



STAFF REPORT

Date: November 4, 2021
To: Summit County Council
From: Caroline Rodriguez, Executive Director, on behalf of the High Valley Transit Board of Trustees
Subject: HVT 2022 Proposed Budget

Requested Board Action

- None, this is an informational item regarding High Valley Transit's proposed 2022 budget, which will be scheduled for public hearing and adoption by the Board of Trustees

Background

HVT's Board of Trustees has reviewed and revised the following proposed budget during three public meetings, between September and October of this year. In addition, HVT's Budget and Finance Committee further refined costs during their regularly scheduled bi-weekly meetings. Following the presentation to the County Council on Monday, November 8, the Budget Committee will prepare HVT's draft budget for a public hearing and formally adopt the budget during December 2021.

2022 Budget

Current fund balance for the Transit District is approximately \$9 million. At 75% of the current year elapsed, the County had already received 97% of estimated revenues. Staff expects that the Transit District will grow its fund balance in 2021. The County's Finance Officer predicts that growth in sales tax revenues will continue to increase in 2022.

Revenues

For 2022, High Valley Transit's projected revenues are **\$17,463,500**. Just under 80% of those revenues come from the sales and use taxes implemented by the Summit County Council. Nine percent of that revenue is expected to come from an American Rescue Plan Act (ARPA) allocation through the Utah Department of Transportation (ARPA) and 8% from business assessments. HVT staff also projects that the District will receive approximately \$750,000 in Federal Section 5311 funds, representing a 100% reimbursement for certain transit-related costs.

Table 1 provides a summary of expected 2022 revenues.

Table 1. 2022 Transit District Revenues

Rev. Acct.	Description	Amount
55-3130-	Mass transit tax (1st)	\$2,607,000
55-3126-	S&U tax (2nd)	\$2,998,500
55-3125-	Sales tax (4th)	\$3,262,000
55-3127-	Sales tax (5th)	\$4,827,000
55-3325-	FTA Sec. 5311	\$750,000
	FTA Sec. 5339	\$0
55-3710-	Canyons Assessment	\$900,000
55-3270-	Business Assessment	\$504,000
	Advertising Revenue	\$15,000
	Medicaid	\$0
	ARPA Capital	\$1,600,000
	Total:	\$17,463,500

Expenses

The 2022 draft budget for High Valley Transit is **\$17,463,500**. While this signifies a large increase in transit funding, just over 38%, it also represents an almost 20% increase in the reach of our transit service; the on-going education and addition of professional, in-house staff members; and a dramatic increase in the administrative operating expense of the transit district, including winter maintenance, wifi and data fees, utilities, insurance, and a significant investment into transparency, data reporting, and record keeping. Also included are the one-time costs of standing up a fully functioning transit operation, such as the construction of a transit facility and a significant amount of consulting costs centered around the development of specific plans required for federal funding. More importantly, the 2022 budget includes an appropriate depreciation cost relative to our assets as well as a \$1.8 million deposit into our fund balance.

Table 2 provides a detailed breakdown of the proposed budget as well as a comparison to the County’s adopted 2021 transportation budget.

Table 2. High Valley Transit's Proposed 2022 vs. 2021 Adopted County Transportation Budget

Account #	Description	2022 Proposed	2021 Budget
100-	Bus service	\$9,802,871	\$6,925,420
100-100	Bus service (UTA)	\$750,000	\$320,000
110-	Salaries	\$759,226	\$420,400
120-	Overtime	\$5,000	\$3,000
130-	Benefits	\$250,000	\$201,800
190-	Local match/bus replacement	\$25,000	\$582,900
200-	Materials/supplies	\$35,000	\$15,000
230-	Travel/training	\$20,550	\$12,550
250-	Board stipends	\$10,000	\$0
270-	Dues/subscriptions/licenses	\$93,006	\$91,000
275-	Utilities	\$20,522	\$0
290-	Cell phones	\$1,836	\$2,400
310-	Professional/technical	\$789,420	\$350,000
360-	Fuel	\$527,394	\$0
365-	Equipment/vehicle maintenance	\$2,500	\$1,200
55-5900-	Depreciation/replacement	\$712,163	\$3,669,330
740-	Capital Assets	\$1,828,000	\$0
760-	Equipment	\$3,000	\$5,000
	Total:	\$15,635,487	\$12,600,000
	<i>Plus est. contribution to fund balance:</i>	\$1,823,013	

* Under County budget procedures this was accounted for differently before budget year 2022