014 OPERATING BUDGET
EXPENSE ASSUMPTIONS**

DIRECT VEHICLE COSTS

Diesel Fuel (Bio-Diesel):

	<u>Fixed Route</u>	<u>Connector</u>
Cost per gallon	\$3.60	\$3.60
Gallons	2,350,160	351,500

Vehicle Insurance (Liability):

Budgeted at .29 cents per mile based upon current experience.

Repair Parts:

	<u>Fixed Route</u>	<u>Connector</u>
Cost per mile	\$.32	\$.13

Based upon a weighted average cost per mile for various classes of buses in the SMART fleet.

INDIRECT (VARIABLE) VEHICLE COSTS, FACILITIES EXPENSE, ADMINISTRATIVE EXPENSES

Based on a combination of historical spending patterns, trend analysis, contract rates, and current cost containment initiatives, including the December, 2011 route reductions.

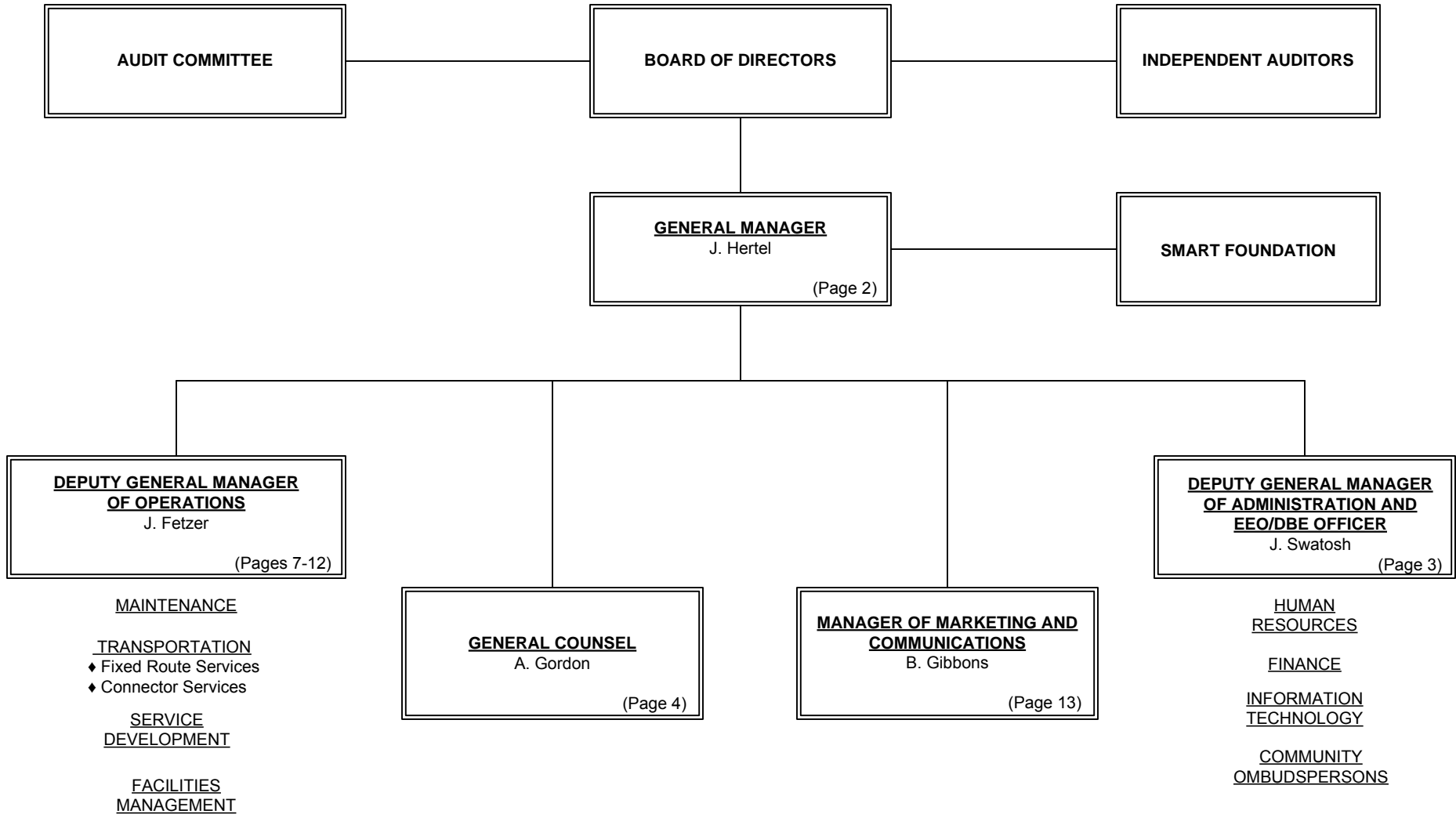
7) Staffing Review

**STAFFING REVIEW
CHANGE FROM FY2013 TO FY2014**

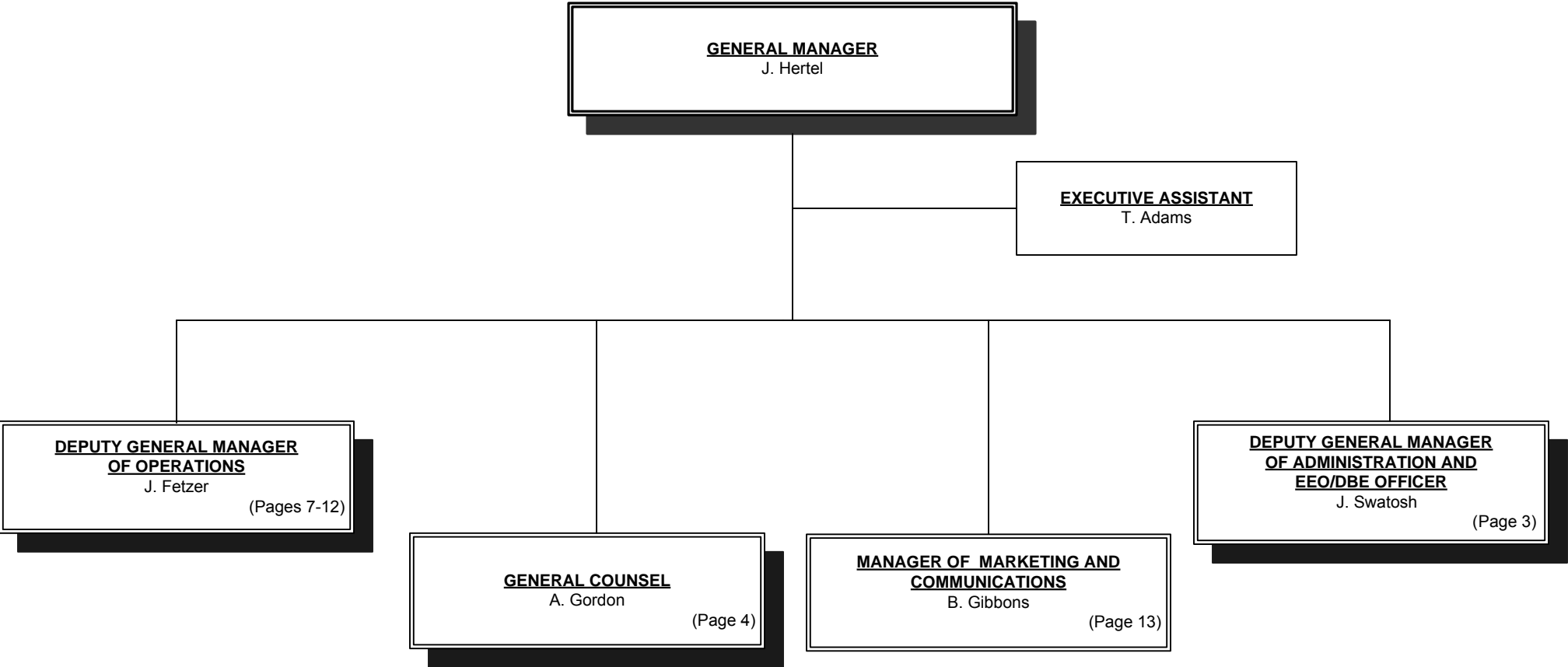
HEADCOUNT REPORT	FY2013 Bound Budget	FY2014 Proposed Budget	FY2014 Change (Reduce)	Description Of Change
ATU (Fixed Route - Full Time Drivers)	361	361		No Change
ATU (Fixed Route - Part Time Drivers)				No Change
TEAMSTERS (116 CTS Drivers, 15 CSO's)	128	131	3	Added One Driver At Wayne & Two Drivers At Macomb
AFSCME	59	59		No Change
UAW (Maintenance Personnel)	135	135		No Change
ATU CLERICAL (Clerical Support Personnel)	24	24		No Change
NONREPRESENTED	98	98		No Change
Authority Total	805	808	3	

8) Organization Charts

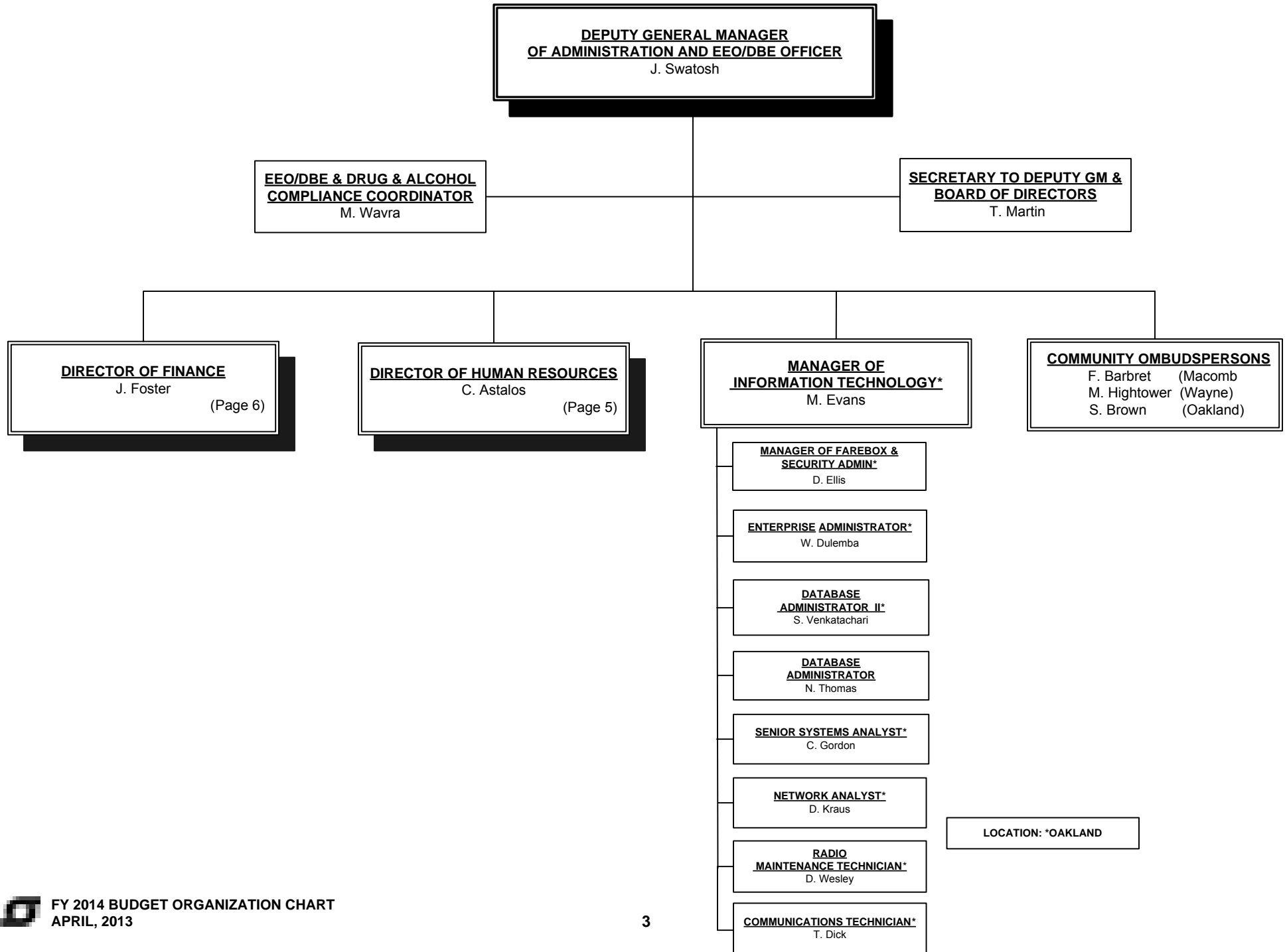
SMART FY-2014 BUDGET ORGANIZATION CHART



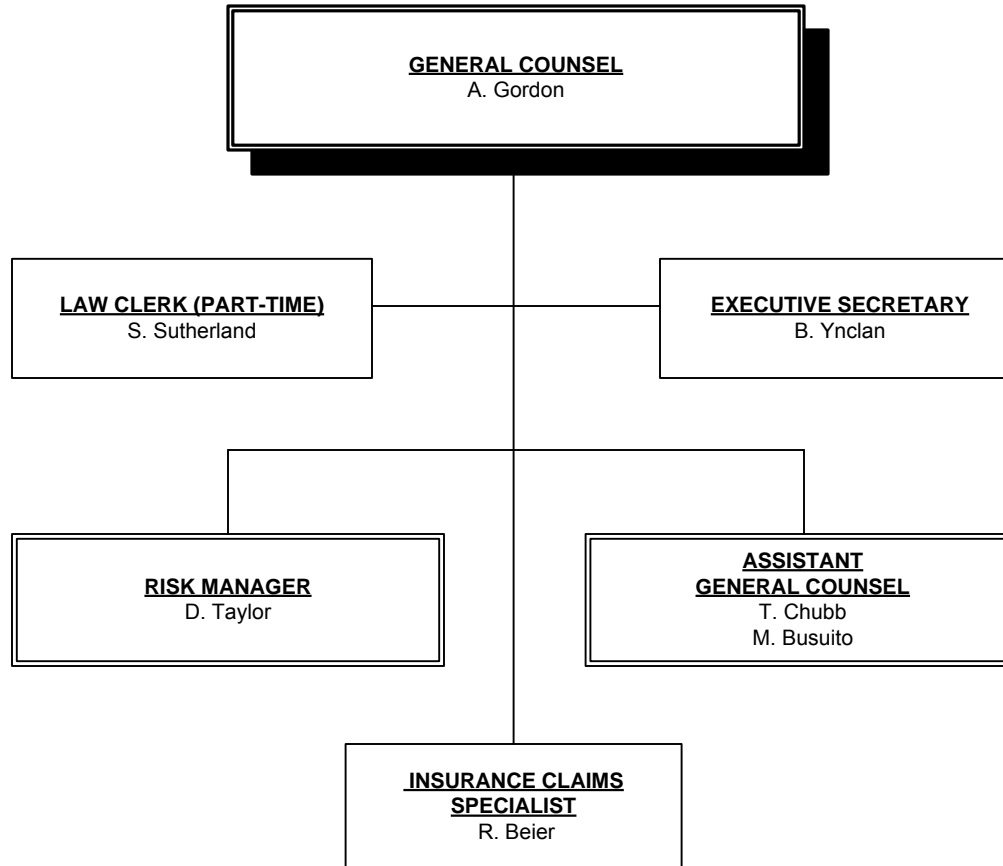
GENERAL MANAGER



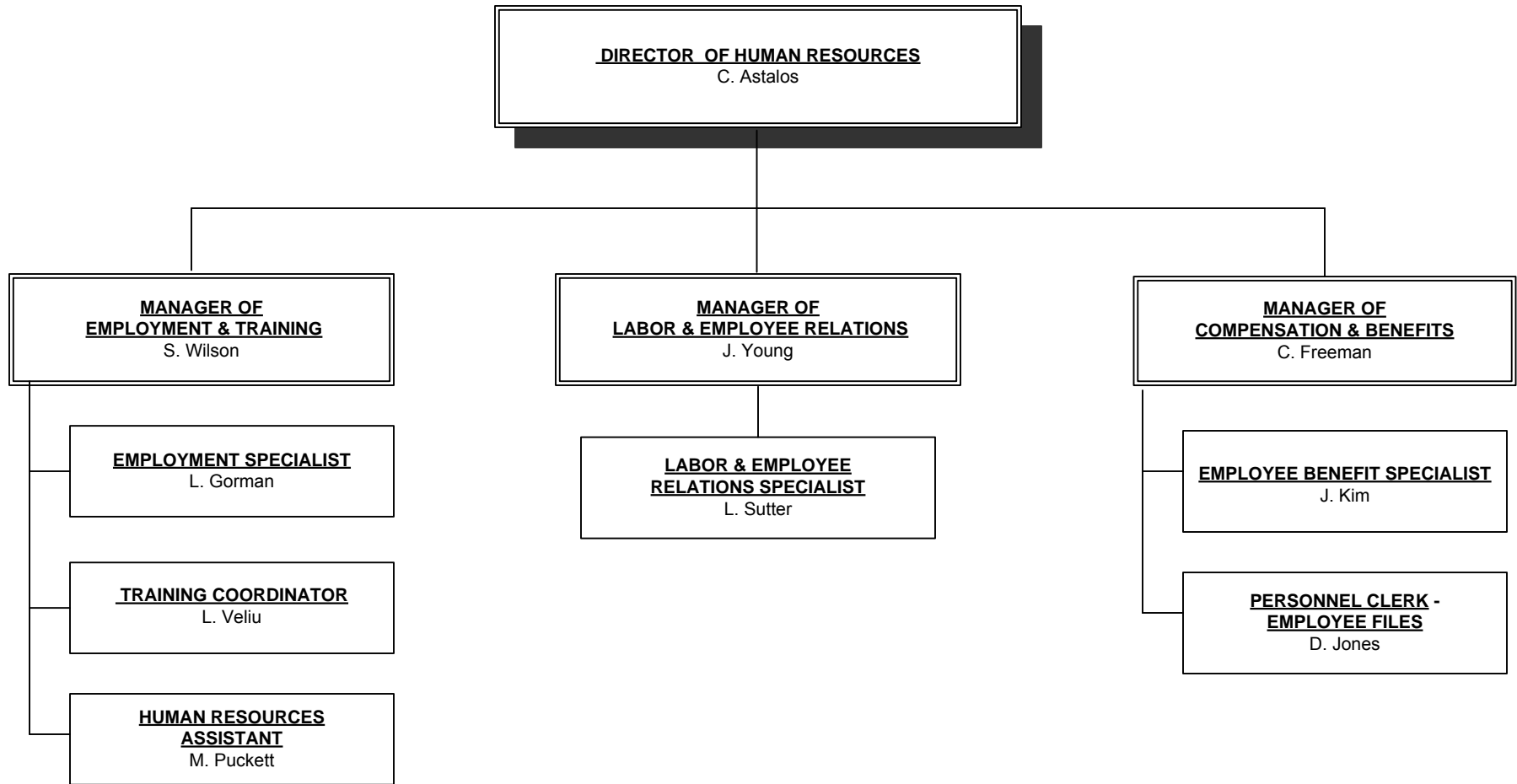
DEPUTY GENERAL MANAGER OF ADMINISTRATION



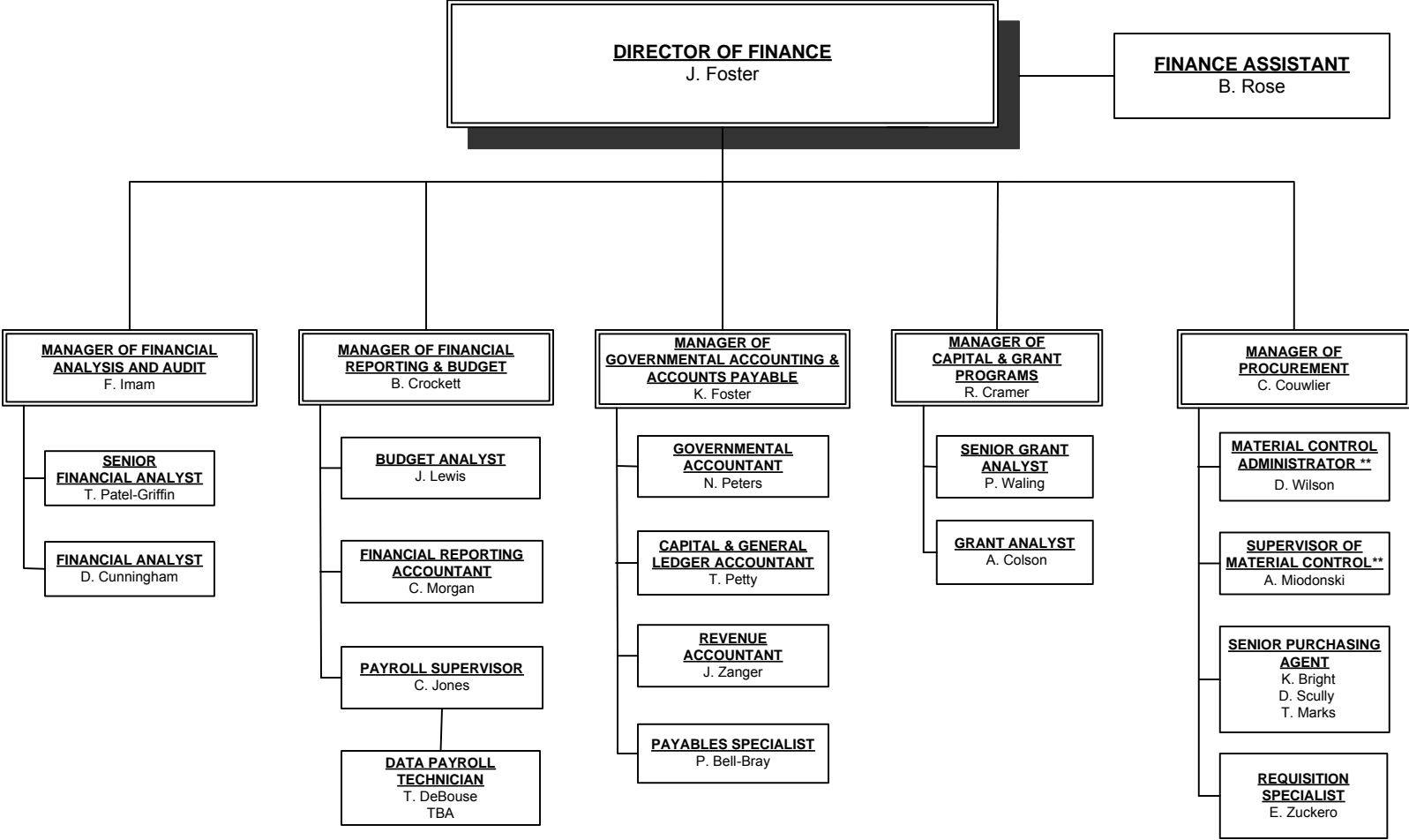
GENERAL COUNSEL



HUMAN RESOURCES

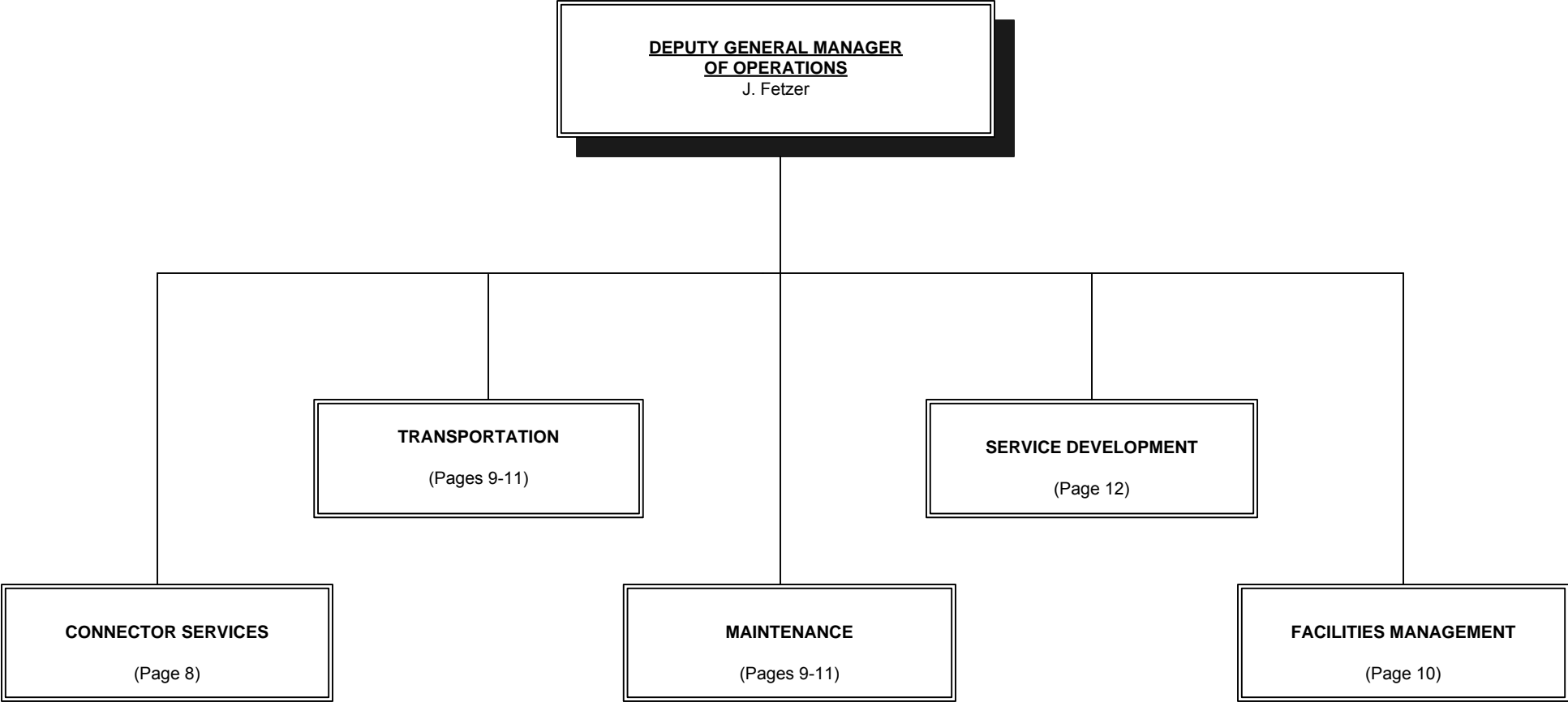


FINANCE

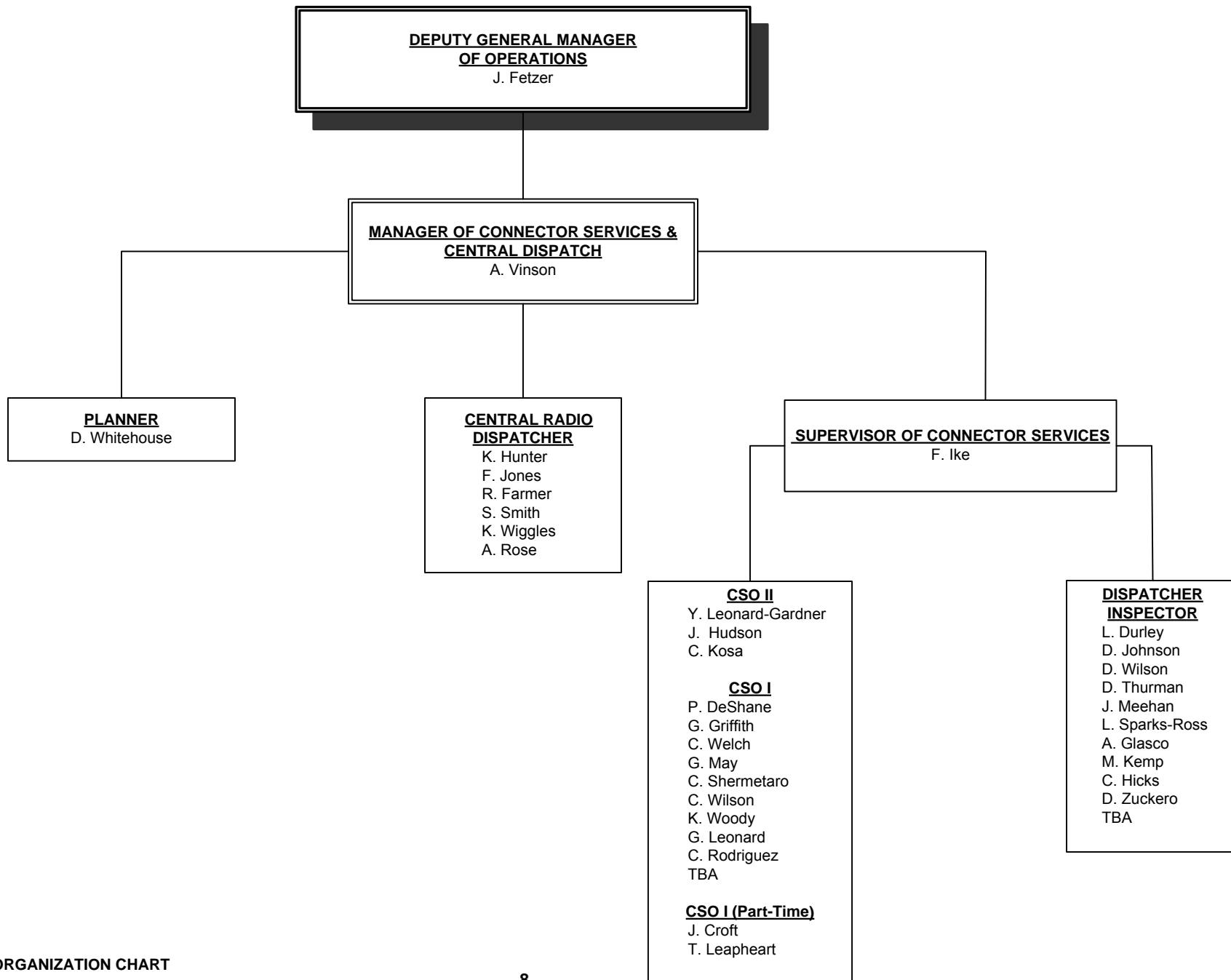


LOCATION: **HEIN BUILDING

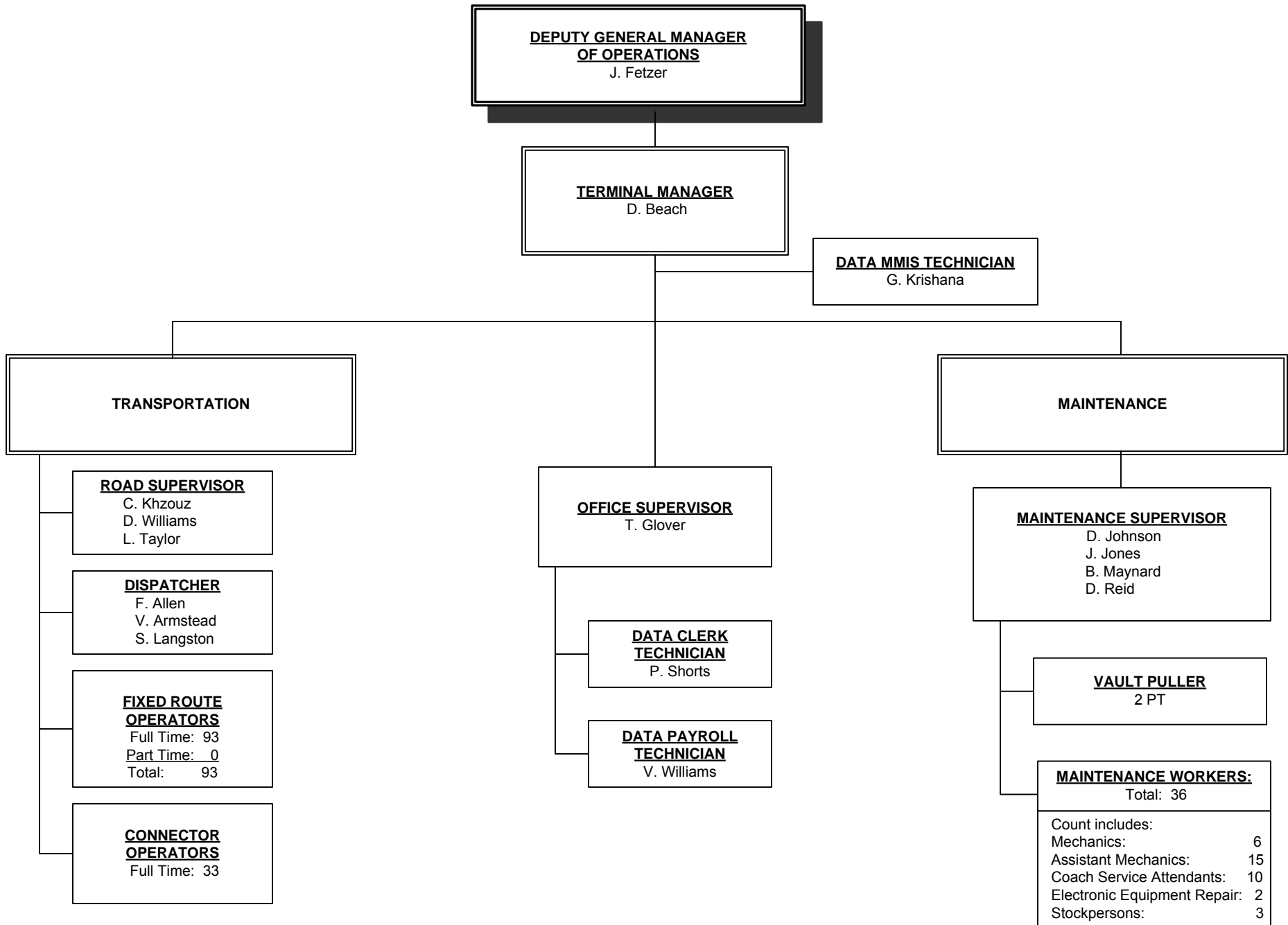
DEPUTY GENERAL MANAGER OF OPERATIONS



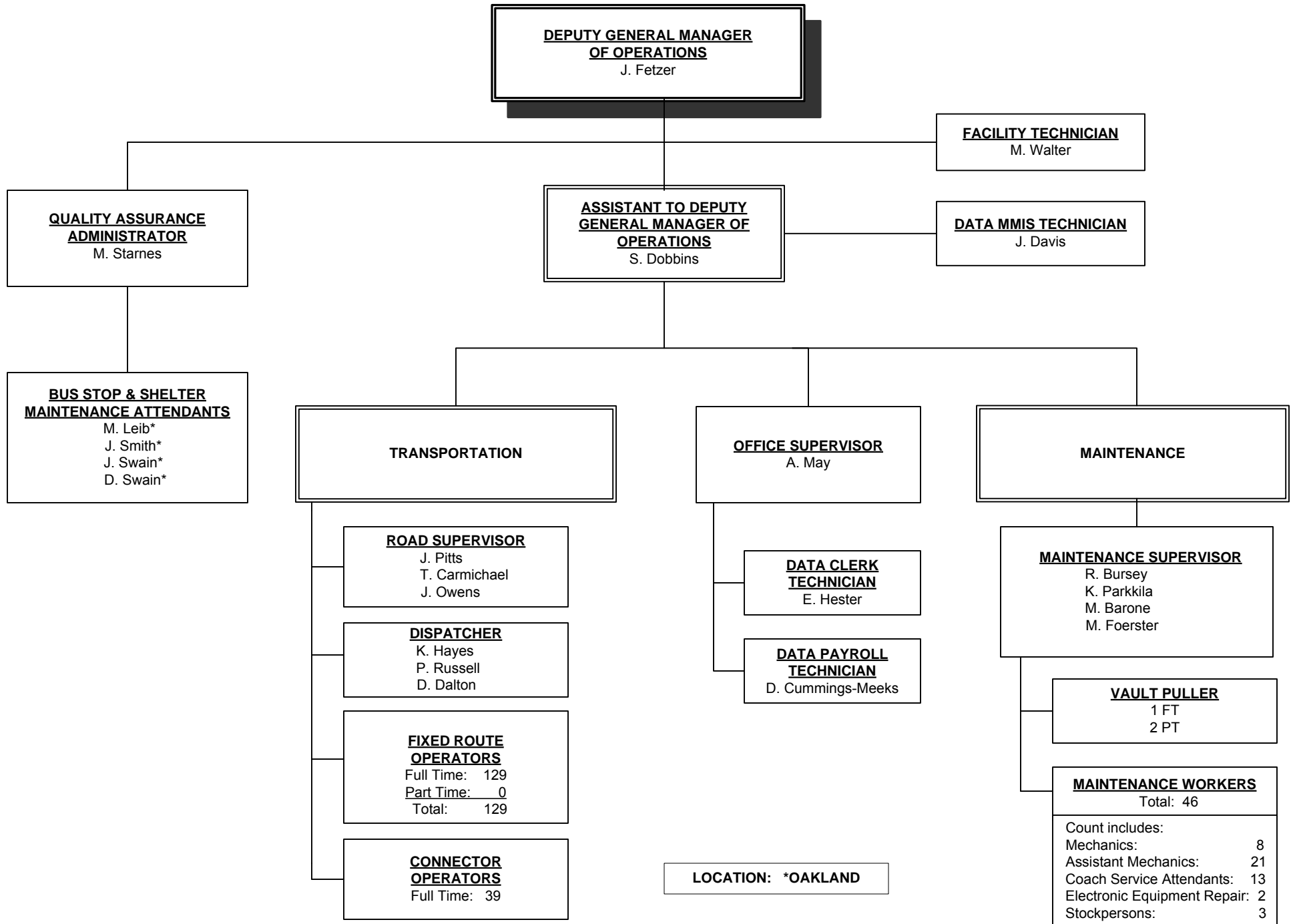
CONNECTOR SERVICES



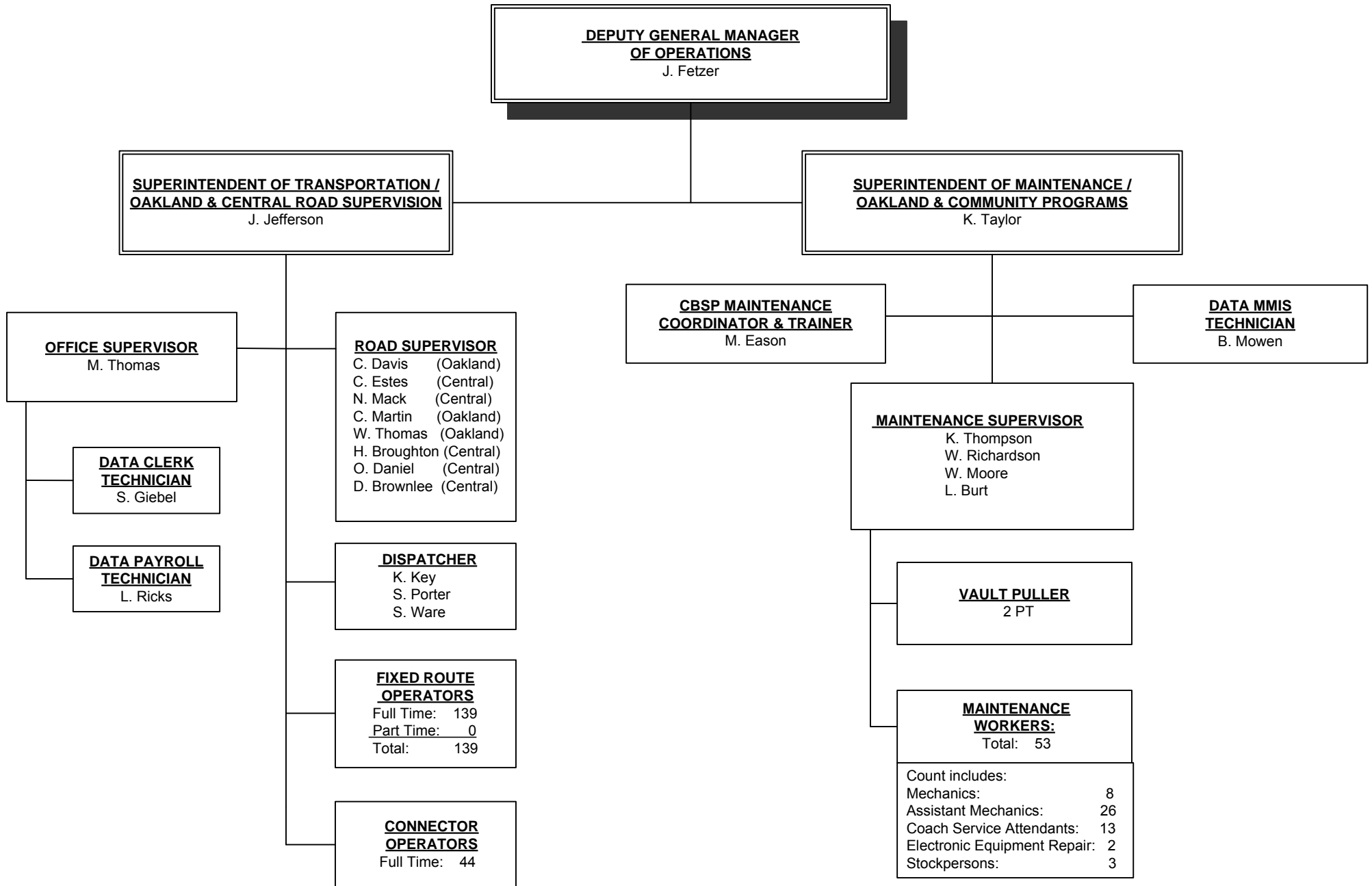
WAYNE TERMINAL



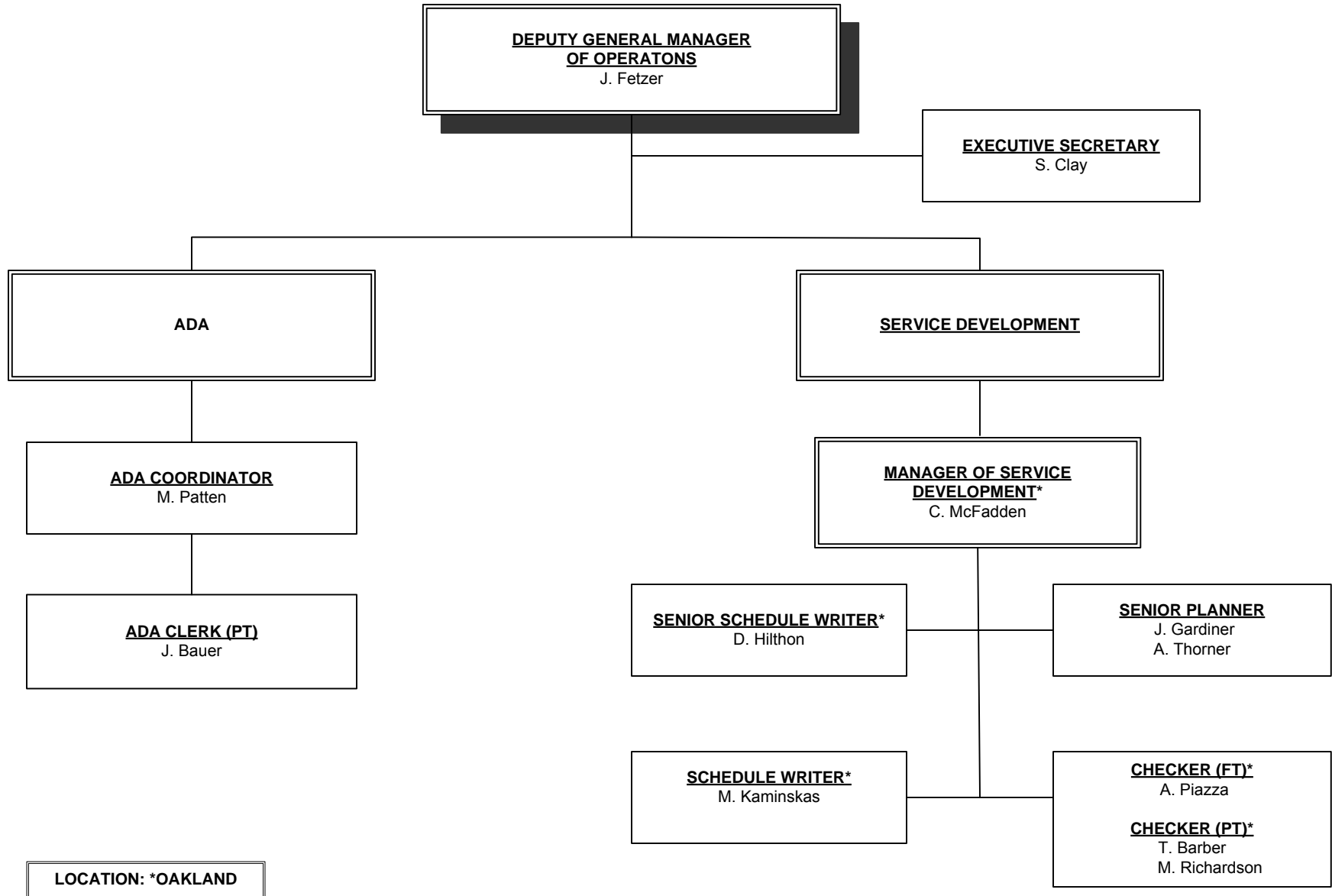
MACOMB TERMINAL



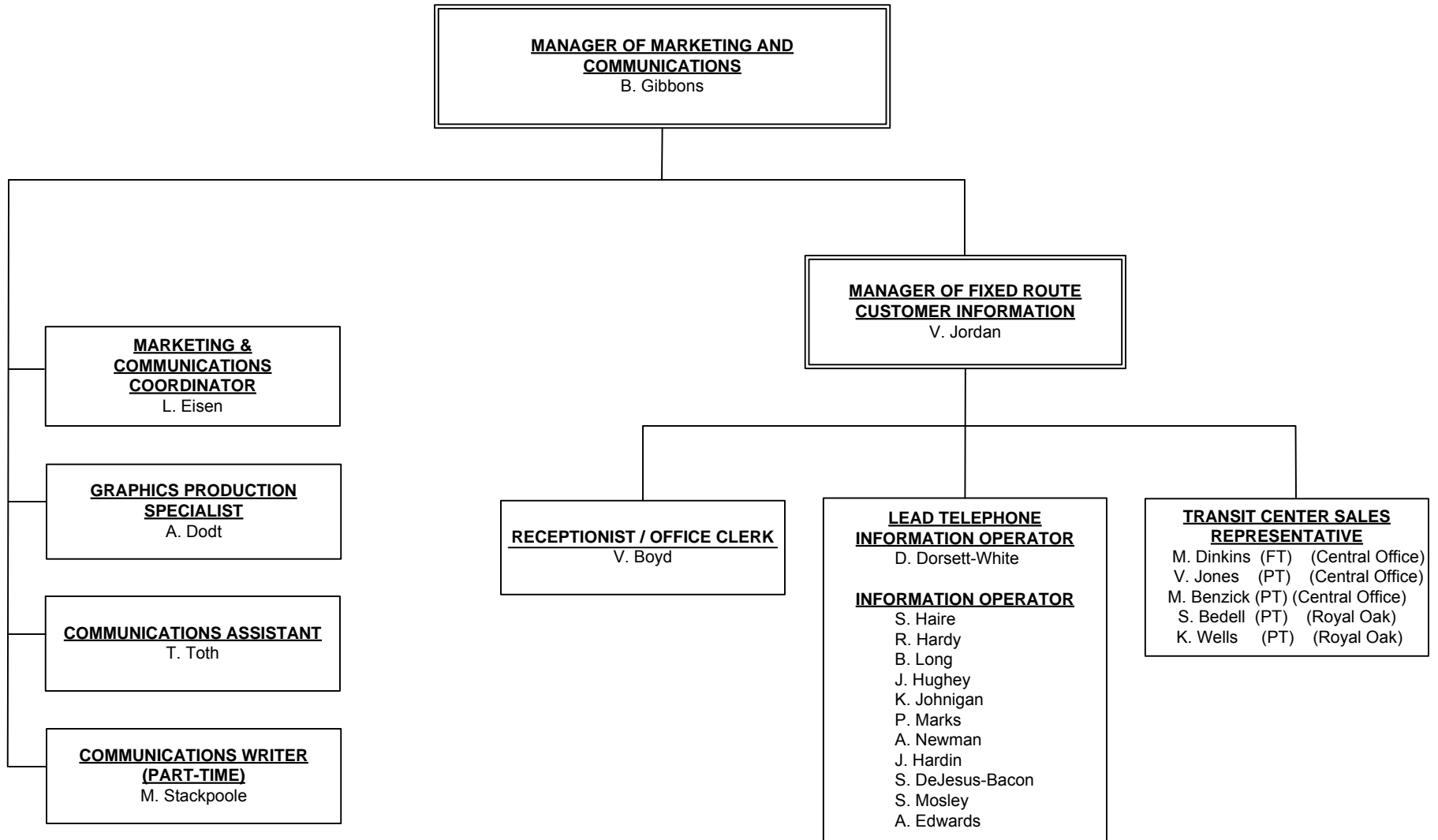
OAKLAND TERMINAL



SERVICE DEVELOPMENT



MARKETING AND COMMUNICATIONS



Functional Review

9) Fixed Routes Revenue & Expense

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
 SCHEDULE OF REVENUE AND EXPENSE
FIXED ROUTE

REVENUE	FY2013 BUDGET	FY2014 BUDGET	FAV(UNFAV)
FAREBOX	\$ 14,063,500	\$ 12,821,600	\$ (1,241,900)
ADVERTISING	500,000	500,000	-
RENTAL INCOME	54,400	53,400	(1,000)
OTHER	3,000	16,000	13,000
TOTAL REVENUE	14,620,900	13,391,000	(1,229,900)
EXPENSES			
TRANSIT OPERATIONS			
SALARIES	2,053,400	2,033,700	19,700
HOURLY WAGES	16,063,800	16,231,800	(168,000)
FUEL, LUBRICANTS & COOLANTS	8,911,100	9,036,000	(124,900)
TIRES	578,100	611,100	(33,000)
VEHICLE INSURANCE	4,667,500	4,733,500	(66,000)
RADIO TOWER	95,600	25,000	70,600
TOTAL	32,369,500	32,671,100	(301,600)
GENERAL ADMINISTRATION			
SALARIES	553,800	730,200	(176,400)
GENERAL SUPPLIES	357,500	350,000	7,500
PROFESSIONAL FEES	150,000	69,900	80,100
TOTAL	1,061,300	1,150,100	(88,800)
FARE COLLECTION			
SALARIES	111,000	111,100	(100)
FARE COLLECTION COSTS	629,400	546,000	83,400
TOTAL	740,400	657,100	83,300
SUB-TOTAL TRANSIT OPERATIONS	34,171,200	34,478,300	(307,100)
VEHICLE MAINTENANCE			
SALARIES	977,800	1,079,100	(101,300)
HOURLY WAGES	6,324,100	6,827,500	(503,400)
REPAIR PARTS	3,400,000	3,400,000	-
CONTRACT MAINT.-ACCIDENTS REPAIRS	668,300	555,500	112,800
TOWING	120,000	120,000	-
TOTAL	11,490,200	11,982,100	(491,900)
BLDG.& GROUNDS			
UTILITIES/INSURANCE	1,401,400	1,137,600	263,800
CONTRACT MAINTENANCE	601,300	610,000	(8,700)
ROUTE FACILITIES MAINTENANCE	124,200	149,200	(25,000)
OTHER BLDG MAINTENANCE	257,000	237,200	19,800
TOTAL	2,383,900	2,134,000	249,900
SUB-TOTAL MAINTENANCE	13,874,100	14,116,100	(242,000)
EMPLOYEE BENEFITS	23,960,000	24,419,300	(459,300)
ELIGIBLE BUS DEPRECIATION	6,120,000	5,600,000	520,000
TOTAL FIXED ROUTE EXPENSES	78,125,300	78,613,700	(488,400)
REVENUE OVER(UNDER) EXPENSE	\$ (63,504,400)	\$ (65,222,700)	\$ (1,718,300)

10) Connector Routes Revenue & Expense

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
 SCHEDULE OF REVENUE AND EXPENSE
CONNECTOR

	FY2013 BUDGET	FY2014 BUDGET	FAV(UNFAV)
REVENUES			
FAREBOX AGENCY	\$ 522,700	\$ 487,400	\$ (35,300)
	166,100	168,800	2,700
TOTAL REVENUE	688,800	656,200	(32,600)
EXPENSES			
TRANSIT OPERATIONS			
SALARIES	462,600	460,700	1,900
HOURLY WAGES	3,696,600	3,736,100	(39,500)
FUEL, LUBRICANTS & COOLANTS	1,274,800	1,302,000	(27,200)
TIRES	56,800	59,600	(2,800)
VEHICLE INSURANCE	929,800	1,008,500	(78,700)
TOTAL	6,420,600	6,566,900	(146,300)
CUSTOMER SERVICE OPERATIONS			
SALARIES	419,700	443,800	(24,100)
FARE COLLECTION COSTS	11,200	11,000	200
TOTAL	430,900	454,800	(23,900)
GENERAL ADMINISTRATION			
SALARIES	128,800	124,300	4,500
TOTAL	128,800	124,300	4,500
SUB TOTAL GENERAL ADMIN.	6,980,300	7,146,000	(165,700)
MAINTENANCE			
VEHICLE MAINTENANCE			
REPAIR PARTS	500,000	400,000	100,000
CONTRACT MAINT.	28,000	33,000	(5,000)
OTHER	30,300	31,700	(1,400)
TOTAL	558,300	464,700	93,600
BLDG & GROUNDS			
UTILITIES & INSURANCE	50,600	40,200	10,400
CONTRACT MAINTENANCE	2,100	2,600	(500)
TOTAL	52,700	42,800	9,900
SUB-TOTAL MAINTENANCE	611,000	507,500	103,500
EMPLOYEE BENEFITS & TAXES	2,934,600	3,025,700	(91,100)
TOTAL CONNECTOR EXPENSE	10,525,900	10,679,200	(153,300)
REVENUE OVER(UNDER) EXPENSE	\$ (9,837,100)	\$ (10,023,000)	\$ (185,900)

11) General Administration Expenses

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
 GENERAL ADMINISTRATION

DEPARTMENTS												
	GENERAL MANAGER	ADMIN. SERVICES	GENERAL COUNSEL	GENERAL EXPENSES	FINANCE	HUMAN RESOURCES	MARKETING & COMM	OPERATIONS ADMIN.	SERVICE DEVELOPMENT	FY2014 TOTAL	FY2013 TOTAL	\$ Variance FAV(UNFAV)
EXPENSES												
SALARIES	\$ 218,600	\$ 839,700	\$ 411,700		\$ 1,288,100	\$ 609,700	\$ 761,500	\$ 346,900	\$ 456,200	\$ 4,932,400	\$ 5,101,700	\$ 169,300
EMPLOYEE BENEFITS	107,500	413,100	202,500		633,600	299,900	374,500	170,600	224,400	2,426,100	2,306,900	(119,200)
SUPPLIES	1,700	37,600	6,600	\$ 83,500	6,300	13,200	36,200	400	30,800	216,300	265,100	48,800
CONSULTANTS					-	28,200	-	-	44,000	72,200	57,700	(14,500)
COMPUTER SERVICES		554,200								554,200	581,600	27,400
OUTSIDE SERVICES	96,000		300,000	446,300	5,800	68,300	54,200	2,000		972,600	956,700	(15,900)
TRAVEL & MEETINGS	4,000	1,100								5,100	4,000	(1,100)
TRAVEL - FUNDED & UWP		6,000			5,100				4,000	15,100	6,700	(8,400)
MILEAGE & TRAINING EXP	9,100	15,500	5,000	3,700	5,000	5,000	1,700	3,500	2,400	50,900	45,400	(5,500)
MKTG & ADVERTISING		15,000				3,000	251,900			269,900	216,500	(53,400)
OTHER EXPENSES	7,500	5,300	2,400	30,800	4,400	800	2,200	1,300	500	55,200	50,600	(4,600)
UTILITIES & RENT	-	-	-	554,500	-	-	-	-	-	554,500	573,900	19,400
SUBTOTAL	444,400	1,887,500	928,200	1,118,800	1,948,300	1,028,100	1,482,200	524,700	762,300	10,124,500	10,166,800	42,300
POS/MUNI CR ADM FEES FUNDED BY GRANTS				(213,300)						(213,300)	(213,300)	400
TOTAL EXPENSES	\$ 444,400	\$ 1,887,500	\$ 928,200	\$ 905,500	\$ 1,948,300	\$ 1,028,100	\$ 1,482,200	\$ 524,700	\$ 762,300	\$ 9,911,200	\$ 9,953,900	\$ 42,700

Community Program Review

12) Municipal Credits (MC)

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
MUNICIPAL CREDITS PROGRAM

MACOMB COUNTY							
ARMADA	\$ 1,800	BIRMINGHAM	20,800	OXFORD TWP	17,680	GROSSE POINTE PARK	11,960
ARMADA TWP	3,760	BLOOMFIELD HILLS	4,000	PLEASANT RIDGE	2,600	GROSSE POINTE SHORES (*)	3,120
BRUCE TWP	7,080	BLOOMFIELD TWP	42,520	PONTIAC	61,600	GROSSE POINTE WOODS	16,720
CENTER LINE	8,560	BRANDON TWP	14,200	ROCHESTER	13,160	HAMTRAMCK	23,200
CHESTERFIELD TWP	44,920	CLARKSTON	920	ROCHESTER HILLS	73,480	HARPER WOODS	14,720
CLINTON TWP	100,200	CLAWSON	12,240	ROSE TWP	6,480	HIGHLAND PARK	12,200
EASTPOINTE	33,600	COMMERCE TWP	37,120	ROYAL OAK	59,240	HURON TWP	16,440
FRASER	15,000	FARMINGTON	10,720	ROYAL OAK TWP	2,520	INKSTER	26,280
HARRISON TWP	25,440	FARMINGTON HILLS	82,600	SOUTHFIELD	74,280	LINCOLN PARK	39,480
LENOX TWP	6,040	FERNDALE	20,600	SOUTH LYON	11,720	LIVONIA	100,360
MACOMB TWP	82,400	FRANKLIN	3,280	SPRINGFIELD TWP	14,440	MELVINDALE	11,080
MEMPHIS	840	GROVELAND TWP	5,680	SYLVAN LAKE	1,800	NORTHVILLE (**)	6,200
MT. CLEMENS	16,880	HAZEL PARK	17,000	TROY	83,840	NORTHVILLE TWP	29,520
NEW BALTIMORE	12,520	HIGHLAND TWP	19,880	WALLED LAKE	7,240	PLYMOUTH	9,440
NEW HAVEN	4,800	HOLLY	6,320	WATERFORD TWP	74,240	PLYMOUTH TWP	28,480
RAY TWP	3,880	HOLLY TWP	5,480	W. BLOOMFIELD TWP	66,960	REDFORD TWP	50,080
RICHMOND	5,960	HUNTINGTON WOODS	6,440	WHITE LAKE TWP	31,080	RIVER ROUGE	8,200
RICHMOND TWP	3,800	INDEPENDENCE TWP	35,920	WIXOM	13,960	RIVERVIEW	12,920
ROMEO	3,720	KEEGO HARBOR	3,080	WOLVERINE LAKE	4,480	ROCKWOOD	3,400
ROSEVILLE	48,960	LAKE ANGELUS	320	TOTAL - OAKLAND	\$ 1,241,320	ROMULUS	24,840
SHELBY TWP	76,400	LAKE ORION	3,080	WAYNE COUNTY		SOUTHGATE	31,120
STERLING HEIGHTS	134,280	LATHRUP VILLAGE	4,200	ALLEN PARK	\$ 29,200	SUMPTER TWP	9,880
ST. CLAIR SHORES	61,800	LEONARD	400	BELLEVILLE	4,120	TAYLOR	65,360
UTICA	4,920	LYON TWP	15,040	BROWNSTOWN TWP	31,720	TRENTON	19,520
WARREN	138,760	MADISON HEIGHTS	30,720	CANTON TWP	93,360	VAN BUREN TWP	29,840
WASHINGTON TWP	24,200	MILFORD	6,400	DEARBORN	101,600	WAYNE	18,200
TOTAL - MACOMB	\$ 870,520	MILFORD TWP	9,880	DEARBORN HEIGHTS	59,800	WESTLAND	87,080
OAKLAND COUNTY		NOVI	57,160	ECORSE	9,840	WOODHAVEN	13,320
ADDISON TWP	\$ 6,160	NOVI TWP	160	FLAT ROCK	10,240	WYANDOTTE	26,800
AUBURN HILLS	22,160	OAKLAND TWP	17,360	GARDEN CITY	28,680	TOTAL - WAYNE	\$ 1,149,240
BERKLEY	15,480	OAK PARK	30,360	GIBALTAR	4,800	GRAND TOTAL	
BEVERLY HILLS	10,640	ORCHARD LAKE	2,440	GROSSE ILE TWP	10,720	\$ 3,261,080	
BINGHAM FARMS	1,160	ORION TWP	33,560	GROSSE POINTE	5,600	(*) Includes Macomb Portion	
		ORTONVILLE	1,480	GROSSE POINTE FARMS	9,800	(**) Includes Oakland Portion	
		OXFORD	3,560				

13) Community Credits (CPP)

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY2014 OPERATING BUDGET
COMMUNITY CREDITS PROGRAM

MACOMB COUNTY		OAKLAND COUNTY		WAYNE COUNTY	
ARMADA	\$ 3,002	AUBURN HILLS	\$ 21,706	ALLEN PARK	\$ 34,071
ARMADA TWP	6,918	BERKLEY	18,378	DEARBORN	107,045
BRUCE TWP	12,047	BEVERLY HILLS	11,810	DEARBORN HEIGHTS	66,983
CENTER LINE	10,421	BINGHAM FARMS	1,131	ECORSE	13,235
CHESTERFIELD TWP	43,136	BIRMINGHAM	22,061	GARDEN CITY	34,882
CLINTON TWP	110,304	BLOOMFIELD TWP	47,679	GROSSE POINTE	6,347
EASTPOINTE	41,042	CLAWSON	15,044	GROSSE POINTE FARMS	11,152
FRASER	17,640	FARMINGTON	11,438	GROSSE POINTE PARK	14,208
HARRISON TWP	57,950	FARMINGTON HILLS	89,846	GROSSE POINTE SHORES (*)	3,308
LENOX TWP	10,100	FERNDALE	26,833	GROSSE POINTE WOODS	19,550
MACOMB TWP	95,086	FRANKLIN	3,214	HAMTRAMCK	25,154
MEMPHIS	1,694	HAZEL PARK	21,968	HARPER WOODS	16,402
MT. CLEMENS	21,212	HUNTINGTON WOODS	7,066	HIGHLAND PARK	21,142
NEW BALTIMORE	13,948	MADISON HEIGHTS	35,536	INKSTER	34,139
NEW HAVEN	5,783	OAK PARK	33,768	LINCOLN PARK	46,035
RAY TWP	7,046	PLEASANT RIDGE	3,028	MELVINDALE	12,346
RICHMOND	9,224	PONTIAC	77,583	REDFORD TWP	59,694
RICHMOND TWP	6,436	ROYAL OAK	70,942	RIVER ROUGE	12,088
ROMEO	7,007	ROYAL OAK TWP	5,959	RIVERVIEW	15,284
ROSEVILLE	59,158	SOUTHFIELD	85,672	ROMULUS	25,631
SHELBY TWP	122,741	TROY	88,586	SOUTHGATE	34,146
STERLING HEIGHTS	78,086	WALLED LAKE	109,061	TAYLOR	77,182
ST. CLAIR SHORES	143,542	W. BLOOMFIELD TWP	70,970	TRENTON	22,614
UTICA	5,771	TOTAL - OAKLAND	\$ 879,279	WAYNE	21,906
WARREN	167,802			WESTLAND	95,474
WASHINGTON TWP	32,252			WYANDOTTE	33,410
TOTAL - MACOMB	\$ 1,089,348			TOTAL - WAYNE	\$ 863,428
				GRAND TOTAL	\$ 2,832,055

(*) INCLUDES MACOMB PORTION

14) Purchase Of Service (POS) Programs

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FY 2014 OPERATING BUDGET
 PURCHASE OF SERVICE COMMUNITY TRANSIT PROGRAM

Source Of Funds-->	[----- OPERATING FUNDS -----]								
	LOCAL COMMUNITY CREDITS Note(1)	STATE MUNICIPAL CREDITS	LOCAL TRI-COUNTY POS OPERATING ASSISTANCE	FEDERAL SECTION 5307	FEDERAL SECTION 5311 (Non Urban)*	STATE ACT 51*	TOTAL		INCREASE (DECREASE)~
						FY 2014 OPERATING ASSISTANCE	FY 2013 OPERATING ASSISTANCE		
TRI-COUNTY									
REDFORD	\$ 59,700	\$ 50,100	\$ -			\$ 109,800	\$ 109,800	\$ -	
NANKIN	186,400	160,200	273,000			619,600	619,600	-	
MT CLEMENS	23,900	16,900	-			40,800	40,800	-	
TOTAL	\$ 270,000	\$ 227,200	\$ 273,000			\$ 770,200	\$ 770,200	\$ -	

OUTER COUNTY									
MONROE				\$ -	\$ 137,400	\$ 299,900	\$ 437,300	\$ 415,000	\$ 22,300
BEDFORD				-	-	102,000	102,000	114,400	(12,400)
LAKE ERIE				596,600	57,800	1,247,500	1,901,900	1,444,000	457,900
TOTAL				\$ 596,600	\$ 195,200	\$ 1,649,400	\$ 2,441,200	\$ 1,973,400	\$ 467,800

*Note (1): Funding amounts not available from MDOT at time of budget as they were historically

~Note (2): Major increase in Lake Erie's 5307 funding due to discontinuation of FTA's Fuel Capitalization Program which allowed transfer of funds in 2013

Capital Budget



SUBURBAN MOBILITY AUTHORITY for REGIONAL TRANSPORTATION

FISCAL YEARS 2014 to 2018 CAPITAL BUDGET

ITEM	PAGE #
INTRODUCTION	1
FIVE-YEAR CAPITAL BUDGET SUMMARY	2
PRIOR YEARS CARRY-OVER SUMMARY	3
PRIOR YEARS CARRY-OVER DETAIL	4 - 8
SUMMARY OF FY 2013 - FY 2017 CAPITAL BUDGET	9

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION FISCAL YEARS 2014 to 2018 CAPITAL BUDGET

INTRODUCTION

The FY 2014-FY 2018 capital budget was developed in accordance with the provisions of State Act 204 and Act 51, which require that the Authority submit an annual capital budget as part of a five-year capital program projection. In May 2013, the FY 2014 State Annual Application Program will be presented to the SMART Board of Directors for approval. This program has been incorporated into the five-year capital projection, with appropriate modifications reflecting any changes in funding assumptions and/or project costs.

The FY 2014-FY 2018 portion of the five-year projection will form the Authority's Regional Transportation Improvement Program (TIP), which must be submitted to the Southeast Michigan Council of Governments (SEMCOG) in fulfillment of the requirements of the Federal Transit Act of 1964, as amended.

The five-year program presented herein has been developed based on the following assumptions:

- With the recent passage of MAP-21 and published FY 2013 50% apportionments, SMART staff [based on input from SEMCOG's Federal Funding Forecast used to fiscally constrain the Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP)] has requested that funding for FY 2014-FY 2018 from the Federal Transportation Administration's (FTA's) 5307, 5339, and 5310 formula funding programs for SMART and Monroe start at published FY 2013 levels and increase at the rates identified by SEMCOG Funding Forecast for the 2014-2016; 2017-2018 funding levels are held at 2016 levels due to uncertainty and the end of the approved 2-year duration of MAP-21. The Governor's Apportionment projects are buses for capital and operating funding. The capital funding is reflected in the attached "Five-Year Capital Plan Summary". The operating is included in SMART's operating budget.
- The Congestion Mitigation Air Quality (CMAQ), funding levels for SMART and LETC reflect approval from SEMCOG for 2014 projects, requested funding from SEMCOG for 2015-2017 projects, and 2017 request plus 3% for 2018 projects.
- The 5310 Program reflects a steady funding level from the FY 2013 funding level.
- There are no FTA Discretionary or Authorized funds shown in this budget due to the elimination of Section 5309 and the moratorium on earmarks.
- There are no JARC or New Freedom funds shown in this budget due to the elimination of dedicated Sections 5316 and 5317.
- Per MDOT, capital line items reflect a the State contributing 13% out of the 20% local match required for Federal capital grants, which is the minimum they can match qualifying Federal transit capital funds, per State law. At the time of appropriation/allocation, MDOT will determine what funding source is available for match, and if enough funding is available in the State budget to provide State money for up to the full 20% local match. SMART, Communities and Agencies are responsible for the 20% match when MDOT does not participate, and this budget assumes that 7% local funding (SMART or communities/agencies) will be required for all capital grant funds.
- Based on SEMCOG's designation as temporary Designated Recipient of Detroit UZA FTA funds, they have established a new funding split between SMART, DDOT, and DTC. This budget assumes the approved split will continue through 2018. The split for 5339 and any formula programs that DTC is not eligible for is 52% SMART / 48% DDOT; for 5307 and any formula programs that DTC is eligible for is 51.5% SMART / 47.5% DDOT / 1% DTC.

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FISCAL YEARS 2014 to 2018 CAPITAL BUDGET
NEEDS BASED ON ELIGIBILITY
FIVE-YEAR CAPITAL BUDGET SUMMARY
(000 OMITTED)**

	CARRY OVER	FY 2013 (pending)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	TOTAL
5307 Formula (SMART & Monroe)	\$404	\$25,989	\$26,790	\$28,818	\$29,890	\$29,890	\$29,890	\$171,671
5307 LETC Governor's Apportionment	711	676	448	453	489	489	489	\$3,755
5339 Formula (SMART & Monroe)	0	2,870	3,127	3,182	3,302	3,302	3,302	\$19,085
5309 SMART (Earmarks)	1,624							\$1,624
5309 SMART Bus Livability	179							\$179
5309 SMART Veterans Transportation	62							\$62
5309 Authorized SMART	1,300							\$1,300
5309 State of Good Repair (Pending)	18,705							\$18,705
Other Pending Grants (VTCLI-2, Urban JARC/NF 12)	1,827							\$1,827
CMAQ (SMART & Monroe)	2,910	4,648	4,398 *	4,930	5,225	5,329	5,304	\$32,744
5310 SMART	1,095	1,229	2,279	2,500	2,500	2,500	2,500	\$14,603
JARC-Urban	3,472							\$3,472
New Freedom-Urban	1,920							\$1,920
JARC-Non Urban (NOTA)	64	133	133	133	133	133	133	\$862
New Freedom-Non Urban (NOTA)	205	205	205	205	205	205	133	\$1,363
ARRA	338							\$338
TOTAL	\$34,816	\$35,750	\$37,380	\$40,221	\$41,744	\$41,848	\$41,751	\$273,510

Assumptions:

**Future Fiscal Years (2014 - 2018) Federal formula funding based on SEMCOG Funding Forecasts.
Funding Levels Assume New 51.5% SMART / 47.5% DDOT / 1% DTC Formula Funding Split for 5307
Funding Levels Assume New 52% SMART / 48% DDOT Formula Funding Split for 5339
Capital projects reflect a 13% MDOT match and 7% Local Match (SMART and/or communities/agencies)**

Notes:

* Monroe FY 2014 CMAQ Funding includes a one-time increase totalling \$376,306, resulting from MDOT repurposing past years' unspent CMAQ small urban funds for LETC.

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FISCAL YEARS 2014 to 2018 CAPITAL BUDGET
 NEEDS BASED ON ELIGIBILITY**

**PRIOR YEARS CARRY-OVER
 SUMMARY
 (000 OMITTED)**

<u>FISCAL YEAR</u>	<u>GRANT NO.</u>	<u>TOTAL</u>	<u>FUNDING</u>
2007	MI-04-0025	\$1,000	5309-Authorized
2006	MI-37-X033	63	5316-JARC-Urban
2006	MI-57-X007	78	5317-New Freedom-Urban
2009	MI-96-X007	338	ARRA
2009	MI-90-X591	18	5307
2007	MI-37-X040	90	5316-JARC-Urban
2007	MI-57-X014	166	5317-New Freedom-Urban
2010/2011/2012	MI-90-0758	711	5307 Governor's Apportionment
2008/2009	MI-04-0040	300	5309-Authorized
2008-2010	MI-37-X043	3,319	5316-JARC-Urban
2008-2010	MI-57-X018	1,676	5317-New Freedom-Urban
2010/2011/2012	MI-90-X756	386	5307
2012	2012-0170/P2	205	5317-New Freedom -NOTA Non Urban
2012	2012-0170/P1	64	5316-JARC -NOTA Non Urban
2012	MI-95-X077	2,910	CMAQ
2011	MI-04-0073	179	BLI/Property Sale Proceeds
2011	MI-04-0080	62	VTCLI
2010	MI-04-0084	1,624	Troy/B'ham Earmark
2012	2012-0170 P6	1,095	5310
	TOTAL	<u>\$14,284</u>	

SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
 FISCAL YEARS 2014 TO 2018 CAPITAL BUDGET

PRIOR YEARS CARRY-OVER
 (000 OMITTED)

PROJECT NUMBER	PROJECT DESCRIPTION	5309 2007 MI-04-0025	5316 2006 MI-37-X033	5317 2006 MI-57-X007	ARRA 2009 MI-96-X007	TOTAL
31790	Maintenance Facility-Authorized Funding	\$1,000				\$1,000
31830	Buy <30 Ft Bus for Replacement-SMART		\$26			26
N/A	Operating Assistance- NOTA & Richmond Lenox		37			37
N/A	Operating Assistance			\$78		78
32240	Acquire ADP-Hardware				\$51	51
32290	Purchase Vehicle Locator				80	80
32310	Purchase Communications System				197	197
N/A	Preventive Maintenance				10	10
TOTAL		\$1,000	\$63	\$78	\$338	\$1,479

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FISCAL YEARS 2014 TO 2018 CAPITAL BUDGET**

**PRIOR YEARS CARRY-OVER
(000 OMITTED)**

PROJECT NUMBER	PROJECT DESCRIPTION	5307 2009 MI-90-X591	5316 2007 MI-37-X040	5317 2007 MI-57-X014	5307-LETC Governor's Apport 2010/2011/2012 MI-90-X758	TOTAL
32460	Purchase Shelters	\$18				\$18
31840	Buy<30-Ft Bus for Replacement		\$14			14
31860	Buy Spare Parts		2			2
31870	Buy<30-Ft Bus for Expansion		74			74
32800	State or Program Administration			\$22		22
70020-70040	Operating Assistance up to 50%			144		144
33000	Rehab/Renovate Admin/Maint Facility				\$11	11
33020/33030	Buy<30-Ft Bus for Replacement FY 2011/FY 2012				5	5
Pending	FY 2012 Hybrid Buy Rep <30Ft Bus				695	695
						0
						0
TOTAL		\$18	\$90	\$166	\$711	\$985

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FISCAL YEARS 2014 TO 2018 CAPITAL BUDGET**

**PRIOR YEARS CARRY-OVER
(000 OMITTED)**

PROJECT NUMBER	PROJECT DESCRIPTION	Authorized	5316	5317	5307	TOTAL
		2008/2009 MI-04-0040	2008-2010 MI-37-X043	2008-2010 MI-57-X018	2010/2011/2012 MI-90-X756	
35200	Maintenance Facilities Renovation	\$300				\$300
65000	State or Program Administration		\$196			196
65010-65100	Mobility Management- Sub Recipients		378			378
69320-69450	Operating Assistance- Sub Recipients		2,745			2,745
32900	State or Program Administration			\$138		138
70050-70130	Mobility Management- Sub Recipients			208		208
70140-70290	Operating Assistance- Sub Recipients			1,330		1,330
33105	Bus Passenger Shelters (1% Security)-FY 2011/2012				\$77	77
33130	Purchase Bus Shelters 1% Enhancement				70	70
33135	Bus Passenger Shelters 1% Enhancement-FY 2011/FY 2012				140	140
33140	Purchase Signage 1% Enhancement				18	18
33115	Transit Security (LETC)- FY 2012				3	3
33160	Buy Assoc Cap Main Items/Bus Parts (LETC)-FY 2011/2012				3	3
33125	FY 2012 Acquire Mobile Fare Coll Equip-(LETC)				5	5
33145	Acquire Landscaping/Scenic Beautifications				70	70
TOTAL		\$300	\$3,319	\$1,676	\$386	\$5,681

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FISCAL YEARS 2014 TO 2018 CAPITAL BUDGET**

**PRIOR YEARS CARRY-OVER
(000 OMITTED)**

PROJECT NUMBER	PROJECT DESCRIPTION	5317 2012 2012-0170/ P2	5316 2012 2012-0170 /P1	CMAQ 2012 MI-95-X077	5309-BLI/Prop Sale 2011 MI-04-0073	TOTAL
N/A	Service Operations-NOTA	\$205				\$205
N/A	Service Operations-NOTA		\$64			64
36120	Buy Replacement <30 Ft Bus- FY 2012			\$2,870		2,870
36130	Buy Bus Spare Parts			40		40
36150	Buy Spare Parts				\$18	18
36160-Re-Invest	Buy Rep 40-Ft Biofuel Buses				20	20
36170-Re-Invest	Buy Rep 40-Ft Hybrid Bus				37	37
36180-Re-Invest	Acquire-Support Vehicles				34	34
36190-Re-Invest	Buy Bus Spare Parts				70	70
TOTAL		\$205	\$64	\$2,910	\$179	\$3,358

**SUBURBAN MOBILITY AUTHORITY FOR REGIONAL TRANSPORTATION
FISCAL YEARS 2014 TO 2018 CAPITAL BUDGET**

**PRIOR YEARS CARRY-OVER
(000 OMITTED)**

PROJECT NUMBER	PROJECT DESCRIPTION	5309-VTCLI 2011 <u>MI-04-0080</u>	5309- Troy/ B'hma Earmark 2010 <u>MI-04-0084</u>	5310 2012 <u>2012-0170-P6</u>	<u>TOTAL</u>
36200	Acquire-ADP Software	\$50			\$50
Pending	Project Administration 10%	12			12
36250	Terminal, Intermodal (Transit)		\$940		940
36260	Terminal-Design		186		186
36270	Bus Surveill/Security Equip		16		16
36280	Furniture & Graphics		100		100
36290	Route Signing-Electronic Kiosk		237		237
36300	Bus Passenger Shelters		32		32
36310	Misc Bus Station Equipment		113		113
34000	Eight <30-Ft replacement buses w/lifts 23-Ft			\$542	542
Pending	Two <30-Ft replacement buses w/lifts 29-Ft			240	240
Pending	Five replacement vans w/lifts			193	193
Pending	One <30-Ft expansion bus 20-Ft			120	120
TOTAL		<u>\$62</u>	<u>\$1,624</u>	<u>\$1,095</u>	<u>\$2,781</u>

Five Year Capital Plan: Federal FY 2014 through Federal FY 2018
SMART/Monroe
Running Tally Sheet

Description	2014+++				2015				2016+				2017*+				2018**+			
	Federal	State	Local	Total	Federal	State	Local	Total	Federal	State	Local	Total	Federal	State	Local	Total	Federal	State	Local	Total
SMART																				
Bus Replacement	4,410,689	716,737	385,935	5,513,361	6,000,796	975,123	525,066	7,500,945	6,840,783	1,111,627	598,569	8,550,979	6,840,783	1,111,627	598,569	8,550,979	6,840,783	1,111,627	598,569	8,550,979
Facility Renovation/Security (1%)	212,354	34,508	18,581	265,443	228,579	37,144	20,001	285,724	237,151	38,537	20,751	296,439	237,151	38,537	20,751	296,439	237,151	38,537	20,751	296,439
Preventative Maintenance	16,400,000	2,665,000	1,435,000	20,500,000	16,400,000	2,665,000	1,435,000	20,500,000	16,400,000	2,665,000	1,435,000	20,500,000	16,400,000	2,665,000	1,435,000	20,500,000	16,400,000	2,665,000	1,435,000	20,500,000
Enhancement Activities (1%)	212,354	34,508	18,581	265,443	228,579	37,144	20,001	285,724	237,151	38,537	20,751	296,439	237,151	38,537	20,751	296,439	237,151	38,537	20,751	296,439
Subtotal SMART	21,235,397	3,450,753	1,858,097	26,544,247	22,857,914	3,714,411	2,000,068	28,572,393	23,715,085	3,853,701	2,075,071	29,643,857	23,715,085	3,853,701	2,075,071	29,643,857	23,715,085	3,853,701	2,075,071	29,643,857
Monroe																				
Bus Replacement	112,000	18,200	9,800	140,000	144,474	23,477	12,641	180,592	120,000	19,500	10,500	150,000	120,000	19,500	10,500	150,000	120,000	19,500	10,500	150,000
Bus Equipment/Parts	39,825	6,472	3,485	49,782	18,926	3,075	1,656	23,657	21,600	3,510	1,890	27,000	21,600	3,510	1,890	27,000	21,600	3,510	1,890	27,000
Facility Renovations	10,712	1,741	937	13,390	0	0	0	0	21,600	3,510	1,890	27,000	21,600	3,510	1,890	27,000	21,600	3,510	1,890	27,000
Shop Equipment	8,113	1,318	710	10,141	7,200	1,170	630	9,000	7,200	1,170	630	9,000	7,200	1,170	630	9,000	7,200	1,170	630	9,000
MIS Hardware/Software	24,000	3,900	2,100	30,000	24,000	3,900	2,100	30,000	24,000	3,900	2,100	30,000	24,000	3,900	2,100	30,000	24,000	3,900	2,100	30,000
Transit Security Upgrades	2,000	325	175	2,500	2,400	390	210	3,000	2,600	423	228	3,251	2,600	423	228	3,251	2,600	423	228	3,251
Subtotal Monroe	196,850	31,956	17,207	245,813	197,000	32,012	17,237	246,249	197,000	32,013	17,238	246,251	197,000	32,013	17,238	246,251	197,000	32,013	17,238	246,251
Total 5307 Formula Funding	21,432,047	3,482,709	1,875,304	26,790,060	23,054,914	3,746,423	2,017,305	28,818,642	23,912,085	3,885,714	2,092,309	29,890,108	23,912,085	3,885,714	2,092,309	29,890,108	23,912,085	3,885,714	2,092,309	29,890,108
Bus Replacement	386,034	62,730	33,778	448,764	362,487	58,905	31,718	453,110	391,772	63,663	34,280	489,715	391,772	63,663	34,280	489,715	391,772	63,663	34,280	489,715
Bus Spare Parts	19,357	3,146	1,694	22,503	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating (Under Operating Budget)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total 5307 Gvnr's Appmnt'	405,391	65,876	35,472	471,267	362,487	58,905	31,718	453,110	391,772	63,663	34,280	489,715	391,772	63,663	34,280	489,715	391,772	63,663	34,280	489,715
SMART																				
Bus Replacement	2,372,220	385,486	207,569	2,965,275	2,436,000	395,850	213,150	3,045,000	2,548,000	414,050	222,950	3,185,000	2,548,000	414,050	222,950	3,185,000	2,548,000	414,050	222,950	3,185,000
Bus Spare Parts	0	0	0	0	25,178	4,091	2,203	31,472	5,472	889	479	6,840	5,472	889	479	6,840	5,472	889	479	6,840
Subtotal SMART	2,372,220	385,486	207,569	2,965,275	2,461,178	399,941	215,353	3,076,472	2,553,472	414,939	223,429	3,191,840	2,553,472	414,939	223,429	3,191,840	2,553,472	414,939	223,429	3,191,840
Monroe																				
Bus Replacement	81,966	13,319	7,172	102,457	85,039	13,819	7,441	106,299	88,228	14,337	7,720	110,285	88,228	14,337	7,720	110,285	88,228	14,337	7,720	110,285
Bus Spare Parts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Monroe	81,966	13,319	7,172	102,457	85,039	13,819	7,441	106,299	88,228	14,337	7,720	110,285	88,228	14,337	7,720	110,285	88,228	14,337	7,720	110,285
Total 5339 Formula Funding	2,454,186	398,805	214,741	3,067,732	2,546,217	413,760	222,794	3,182,771	2,641,700	429,276	231,149	3,302,125	2,641,700	429,276	231,149	3,302,125	2,641,700	429,276	231,149	3,302,125
SMART																				
Bus Replacement	3,052,800	496,080	267,120	3,548,880	2,040,000	331,500	178,500	2,550,000	2,136,000	347,100	186,900	2,670,000	2,203,200	358,020	192,780	2,754,000	2,300,000	299,000	161,000	2,760,000
Paratransit Bus Replacement	192,000	31,200	16,800	223,200	1,408,000	228,800	123,200	1,760,000	1,540,000	250,250	134,750	1,925,000	1,584,000	257,400	138,600	1,980,000	1,600,000	208,000	112,000	1,920,000
Subtotal SMART	3,244,800	527,280	283,920	3,772,080	3,448,000	560,300	301,700	4,310,000	3,676,000	597,350	321,650	4,595,000	3,787,200	615,420	331,380	4,734,000	3,900,000	507,000	273,000	4,680,000
Monroe																				
Purchase Vehicles+++	516,258	110,233	18,831	626,491	496,000	80,600	43,400	620,000	504,000	81,900	44,100	630,000	512,000	83,200	0	595,200	520,000	67,600	36,400	624,000
Subtotal Monroe	516,258	110,233	18,831	626,491	496,000	80,600	43,400	620,000	504,000	81,900	44,100	630,000	512,000	83,200	0	595,200	520,000	67,600	36,400	624,000
Total CMAQ Funding	3,761,058	637,513	302,751	4,398,571	3,944,000	640,900	345,100	4,930,000	4,180,000	679,250	365,750	5,225,000	4,299,200	698,620	331,380	5,329,200	4,420,000	574,600	309,400	5,304,000
Replacement Paratransit (Buses/Vans)	1,960,785	318,628	171,569	2,279,413	2,000,000	325,000	175,000	2,500,000	1,600,000	260,000	140,000	2,000,000	1,600,000	260,000	140,000	2,000,000	1,600,000	260,000	140,000	2,000,000
Total 5310 Funding	1,960,785	318,628	171,569	2,279,413	2,000,000	325,000	175,000	2,500,000	1,600,000	260,000	140,000	2,000,000	1,600,000	260,000	140,000	2,000,000	1,600,000	260,000	140,000	2,000,000
Grand Total SMART and Monroe	30,013,467	4,903,531	2,599,837	37,007,043	31,907,618	5,184,988	2,791,917	39,884,523	32,725,557	5,317,903	2,863,488	40,906,948	32,844,757	5,337,273	2,829,118	41,011,148	32,965,557	5,213,253	2,807,138	40,985,948

Assumptions and Notes

Funding levels are based on SEMCOG funding forecast provided in 2013.

Funding levels assume SMART will get 51.5% of the Detroit UZA for 5307, and 52% of the Toledo UZA for 5339; LETC will get 5% of the Toledo UZA for 5339.

Per MDOT guidance, we are planning on shouldering the maximum burden: 7% out of the 20% required local share for all Federal funds FY 2014 and beyond. MDOT is required by State law to match at least 13% of the 20%, and may match more up to and including the full 20% based on future State budgets.

* Due to high level of future funding uncertainty, FY 2017 and FY 2018 are identical to FY 2016 levels, except for CMAQ.

+ SMART applied for CMAQ funding for FY 2015-2017 via SEMCOG. While FY 2015 has been approved, the out-years are being held as tentative due to uncertainty about the future of the CMAQ program and accompanying performance measures in future transportation legislation.

++ SMART estimated a natural increase in CMAQ funding for the FY 2018 funding.

+++ Monroe FY 2014 CMAQ Funding includes a one-time increase totalling \$376,306, resulting from MDOT repurposing past years' unspent CMAQ small urban funds for LETC.