



Bloomington-Normal Public Transit System

2022 – 2023 Budget



Normal, Illinois

TABLE OF CONTENTS

Table of Contents	1
Message from the General Manager	2
Strategic Plan	4
Significant Operating Budgetary Items and Trends	11
Budget Overview	12
Organizational Chart	17
Basis of Accounting and Budgeting	18
Financial Policies	18
Operating Budget Process	20
Budget Calendar	20
Three Year Operating Budget	21
Seven Year Operating Budget	22
Capital Budget Summary	23
Capital Budget Process	24
Significant Capital Budgetary Items and Trends	24
Five Year Capital Budget / Fund Balance	25
Major Capital Projects	26
Position Summary Schedule	27
Department Narratives	
Executive Department	28
Maintenance Department.....	28
Finance Department	28
Safety and Training Department	28
Procurement Department	28
Human Resources Department	29
Information Technology Department	29
Marketing and Business Development Department	29
Operations and Maintenance Department	29
Planning Department.....	29
Supplemental Information	34
Connect Transit at a Glance	35
Board of Directors	36
Budget Glossary	37

MESSAGE FROM THE GENERAL MANAGER

The Bloomington-Normal Public Transit System (d.b.a. Connect Transit) has prepared the FY 2023 Annual Budget document as a means to communicate to the Public and the Connect Transit Board the issues considered in the use of financial resources to provide public transit to Bloomington and Normal, Illinois during the 2023 fiscal year.

Services to be delivered

- Connect Transit provides public transit services to the City of Bloomington and the Town of Normal city limits
- In FY 2023, Connect Transit will provide approximately 1.8 million trips, covering 1.7 million miles within a 46-mile region, operating and maintaining 42 fixed route buses, and 19 demand response buses with 163 employees.

FY 2023 Budget Initiatives and Priorities

- Increase revenue with fares, contracts, Medicaid, and advertising
- Establish a Van Pool service to help bring employees from outside the service area into the Bloomington-Normal area
- Establish a micro transit service to help provide mobility options to riders outside of our normal fixed route service
- Increase fund balance – in order for Connect Transit to take advantage of the State of Illinois DOAP Debt Service funding, for which Connect Transit will be required to pledge cash reserves for the line of credit
- Provide efficient and effective transit service
- Continue to explore stable local funding options

COVID-19 Issues

- Connect Transit has increased revenue projections for our FY 2023 Annual Budget over FY 2022. We have seen an increase in fare revenue toward the end of FY 2022 and we feel this will continue in FY 2023.

Continuing Budget Issues

- Medicaid billing - Connect Transit continues to be a Non-Emergency Medical Transportation (NEMT) provider. This allows us to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. Connect Transit has seen steady growth in revenues and expects to see continued growth in FY 2023.
- Connect Transit is in the service industry, and wages and benefits will always be a large portion of our expenses. Labor cost continues to increase due to added services, annual wage increases, and increases in Connect Mobility hours due to demand.
- Connect Transit will use much of the annual Federal funding appropriation on operating expenses.

New Budget Issues – Long Term Financial Plans

- Connect Transit will continue to leverage Downstate Operating Assistance Program (DOAP) to complete capital projects such as bus stop improvements, facility improvement projects, IT equipment, and mid-life overhaul of buses. This will require Connect Transit to pledge local capital funding to receive a line of credit. This will allow Connect Transit to leverage 65% percent of the capital cost through DOAP and reduce the amount of federal and local capital dollars.
- To use DOAP debt-service effectively and minimize risk, Connect Transit is going to conserve local capital dollars and increase reserves.

David Braun
General Manager

Connect Transit

Final Draft Strategic Plan for 2021

Connect Transit Description

Connect Transit is the Bloomington-Normal Public Transit System, formed in 1972 to provide transportation services within the City of Bloomington and Town of Normal, Illinois. It is governed by a 7-member Board of Trustees appointed by the City and Town and staffed by approximately 163 dedicated employees.

Vision for 2021

Our Vision for 2021 inspires us, and sets the trajectory for our bold, clear and compelling future.

Connect Transit is a robust system of undeniable social, economic and environmental value to its stakeholders and the community.

Mission Statement

The expression of mission, or purpose, is Connect Transit's fundamental reason for being, and that for which all commitments and resources are in service.

Connect Transit provides safe, reliable transportation and access to opportunity to strengthen and enrich individual lives, our community, the economy and the environment.

Core Values

These core values guide our conduct and behavior and apply to everyone without exception.

At Connect Transit, we are

- Respectful of all persons and perspectives
- Customer and safety focused
- Dedicated to public service
- Accountable stewards of public resources
- Trusting and trustworthy
- Open-minded and eager to learn
- Positive in attitude
- Focused on the good of the whole

High-Level Goals

These five Goals establish the Strategic Plan framework. Each one pertains to a distinct component of Connect Transit's effectiveness and accountability. Achievement of these Goals facilitates attainment of our Vision for 2021 - 2023. No prioritization is implied by the order in which they are listed.

1. Sustainable, High-Performing System	Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community.
2. Quality Customer Experience	Provide reliable, easy to use transportation services and quality, user-friendly amenities.
3. Operational Excellence	Exemplify sound governance, superior operations, a culture of safety and a model workplace.
4. Undeniable Value	Become the mobility provider of choice and be valued as an essential public service.
5. Innovative Leadership	Facilitate our community's mobility evolution with innovation, future focus and collaborative leadership.

Strategic Action Plan

The Action Plan describes strategies and actions to achieve each of the five High-Level Goals.

Goal 1: Sustainable, High-Performing System: Define, design and fund a sustainable transit system tailored to optimally serve the Bloomington-Normal community.

Strategy 1 – Defined Service: Establish the system’s balance of coverage, ridership, connectivity and frequency to attain the community’s transit objectives.

Action 1. Clearly establish community transit objectives and review them periodically.

Action 2. Discern and select Connect Transit’s sustainable service profile to achieve transit objectives.

Strategy 2 – System Design: Design and implement routes that efficiently attain transit objectives, balancing system performance with customer needs and preferences.

Action 1. Design or adjust proposed system routes to ensure alignment with and performance toward transit objectives.

Action 2. Utilize design principles that ensure system integrity and consistency.

Action 3. Implement route adjustments using widespread public information and customer training campaigns.

Action 4. Build and maintain transfer stations that facilitate connectivity and system performance.

Strategy 3 – Fleet: Ensure a reliable, quality fleet capable of meeting current service level needs, with an eye toward the community’s evolving mobility objectives.

Action 1. Upgrade the existing fleet and continue to procure needed, quality rolling stock.

Action 2. Keep the fleet in good repair, and responsibly manage transit assets.

Action 3. Embrace use of alternative fuels and emerging energy solutions.

Strategy 4 – Funding: Establish ample, accountable transit funding.

Action 1. Examine all existing revenue sources for stability and growth potential, and research new/alternative revenue streams for operations and capital.

Action 2. Evaluate and expand partners for universal access, such as government agencies, nonprofit agencies and businesses.

Action 3. Explore fare restructuring.

Action 4. Grow advertising revenue.

Action 5. Explore increased local funding support with local governments.

Action 6. Research and pursue grant opportunities.

Action 7. Consider establishing a transit taxing district.

Goal 2: Quality Customer Experience: Provide reliable, easy-to-use transportation services and quality, user-friendly amenities.

Strategy 1 – Infrastructure/Amenities: Implement amenities as a fundamental component of transit value and safety.

Action 1. Build a downtown transfer center.

Action 2. Adopt a Bus Stop/Shelter Design Plan to be used as the Connect Transit standard.

Action 3. Install transit amenities, such as shelters and lighting, and ensure maintenance and cleanliness at transfer stations, hubs and bus stops.

Action 4. Partner with the City and Town for sidewalks, shelters and lighting at bus stops.

Action 5. Secure private sector sponsors or partners to fund bus stops/shelters.

Strategy 2 – Customer Service: Uphold a standard of customer courtesy and appreciation.

Action 1. Infuse every interaction with a customer service orientation.

Action 2. Provide ongoing employee education and increased instruction in customer relations.

Action 3. Enlist customer service champions to model kind, helpful conduct and behavior.

Action 4. Provide employee education on route planning and use of various planning aids.

Action 5. Conduct periodic customer surveys, interviews or focus groups, to obtain suggestions and feedback, and gauge satisfaction.

Strategy 3 – Access/Social Relevancy: Provide a mobility option, independent of personal vehicle use, to link people, communities, commerce, services, employment and entertainment.

Action 1. Maintain a high level of on-time performance.

Action 2. Provide additional service and greater frequency as budgets permit.

Action 3. Remain sensitive to service affordability for all riders.

Action 4. Ensure all riders are aware of the freedom and flexibility afforded by the fixed route system.

Strategy 4 – Ease of Use: Produce intuitive information guides, signage and communications.

Action 1. Enhance high and standard technology rider information sources, such as more ETA displays, Wifi capability, smart phone app, social media and others for superior customer awareness.

Action 2. Provide customer education on the use of various route planning aids, including improved rider guides.

Goal 3: Operational Excellence: Exemplify sound governance, superior operations, a culture of safety and a model workplace.

Strategy 1 – Governance: Exhibit wise, effective governance through clarity of purpose and focused strategic alignment with Connect Transit’s Vision and Goals.

Action 1. Maintain momentum toward Vision achievement, report on Strategic Plan performance and schedule timely Plan updates.

Action 2. Make time for dialogue and discernment of complex policy choices.

Action 3. Utilize clear, fair decision-making processes and anticipate dissent as a natural function of diverse perspective.

Action 4. Champion the agency’s Vision and Goals with stakeholders, and act in the interest of the community.

Strategy 2 – Superior Operations: Demonstrate transparency and accountability and utilize best practices toward achievement of comprehensive operational excellence.

Action 1. Formalize routine data analysis, reporting and metrics to monitor and evaluate system performance.

Action 2. Research and apply best practices to all facets of operations.

Action 3. Periodically review operational policies and practices.

Strategy 3 – Safety: Ensure a culture of safety.

Action 1. Integrate safety as the core component of all operations and every aspect of the agency.

Action 2. Demonstrate bus riding as one of the safest transportation options.

Action 3. Enhance safety communications both internally and externally.

Strategy 4 – Model Workplace: Rank among the region’s best employers.

Action 1. Develop and maintain camaraderie across all functions and levels of the organization.

Action 2. Recruit personnel that exhibit Connect Transit values and invest in employee development to ensure growth and productivity of the workforce.

Action 3. Use effective communication vehicles and approaches that enhance multidirectional information sharing.

Action 4. Possess a positive, can-do attitude.

Goal 4: Undeniable Value: Become the mobility provider of choice and be valued as an essential public service.

Strategy 1 – Community Engagement: Establish trust and rapport with stakeholders to understand needs and values, obtain advice and feedback, share information and advance transit objectives.

Action 1. Cultivate the Connect Transit Advisory Committee (CTAC) to be a key communication conduit with Connect Transit customers and stakeholders.

Action 2. Have a presence at community events to dialogue with individuals and make presentations to community groups.

Action 3. Utilize innovative engagement tools to connect with and cultivate specific target markets.

Strategy 2 – Partnership and Collaboration: Generate new potentials through symbiotic relationships with key collaborators.

Action 1. Captivate and inspire executives and legislators at every level of government with Connect Transit's vision and plan, outlining its contribution to our shared vision for a thriving region.

Action 2. Identify and engage current and potential partners and collaborators, such as education, library, airport and other transportation modes, City and Town, McLean County, businesses and nonprofit institutions and organizations, and co-design collaboration agreements that serve both parties.

Action 3. Identify private sector benefactors and public sector partners for amenities, universal access and marketing collaboration.

Strategy 3 – Marketing and Communications: Feature Connect Transit as a community asset and an essential public service.

Action 1. Create a marketing and communications plan that amplifies the value of the transit system to the general public, and demonstrates its return on investment in social, economic and environmental terms.

Action 2. Tell the new story of a connected community, pulsing with vitality and ease of movement for people of all ages and backgrounds.

Action 3. Portray the riding experience as enjoyable, smart, and for everyone.

Goal 5: Innovative Leadership: Facilitate our community’s mobility evolution with innovation, future focus and collaborative leadership.

Strategy 1 – Future Focus: Become poised to integrate and give leadership to emerging transportation technologies.

- Action 1. Serve as a model public agency in the community and a sought-after expert in transportation solutions.
- Action 2. Explore innovative approaches to service delivery.
- Action 3. Position Connect Transit for the arrival and use of autonomous vehicles in our market and define our participation and leadership.

Strategy 2 – Economic Influence: Exercise Connect Transit’s influence as an economic driver for the region.

- Action 1. Feature the region’s multimodal strength and the key role played by transit as an asset to business, students and residents.
- Action 2. Vividly portray the way transit benefits sales and commerce, transports our workforces, facilitates individuals’ livelihoods and can diversify the region’s employer/employee base.
- Action 3. Integrate the “transit asset” into the economic development conversation and equation at the municipal and county levels.

Strategy 3 – Regional Planning Influence: Elevate awareness and advance land use policy principles that optimize land resources, facilitate mobility and steward the environment.

- Action 1. Take an active role in the local and regional land use policy conversation.
- Action 2. Emphasize the value of transit accessibility in land use development.
- Action 3. Articulate and advocate for the benefits of transit-oriented development (TOD) toward achievement of environmental and quality of life objectives.
- Action 4. Heighten awareness about placement of land uses requiring high levels of service, the necessity of mobility options, and the value of sidewalks, shelters and other amenities.

SIGNIFICANT OPERATING BUDGETARY ITEMS AND TRENDS

The adoption of the FY 2023 budget included several assumptions that are necessary due to the unpredictability of costs and organizational needs. All assumptions made in the operating budget are based on historical trends and future expectations.

In February 2020, the Connect Transit Board of Trustees voted to support the Connect to The Future Work Group recommendations including the one rate for all fare structure. The one rate for all fare structure implementation date was scheduled for July 1, 2020. However, fare collection was suspended between July 1, 2020 and June 1, 2021 because of the COVID-19 pandemic. Fares were also suspended at various times during FY 2022 also due to the Covid-19 pandemic. We anticipate not having to suspend fares during FY 2023. We plan to keep the fixed-route fare and demand response fare at \$1.25 per ride. The 30-day pass for fixed route and demand response will remain at \$40.

In order to help pay for the decrease in Connect Mobility fares, and to help decrease the amount of the Federal Section 5307 Grant money Connect Transit spends on operating expenses, Connect Transit asked the City of Bloomington and the Town of Normal to contribute an additional \$250,000.00 for operating expenses starting in FY 2021. In FY 2023, this amount will increase to \$350,000.00 per year.

Connect Transit applied to be a Non-Emergency Medical Transportation (NEMT) provider in November 2017. This allows Connect Transit to recoup costs through Medicaid on approved passenger trips and provide a free fare to the rider. In FY 2022, we are anticipating the revenue to remain at FY 2021 levels, and are projecting the same for FY 2023 revenues.

Connect Transit is anticipating higher labor costs in FY 2023. This is due to annual wage increases, adding an additional route (to West Bloomington-Normal), the additional of a van pool service, the addition of micro transit service and increases in Connect Mobility hours due to anticipated increase in demand for service after Covid-19.

Connect Transit has increased fare revenue expectations for the FY 2023 Annual Budget. We are not certain what the COVID-19 impact will be on revenue and expenses in FY 2023, but we believe revenues and expenses will still be impacted due to labor shortages, supply chain issues, and inflationary cost increases.

BUDGET OVERVIEW

Bloomington Normal Public Transit System (d.b.a Connect Transit) is an intergovernmental agency established by the City of Bloomington (City) and the Town of Normal (Town) and governed by a board appointed by both the City and the Town. Connect Transit operates as an enterprise fund that reports financial results in accordance with accounting principles generally accepted in the United States of America (GAAP) and Governmental Accounting Standards Board (GASB) guidance.

Connect Transit's Operating Fund is used to account for all general operations and activities. It is Connect Transit's intent that the costs of operations be financed through the farebox revenue, advertising revenue, general fund allocations from the City of Bloomington and Town of Normal, and state and federal grants. Most of the operational funding is used to pay employee salaries and benefits. Other operational funding goes to pay for things such as fuel, insurance, vehicle and facility maintenance and utilities.

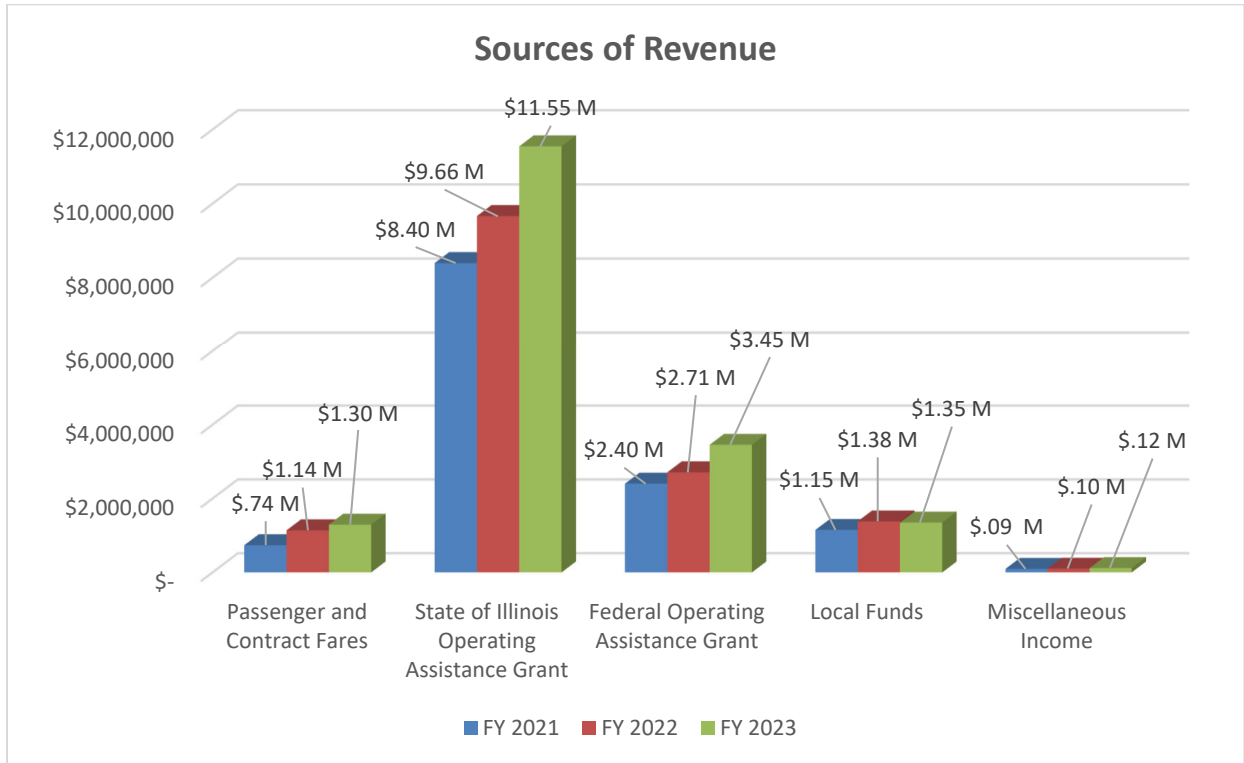
Connect Transit's Capital Fund is used to finance capital projects and fixed asset purchases such as revenue vehicles, facility enhancements, technology upgrades, and more. Capital funds are collected from the City of Bloomington, the Town of Normal, the State of Illinois and a variety of Federal Transit Administration grants, including an annual Section 5307 appropriation.

Presented below is a summary of major operating revenues and expenditures. The capital budget summary can be found in the capital budget section on page 23.

	FY 2021	FY 2022	FY 2023
	Actual	Budget	Budget
Revenue:			
Passenger and Contract Fares	\$735,987	\$1,140,500	\$1,295,178
Miscellaneous Income	94,976	102,000	117,000
Local	1,150,000	1,382,000	1,350,000
State of Illinois Operating Assistance Grant	8,395,205	9,664,200	11,546,014
Federal Operating Assistance Grant	2,403,644	2,711,300	3,454,907
Total Revenue	12,779,812	15,000,000	17,763,099
Expenses:			
Labor	7,567,217	8,857,000	10,213,052
Employee Benefits	2,297,044	2,732,000	3,146,840
Fuel and Lubricants	694,436	931,000	1,679,093
Bus Repair and Maintenance	763,568	717,000	855,963
Insurance	565,565	665,000	690,583
Professional Fees	378,620	312,000	304,000
Software Licenses and Supplies	149,428	295,000	277,213
Utilities	153,135	135,000	182,720
Miscellaneous	210,799	356,000	413,635
Total Expenses	\$ 12,779,812	\$ 15,000,000	\$ 17,763,099
Total Surplus/(Deficit)	\$0	\$0	\$0

In FY 2023, Connect Transit expects to receive \$1.30 million in farebox, pass sales, and universal access revenue, \$11.55 million in funds from the State of Illinois, \$3.45 million from federal funds, \$1.35 million from Local funds and \$.12 million from miscellaneous funds. Figure 1.1 compares actual sources of revenue for FY 2021, and budgeted sources of revenue for FY 2022 and FY 2023.

Figure 1.1



Passenger and contract fares is projected to increase from \$.74 million to \$1.14 million in FY 2021 to FY 2022. The projected increase in FY 2022 is due to the effect of the COVID-19 pandemic. In FY 2023, Connect Transit expects passenger and contract fares to increase by \$.16 million from FY 2022 budgeted amount due to projected increase in ridership.

Revenue from the State of Illinois (Downstate Operating Assistance Program, which reimburses 65 percent of the total eligible expenses) is projected to increase from \$8.40 million to \$9.66 million to \$11.55 million in FY 2021, FY 2022 and FY 2023, respectively, and continues to be Connect Transit’s main source of revenue. This increase is due to the increase in expenses since Connect Transit is reimbursed for 65% of eligible expenses.

Federal revenue (Section 5307 Operating Grant, CARES Act Funding, and ARP Act Funding) for FY 2021 was \$2.40 million and is expected to increase to \$2.71 million in FY 2022. In FY 2023, Connect Transit expects federal revenue to increase by \$.74 million. The increases from FY 2021 to FY 2022 and FY 2022 to FY 2023 is due to the increase in operating expenses.

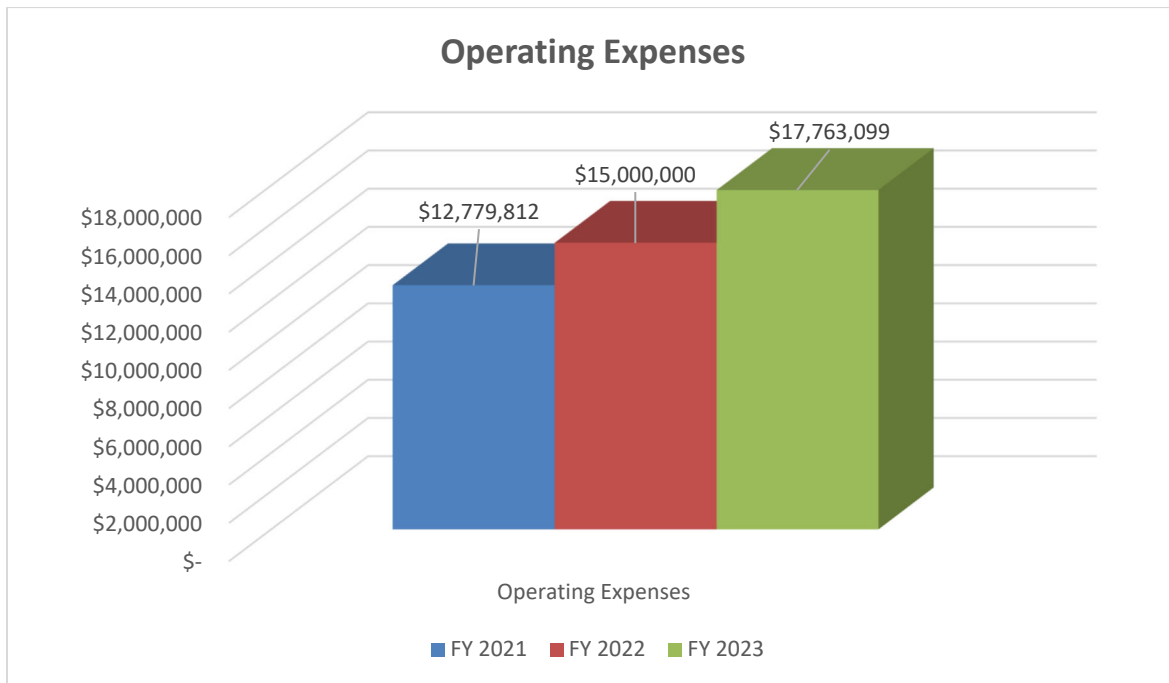
Local revenue (general fund allocations from the City of Bloomington and the Town of Normal) is projected to increase from \$1.08 million to \$1.38 million in FY 2021 to FY 2022 due to the additional revenue the City of Bloomington and Town of Normal will provide. In FY 2023, Connect Transit expects local revenue to remain relatively flat at \$1.35 million.

Miscellaneous revenue for FY 2021 was \$.09 million and is expected to increase to \$.10 million in FY 2022 and increase to \$.12 million in FY 2023.

USES OF REVENUE

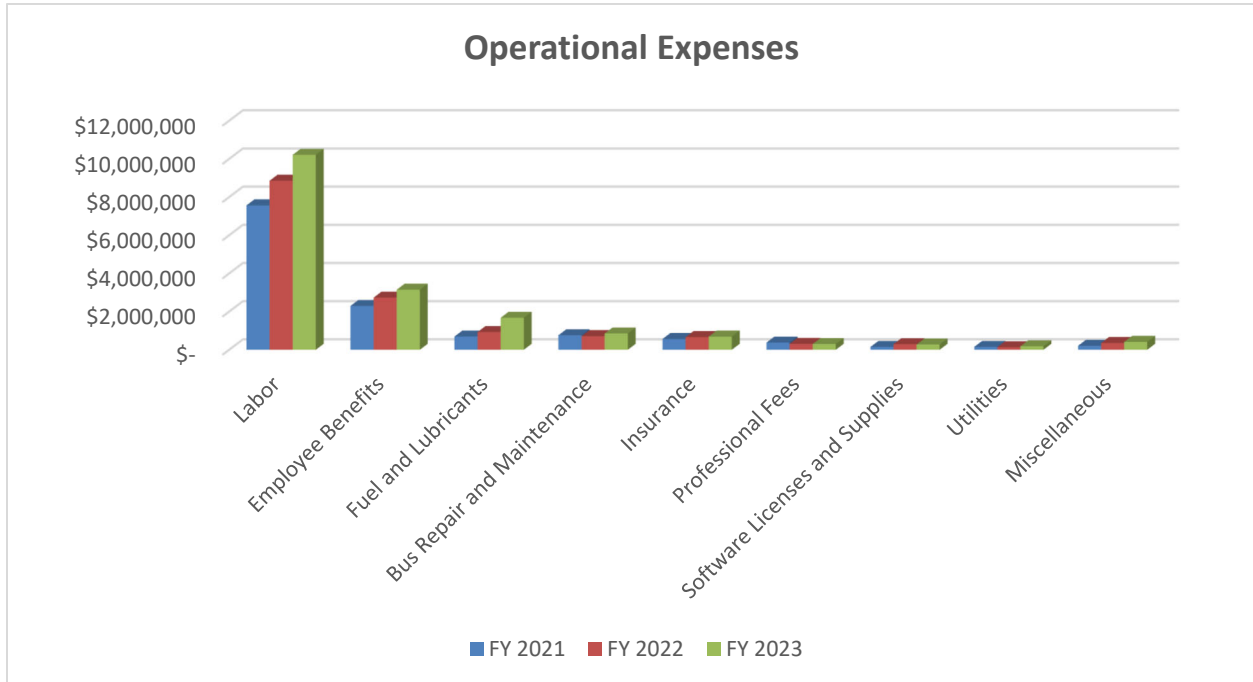
Connect Transit’s budgeted operating expenses for FY 2023 are \$17.76 million. Figure 1.2 illustrates actual operating expenses in FY 2021, and budgeted operating expenses in FY 2022 and FY 2023.

Figure 1.2



Connect Transit budgeted an increase of 18.42% in operational expenses from FY 2022 to FY 2023. Figure 1.3 illustrates the increase in operational expenses from FY 2021 to FY 2023.

Figure 1.3



Labor is Connect Transit’s primary expense, with wages increasing approximately 15.31% from FY 2022 to FY 2023. There is an anticipated increase in Operation’s Labor Expenses due to the addition of a new Fixed Route line in West Bloomington-Normal, demand response Micro Transit service to help get riders into our fixed route network, and an anticipated increase in Connect Mobility hours from FY 2022 to FY 2023. All represented employees will receive an increase in wages, per the Collective Bargaining Agreement. Non-represented employees will receive an increase in wages based on performance.

Another significant expense category is Employee Benefits. In FY 2023, we are anticipating a projected 15.18% increase in employee benefits over FY 2022. This is due to an increase in employees and the related benefits.

We are projecting an 80.35% increase in Fuel and Lubricants Expense from FY 2022 to FY 2023. This increase is mainly due to the increase in diesel and gas prices in Spring of 2022 and the uncertainty of the fuel markets.

We are projecting a 19.38% increase in Bus Repair and Maintenance from FY 2022 to FY 2023. This increase is due to the dramatic increase in the cost of bus parts as well as an aging fleet.

Figure 1.4 illustrates the breakdown of expenditures in FY 2022. Figure 1.5 illustrates the breakdown of expenditures in FY 2023.

Figure 1.4

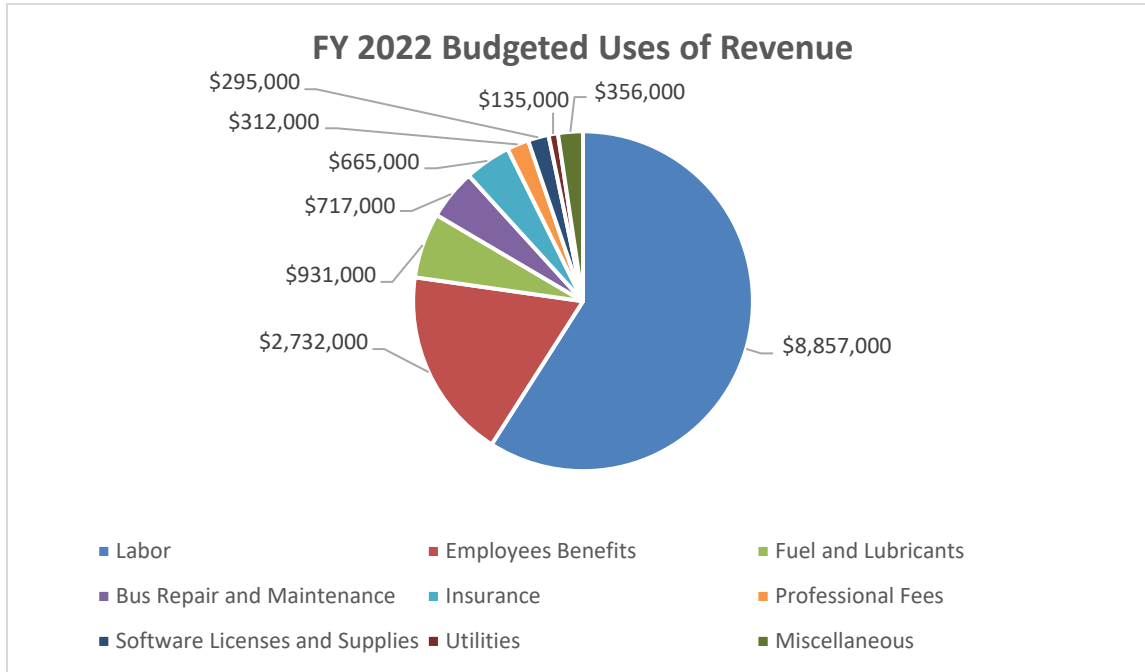
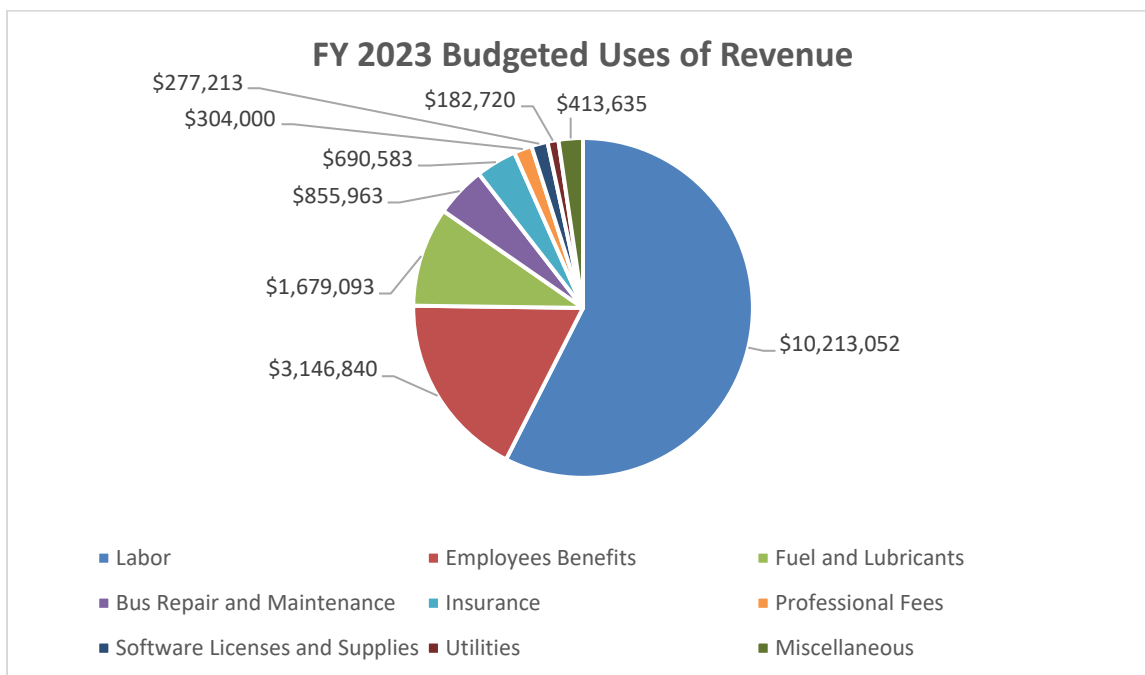
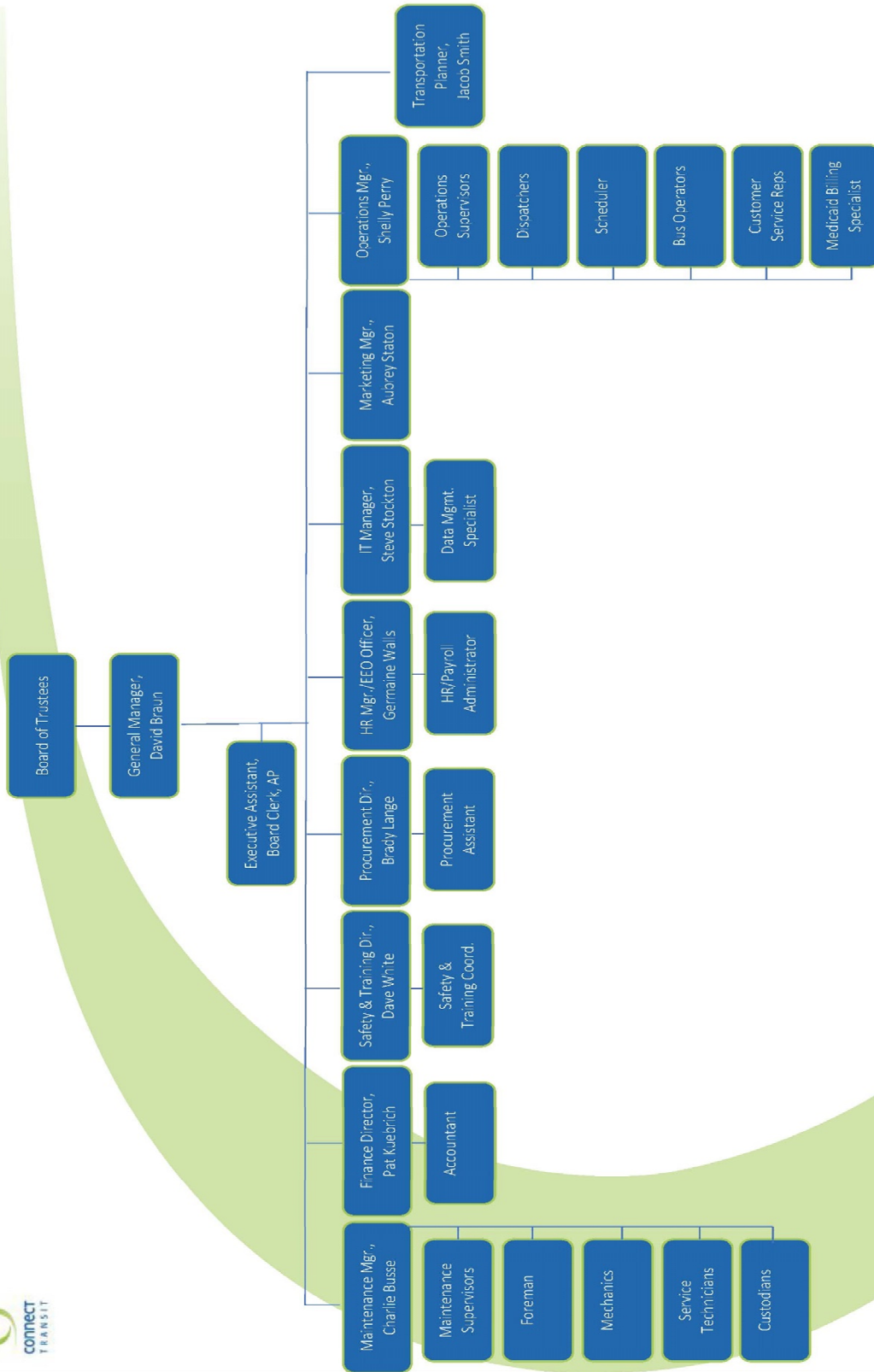


Figure 1.5





6/27/22

BASIS OF ACCOUNTING AND BUDGETING

The “basis of accounting” and “basis of budgeting” determine when revenues and expenditures are recognized for purposes of financial reporting and budget control. Connect Transit’s budget and financial statements are reported in accordance with generally accepted accounting principles on the accrual basis of accounting. The accrual basis of accounting recognizes revenue when it is earned and expenses when incurred. Connect Transit does not budget for depreciation expense.

FINANCIAL POLICIES

Financial policies establish goals and targets for Connect Transit’s financial operations so that the Board can monitor how well Connect Transit is performing. Formal financial policies provide for a consistent approach to fiscal strategies and set forth guidelines to measure financial performance and future budgetary programs.

The following pages contain policy frameworks in the following areas:

- (1) General Financial Goals
- (2) Operating Management
- (3) Operating Budget
- (4) Capital Budget and Planning
- (5) Accounting and Financial Reporting

General Financial Goals

- To ensure delivery of an adequate level of service by assuring reliance on ongoing resources and by maintaining an adequate financial base.
- To ensure that Connect Transit is in position to respond to changes in the economy or funding without an undue amount of financial stress.
- To adhere to the highest accounting and management policies as set by the Government Finance Officers’ Association, the Government Accounting Standards Board, and other professional standards for financial reporting and budgeting.

Operating Management Policies

- Long Range Planning – All departments share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and future capital purchases will be developed to reflect projected expenditures, projected resources, and future service requirements.
- Forecasts – Balanced revenue and expenditure forecasts will be prepared to examine Connect Transit’s ability to absorb operating costs due to changes in the economy, funding, and capital improvements.
- Cash and Investments – Cash and investment programs will be maintained in accordance with the current investment policy to ensure that proper controls and safeguards are maintained. Connect Transit funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal in that order.

Operating Budget

- Budget Development – Budget development will use strategic fiscal planning, conservative revenue forecasts, and expenditure forecast. The process will include a diligent review of revenues and expenditures by management and the Board of Trustees.
- Balanced Budget – Current expenditures will be funded by current fare, advertising revenue, City of Bloomington, Town of Normal, State of Illinois, and federal funds. Connect Transit’s budget is a balanced budget in that Connect Transit does not intend for a deficit or surplus. Connect Transit’s budgeted revenues and expenditures are equal.

Capital Budget and Planning

- Capital Improvement Plan Development – A five-year Capital Improvement Plan (CIP) will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as equipment, infrastructure purchases, or construction that results in a capitalized asset costing more than \$10,000.00 and having a useful (depreciable) life of one year or more. Connect Transit will incorporate future operating, maintenance and replacement costs associated with new capital improvements into the budget document.

Accounting and Financial Reporting

- Accounting and Reporting Methods – Connect Transit’s accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP), standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- Fiscal Monitoring – The Finance Department provides the Board a monthly financial report that provides year-to-date budget to actual performance.
- Internal Controls – Financial systems will maintain internal controls to monitor revenues and expenditures on an ongoing basis.

OPERATING AND CAPITAL BUDGET PROCESS

This section describes the process for preparing, reviewing, and adopting the operating and capital budget for the upcoming fiscal year. It also includes procedures for amending the budget after adoption. Connect Transit uses the accrual basis of accounting for budgeting, which is the same basis of accounting used in the audited financial statements.

Connect Transit's budget development process started in January 2022 with the Finance Department meeting with the department heads to discuss any expected significant increases or decreases to line item expenses in the operating budget. After those meetings, the Finance Department drafted a budget to present to the General Manager. The General Manager, Finance Director and department heads then met to discuss the budget for the upcoming year. Once the draft budget was agreed upon, the General Manager presented the draft budget to the Board of Trustees in March 2022. The Trustees reviewed the budget and provided feedback. The Board of Trustees then reviewed the budget during the April board meeting held on April 26, 2022. The annual Budget was presented to the Board of Trustees on May 24, 2022. After discussion, Board members voted on the Budget. The FY 2023 Budget was passed with an unanimous vote. The budget calendar shown below is used to supplement this narrative information.

Connect Transit's Board of Trustees must approve any adjustment that will increase the expenses to the operating budget.

BUDGET CALENDAR

<u>Date Completed</u>	<u>Task</u>
January 2022	Finance Department meets with all departments to discuss and develop a preliminary budget.
February 2022	Administrative staff meet with departments to review and discuss requests. Administrative review is completed.
March 2022	Draft budget is distributed to the Board for purposes of budget review.
April 2022	Draft budget is discussed with the whole Board at the April Board meeting.
May 2022	Finance Department finalizes FY 2022 – 2023 budget based on suggestions from the Board's comments. Board approves the FY 2022 – 2023 annual budget.

Bloomington Normal Public Transit System FY 2022 - 2023 Operating Budget

	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	\$ Change from FY 2022	% Change from FY 2022
Operating Revenue					
Passenger Fares	53,684.22	373,000.00	525,000.00	152,000.00	40.75%
Contract Fares	682,302.83	767,000.00	770,178.00	3,178.00	0.41%
Advertising Revenue	86,478.18	100,000.00	115,000.00	15,000.00	15.00%
Miscellaneous Revenue	8,497.67	2,500.00	2,000.00	(500.00)	-20.00%
Total Operating Revenue	830,962.90	1,242,500.00	1,412,178.00	169,678.00	13.66%
Operating Expenses					
Operations Wages	5,951,997.69	6,487,000.00	7,475,429.00	988,429.00	15.24%
Maintenance Wages	954,645.39	1,298,000.00	1,536,370.00	238,370.00	18.36%
Administration Wages	660,573.93	1,072,000.00	1,201,253.00	129,253.00	12.06%
Employer Payroll Tax Expense	627,370.82	720,000.00	831,015.00	111,015.00	15.42%
Retirement Plan	308,228.00	429,000.00	510,654.00	81,654.00	19.03%
Group Insurance	1,519,927.94	1,793,000.00	2,006,474.00	213,474.00	11.91%
Uniform Expense	26,857.37	38,000.00	61,800.00	23,800.00	62.63%
Professional Services	378,620.18	312,000.00	304,000.00	(8,000.00)	-2.56%
Outside Repair - Labor	85,682.96	90,000.00	97,500.00	7,500.00	8.33%
Contract Maintenance Services	140,314.47	124,000.00	182,976.00	58,976.00	47.56%
Custodial Services	17,183.85	17,000.00	14,300.00	(2,700.00)	-15.88%
Employment Expenses	30,867.22	16,000.00	22,600.00	6,600.00	41.25%
Fuel	651,177.39	886,000.00	1,588,418.00	702,418.00	79.28%
Lubricants	43,258.80	45,000.00	90,675.00	45,675.00	101.50%
Tires	54,424.98	90,000.00	57,436.00	(32,564.00)	-36.18%
Bus Repair Parts	405,279.62	320,000.00	421,751.00	101,751.00	31.80%
Other Materials and Supplies	60,682.15	76,000.00	82,000.00	6,000.00	7.89%
Shelters/Signs/Shop Tools	15,877.69	27,000.00	20,000.00	(7,000.00)	-25.93%
Computer and Office Supplies	133,549.82	268,000.00	257,213.00	(10,787.00)	-4.03%
Utilities	153,135.18	135,000.00	182,720.00	47,720.00	35.35%
Corporate Insurance	380,224.68	417,000.00	427,480.00	10,480.00	2.51%
Dues/Subscriptions/Fees	35,692.47	52,000.00	44,500.00	(7,500.00)	-14.42%
Printing/Marketing/Training	144,239.11	288,000.00	346,535.00	58,535.00	20.32%
Total Operating Expenses	12,779,811.71	15,000,000.00	17,763,099.00	2,763,099.00	18.42%
Operating Revenue	830,962.90	1,242,500.00	1,412,178.00	169,678.00	13.66%
Local Revenue	1,149,999.81	1,382,000.00	1,350,000.00	(32,000.00)	-2.32%
State Support	8,395,205.00	9,664,200.00	11,546,014.00	1,881,814.00	19.47%
Federal Support	2,403,644.00	2,711,300.00	3,454,907.00	743,607.00	27.43%
Total Revenue and Support	12,779,811.71	15,000,000.00	17,763,099.00	2,763,099.00	18.42%

**Bloomington Normal Public Transit System
Seven Year Operating Budget**

	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget	FY 2027 Budget
Operating Revenue							
Passenger Fares	53,684.22	373,000.00	525,000.00	551,250.00	578,813.00	607,754.00	638,142.00
Contract Fares	682,302.83	767,000.00	770,178.00	809,000.00	849,450.00	891,923.00	936,519.00
Advertising Revenue	86,478.18	100,000.00	115,000.00	117,300.00	119,600.00	121,900.00	126,500.00
Miscellaneous Revenue	8,497.67	2,500.00	2,000.00	2,000.00	2,000.00	2,000.00	2,500.00
Total Operating Revenue	830,962.90	1,242,500.00	1,412,178.00	1,479,550.00	1,549,863.00	1,623,577.00	1,703,661.00
Operating Expenses							
Operations Wages	5,951,997.69	6,487,000.00	7,475,429.00	7,849,200.00	8,241,660.00	8,653,743.00	9,086,430.00
Maintenance Wages	954,645.39	1,298,000.00	1,536,370.00	1,613,189.00	1,693,848.00	1,778,540.00	1,867,467.00
Administration Wages	660,573.93	1,072,000.00	1,201,253.00	1,261,316.00	1,324,382.00	1,390,601.00	1,460,131.00
Employer Payroll Tax Expense	627,370.82	720,000.00	831,015.00	872,566.00	916,194.00	962,004.00	1,010,104.00
Retirement Plan	308,228.00	429,000.00	510,654.00	536,187.00	562,996.00	591,146.00	620,703.00
Group Insurance	1,519,927.94	1,793,000.00	2,006,474.00	2,207,121.00	2,427,833.00	2,670,616.00	2,937,678.00
Uniform Expense	26,857.37	38,000.00	61,800.00	64,890.00	68,135.00	71,542.00	75,119.00
Professional Services	378,620.18	312,000.00	304,000.00	319,200.00	335,160.00	351,918.00	369,514.00
Outside Repair - Labor	85,682.96	90,000.00	97,500.00	102,375.00	107,494.00	112,869.00	118,512.00
Contract Maintenance Services	140,314.47	124,000.00	182,976.00	192,125.00	201,731.00	211,818.00	222,409.00
Custodial Services	17,183.85	17,000.00	14,300.00	15,015.00	15,766.00	16,554.00	17,382.00
Employment Expenses	30,867.22	16,000.00	22,600.00	23,730.00	24,917.00	26,163.00	27,471.00
Fuel	651,177.39	886,000.00	1,588,418.00	1,667,839.00	1,751,231.00	1,838,793.00	1,930,733.00
Lubricants	43,258.80	45,000.00	90,675.00	95,209.00	99,969.00	104,967.00	110,215.00
Tires	54,424.98	90,000.00	57,436.00	60,308.00	63,323.00	66,489.00	69,813.00
Bus Repair Parts	405,279.62	320,000.00	421,751.00	442,839.00	464,981.00	488,230.00	512,642.00
Other Materials and Supplies	60,682.15	76,000.00	82,000.00	86,100.00	90,405.00	94,925.00	99,671.00
Shelters/Signs/Shop Tools	15,877.69	27,000.00	20,000.00	21,000.00	22,050.00	22,703.00	23,838.00
Computer and Office Supplies	133,549.82	268,000.00	257,213.00	270,074.00	283,578.00	297,757.00	312,645.00
Utilities	153,135.18	135,000.00	182,720.00	191,856.00	201,449.00	211,521.00	222,097.00
Corporate Insurance	380,224.68	417,000.00	427,480.00	448,854.00	471,297.00	494,862.00	519,605.00
Dues/Subscriptions/Fees	35,692.47	52,000.00	44,500.00	46,725.00	49,061.00	51,514.00	54,090.00
Printing/Marketing/Training	144,239.11	288,000.00	346,535.00	363,862.00	382,055.00	401,158.00	421,216.00
Total Operating Expenses	12,779,811.71	15,000,000.00	17,763,099.00	18,751,580.00	19,799,515.00	20,910,433.00	22,089,485.00
Operating Revenue	830,962.90	1,242,500.00	1,412,178.00	1,479,550.00	1,549,863.00	1,623,577.00	1,703,661.00
Local Revenue	1,149,999.81	1,382,000.00	1,350,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
State Support	8,395,205.00	9,664,200.00	11,546,014.00	12,102,727.00	12,783,885.00	13,505,981.00	14,272,365.00
Federal Support	2,403,644.00	2,711,300.00	3,454,907.00	3,669,303.00	3,965,767.00	4,280,875.00	4,613,459.00
Total Revenue and Support	12,779,811.71	15,000,000.00	17,763,099.00	18,751,580.00	19,799,515.00	20,910,433.00	22,089,485.00

CAPITAL BUDGET SUMMARY

The FY 2023 Capital Budget is funded through multiple sources, including Federal Transit Administration (FTA) 5307 Formula Funds, FTA CARES Funds, FTA 5339 Bus and Bus Facilities Funds, FTA Low or No Emissions Funds, State of Illinois Debt Service Funds, State of Illinois capital grants, and funding from the City of Bloomington and the Town of Normal. Unlike most large transit agencies, Connect Transit allocates a significant portion of FTA 5307 capital funds toward operations, which is allowed by the FTA. Connect Transit enters into short-term debt from one to three months in duration in order to use debt service funds through the State of Illinois Downstate Operating Assistance Program (DOAP). A capital expenditure is the use of funds in order to purchase fixed assets with a useful life of at least one year.

Presented below is a summary of major capital funds and expenditures for FY 2022 and FY 2023.

Capital Funding	<u>FY 2022 Budget</u>	<u>FY 2023 Budget</u>
Beginning Capital Funds	\$7,963,097	\$ 9,087,148
FTA Section 5307	166,652	1,076,750
FTA Section 5339 - Bus & Bus Facilities	389,156	5,901,478
FTA Section 5339 - Low or No Emmissions	1,450,000	-
FTA CARES Funding	124,590	22,975
State of Illinois - Capital	493,703	4,159,720
State of Illinois - DOAP - Debt Service	3,515,051	1,556,998
City of Bloomington	618,229	649,140
Town of Normal	<u>505,822</u>	<u>531,113</u>
Total Capital Funding	15,226,300	22,985,322
Capital Expenditures		
Major Capital Projects	5,389,152	10,472,280
Facilities, Maintenance and Support Equipment	-	830,640
Passenger Amenities	750,000	862,500
Other Capital Expenditures	<u>-</u>	<u>690,000</u>
Total Capital Expenditures	<u>6,139,152</u>	<u>12,855,420</u>
Ending Capital Funds	<u>\$9,087,148</u>	<u>\$ 10,129,902</u>

CAPITAL BUDGET PROCESS

As part of Connect Transit's budgeting process, the Finance and Procurement Departments meet annually with the General Manager and managers responsible for certain activity line items in the grants (IT Manager in charge of IT-related items, Maintenance Manager in charge of shop capital and maintenance items, etc.). During this meeting, managers are asked about any expected increases/decreases they foresee related to their activity line items. Capital projects are considered throughout the year and are approved by the Board of Directors. After the meeting, the Finance and Procurement Departments develop a capital budget based on the input of department managers and presents the capital budget to the Board of Directors. The Board of Directors approves the capital budget during the Budget board meeting in April or May. The budget calendar shown on page 20 is used to supplement this narrative information.

SIGNIFICANT CAPITAL BUDGETARY ITEMS AND TRENDS

Revenues

During the budget development stage, significant assumptions - influenced by current legislative acts, historical trends, and long-term agency goals and objectives - are considered to ensure accuracy of the capital budget document. Although Connect Transit tries to make the document as accurate as possible, estimated numbers may differ significantly from actual expenditures due to timing of capital project expenditures or unforeseen circumstances.

A key assumption is that Section 5307 grant funds will stay flat year-over-year starting in FY 2023. The Infrastructure Investment and Jobs Act (IIJA) went into effect on November 15, 2021 and is set to end in FY 2026.

The State of Illinois created a Capital Grant Program for transit agencies in FY 2021. Connect Transit was awarded \$9,916,000 from this program in FY 2021 and \$8,370,000.00 in FY 2022. A third round of funding should be available in FY 2023. Connect Transit will apply for the third round of capital grant funds from the State of Illinois.

Under the State of Illinois Downstate Operating Assistance Program (DOAP), Connect Transit can purchase capital items through DOAP funding. In order to do this, Connect Transit needs to set-up debt service funding through a bank. Connect Transit is assuming the DOAP will continue to allow the purchase of capital items through debt service.

Expenditures

Revenue vehicles are the most valuable capital assets Connect Transit owns and are greatly considered during the development stage of creating the capital budget. Connect Transit sent out a Request for Proposal in FY 2020 for heavy duty electric buses. Connect Transit received four of these buses in FY 2022. Connect Transit plans to receive eight of these buses in FY 2023 and five of these buses in both FY 2024 and FY 2025.

Adding infrastructure will be another major focus for Connect Transit in the next few years. The preliminary planning for a downtown Bloomington transit center was performed in FY 2021. Connect Transit plans to complete the building of a new downtown Bloomington transit center in FY 2024 or FY 2025.

On the next page is Connect Transit's FY 2023 Capital Budget with an extended five-year estimate.

2022 - 2023 Capital Budget

Capital Funding

	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	FY 2024 Estimated	FY 2025 Estimated	FY 2026 Estimated
Beginning Capital Funds Balance	\$ 7,491,926	\$ 7,963,097	\$ 9,087,148	\$ 10,129,902	\$ 11,284,168	\$ 12,505,397
FTA Section 5307 Apportionment	331,545	166,652	1,076,750	1,626,200	2,118,750	210,000
FTA Section 5339 Bus & Bus Facilities	-	389,156	5,901,478	13,050,898	-	4,000,000
FTA Section 5339 Low or No Emissions	-	1,450,000	-	-	-	-
FTA CARES Funding	-	124,590	22,974	-	-	-
State of Illinois - Capital Program	113,128	493,703	4,159,720	10,447,050	6,227,435	-
State of Illinois - CVP Program	361,482	-	-	450,000	-	-
State of Illinois - DOAP - Debt Service	819,727	3,515,051	1,556,998	3,424,787	3,708,250	4,390,000
City of Bloomington	546,974	618,229	649,140	681,597	715,677	751,461
Town of Normal	447,524	505,822	531,113	557,669	585,552	614,830
Total Budgeted Sources of Funds for Capital Items	10,112,306	15,226,300	22,985,322	40,368,103	24,639,832	22,471,688

15,906,294

Capital Expenditures

	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget	FY 2024 Estimated	FY 2025 Estimated	FY 2026 Estimated
Major Capital Projects	361,482	-	-	450,000	-	-
Revenue Vehicle Purchase - Mobility Buses	-	-	-	-	600,000	600,000
Revenue Vehicle Purchase - Zero Emission Mobility Buses	-	-	-	-	-	-
Solar Array and Electric Charging Stations	707,483	1,300,000	-	250,000	75,000	-
Revenue Vehicle Purchase - 35'/40' Electric Buses	-	4,089,152	9,332,280	6,227,435	6,227,435	-
Revenue Vehicle Mid-Life Overhaul	-	-	1,140,000	-	1,022,000	-
Revenue Vehicle Micro Transit	-	-	-	750,000	750,000	-
Micro Transit/Paratransit Storage Facility	-	-	-	-	-	8,000,000
Downtown Transfer Center	143,908	-	-	18,000,000	3,000,000	-
Facilities, Maintenance and Support Equipment	-	-	-	-	-	-
Bus Protective Shields	22,456	-	-	-	-	-
Radio System Replacement	-	-	-	500,000	-	-
Maintenance Rehab - In-Ground Lift	-	-	370,000	-	-	-
Vehicle Access Control/New Exit Lane & Gate	-	-	75,000	-	-	-
Facility LED Lighting Upgrades	-	-	-	75,000	-	-
Administration Facility Repairs/Improvements	-	-	87,500	-	-	-
Administration Roof Replacement	-	-	232,500	-	-	-
Fare Collection and GPS	430,900	-	-	-	-	-
Computer Equipment	-	-	65,640	-	-	-
Dispatch Upgrade	-	-	-	-	200,000	-
VR Driver Training Equipment	-	-	-	-	200,000	-
Passenger Amenities	-	-	-	-	-	-
Bus Shelters, Pads, Seating, and Lighting	482,980	750,000	862,500	742,500	-	-
Pedestrian and Cyclist Warning System	-	-	-	264,000	-	-
Uptown Passenger Amenity Upgrades	-	-	-	150,000	-	-
Other Capital Expenditures	-	-	-	-	-	-
Short Range Transportation Plan	-	-	250,000	-	-	-
ITS Consultants	-	-	200,000	-	-	-
ITS Software	-	-	-	1,500,000	-	-
Green Energy Consultants	-	-	-	100,000	-	-
Messaging Consultant	-	-	150,000	-	-	-
Single Mobile App for all Services	-	-	-	-	-	-
Service Vehicles	-	-	-	75,000	-	-
Total Budgeted Capital Expenditures	2,149,209	6,139,152	12,855,420	29,083,935	12,134,435	8,600,000
Ending Funds Balance	\$ 7,963,097	\$ 9,087,148	\$ 10,129,902	\$ 11,284,168	\$ 12,505,397	\$ 13,871,688
						\$ 15,306,294

MAJOR CAPITAL PROJECTS

Generally, capital projects are funded through the annual 5307 formula allocation which requires a twenty percent local match but can be financed through a variety of other capital sources (revenue vehicles purchases are also financed through Section 5339 discretionary grant funds). The local tax revenue by the City of Bloomington and Town of Normal is then used as the local match. The State of Illinois has Capital Grant Programs in certain years. Also, the State of Illinois Downstate Operating Program allows capital purchases that have been purchased through debt service. Described below, Connect Transit's capital projects are considered significant nonrecurring capital expenditures and must be financed with capital grant funds and must be greater than \$10,000 in total cost. These projects are expected to be paid for and completed in FY 2023.

Description of Capital Projects:

Fixed Route Electric Buses

Connect Transit is planning to receive eight electric fixed route buses in FY 2023, and five electric fixed route buses in both FY 2024 and FY 2025.

Effect on Operating Budget

It is expected fuel expenses will decrease with the addition of electric buses.

Fixed Route Diesel Bus Mid-Life Overhaul

Connect Transit is planning to perform a mid-life overhaul on twelve 40' diesel buses.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

Bus Shelters, Concrete Pads, Seating, and Lighting

Connect Transit is planning on improving 100 bus stops in FY 2023. The infrastructure of Connect Transit's service area is a desperate need of bus shelters, concrete pads, seating, and lighting for our customers and their safety.

Effect on the Operating Budget

This project will have little to no effect of the operating budget.

POSITION SUMMARY SCHEDULE

Figure 1.6 shows a comparison of the actual number of personnel in FY 2021 and projected number of personnel for FY 2022 and FY 2023.

Figure 1.6

Personnel	FY 2021	FY 2022	FY 2023
Operations Supervision	6	6	8
Dispatchers/Customer Service Reps	11	10	11
Operators	88	97	105
Maintenance Supervision	3	4	4
Maintenance	14	18	19
Administrative	11	16	16
Total	<u>133</u>	<u>151</u>	<u>163</u>

In FY 2022, Connect Transit anticipates hiring nine additional operators to drive fixed route and mobility buses.

In FY 2023, Connect Transit anticipates hiring eight additional operators to drive fixed route and mobility buses and micro transit vehicles.

Department Descriptions

EXECUTIVE DEPARTMENT

The executive department is made up of the General Manager and Executive Assistant. The General Manager is charged with executing Board policy decisions and providing direction to Connect Transit staff as they work to fulfill the mission and goals of the organization.

MAINTENANCE DEPARTMENT

This department consists of the Maintenance Manager, Maintenance Supervisors, Mechanics, Cleaners, and Custodians. This department is responsible for all maintenance of Connect Transit vehicles, facility grounds and facility maintenance that consists of administration and maintenance buildings, and cleanup of Connect Transit shelters around the service area.

FINANCE DEPARTMENT

The finance department is made up of the Finance Director and the Accountant. This department is responsible for preparing the annual budget, coordinating the year-end audit, analyzing, reconciling and maintaining financial records, and treasury management.

SAFETY AND TRAINING DEPARTMENT

The safety and training department is made up of the Safety and Training Director and the Safety and Training Coordinator. The training side of this department is responsible for new employee general intake training, new bus operator training, maintenance training, commercial licensing of employees, and continuing education of employees. The safety side of this department is responsible for accident prevention, safety initiatives, vehicle safety, license and background checks, facilities safety, employee safety, OSHA compliance, substance abuse program, and the safety committee.

PROCUREMENT DEPARTMENT

The procurement department is made up of the Procurement Manager and the Procurement Assistant. This department is responsible for purchasing materials and services, continuously evaluating the price of materials and services purchased, ensuring timely delivery of materials, and ensuring that Connect is complying with all procurement policies.

HUMAN RESOURCES DEPARTMENT

The human resources department is made up of the Human Resources Manager and the HR/Payroll Administrator. This department is responsible for hiring of personnel, labor relations and discipline management, maintaining employee benefits, management of insurance, and processing payroll.

INFORMATION TECHNOLOGY DEPARTMENT

The information technology department is made up of the Information Technology Manager and the Information Technology Specialist. This department is responsible for managing the information technology and computer systems, ensuring technology is accessible and equipped with current hardware and software, and monitoring and maintaining technology to ensure maximum access.

MARKETING DEPARTMENT

The marketing department is made up of the Marketing Manager. This department is responsible for directing and managing the outreach, advertising, marketing, promotional activities, and community relations of Connect Transit.

OPERATIONS DEPARTMENT

This department consists of the Transit Operations Manager, Operations Supervisors, Dispatchers, Customer Service Representatives, and Bus Operators. This department is responsible for providing safe, dependable, and on-time service to our customers.

PLANNING DEPARTMENT

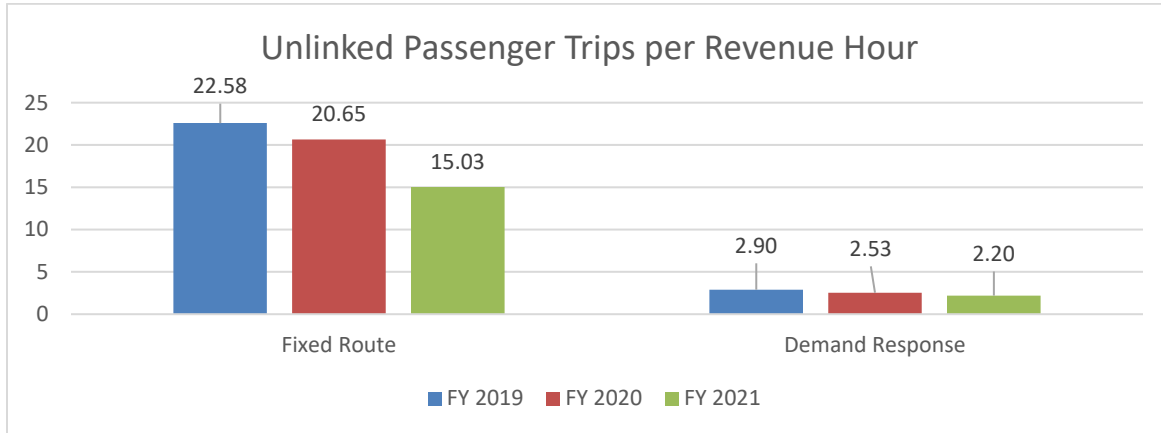
This department consists of the Transportation Planner. This department is responsible for developing transportation strategies that encompass the needs of transit users.

KEY PERFORMANCE INDICATORS

Key Performance Indicators provide a means of evaluating how effectively and efficiently Connect Transit performs over time. The charts that follow show trends for each performance indicator based on data for the last three fiscal years.

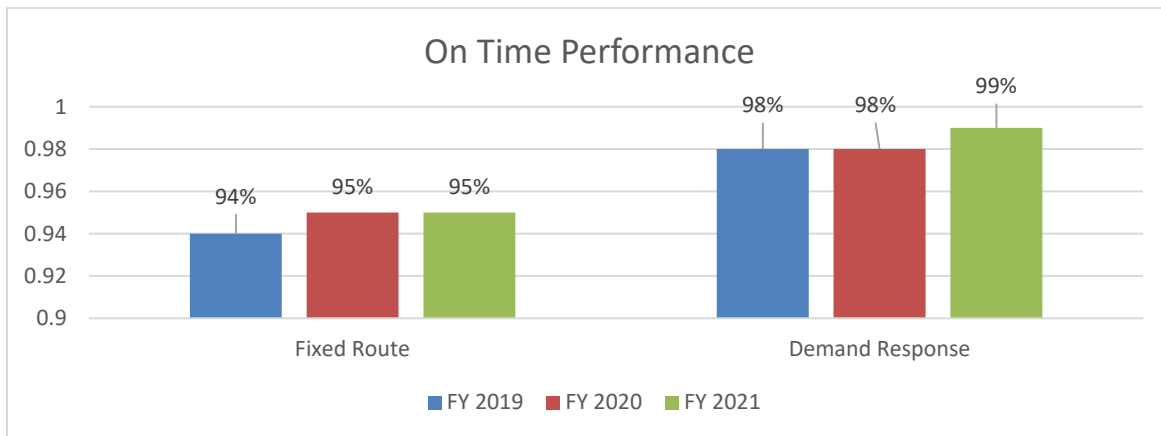
Ridership, Customer Satisfaction and Safety Performance Indicators

Unlinked Passenger Trips per Revenue Hour



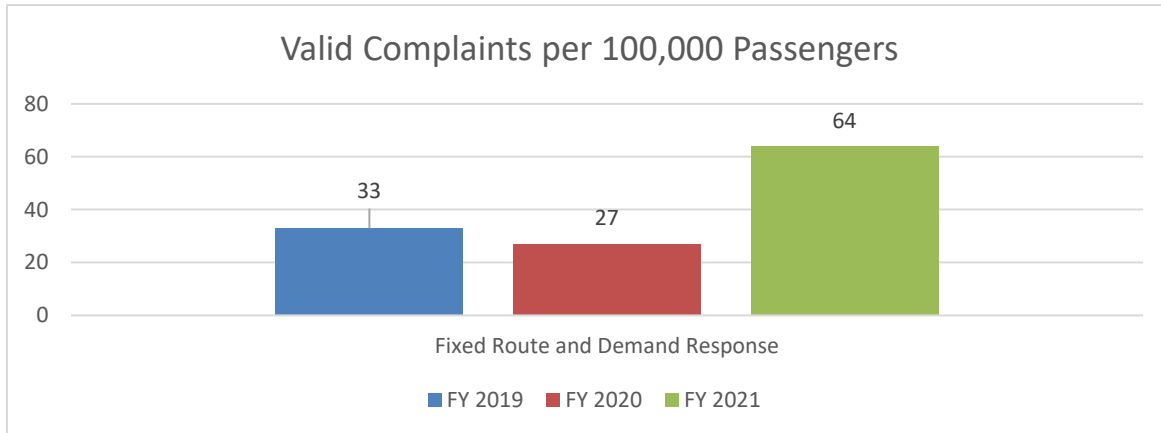
This performance indicator is a ratio of the number of unlinked passenger trips divided by the number of revenue hours operated. The decrease reflects the decrease in ridership from FY 2019 to FY 2020 and from FY 2020 to FY 2021 due to the COVID-19 pandemic.

On Time Performance



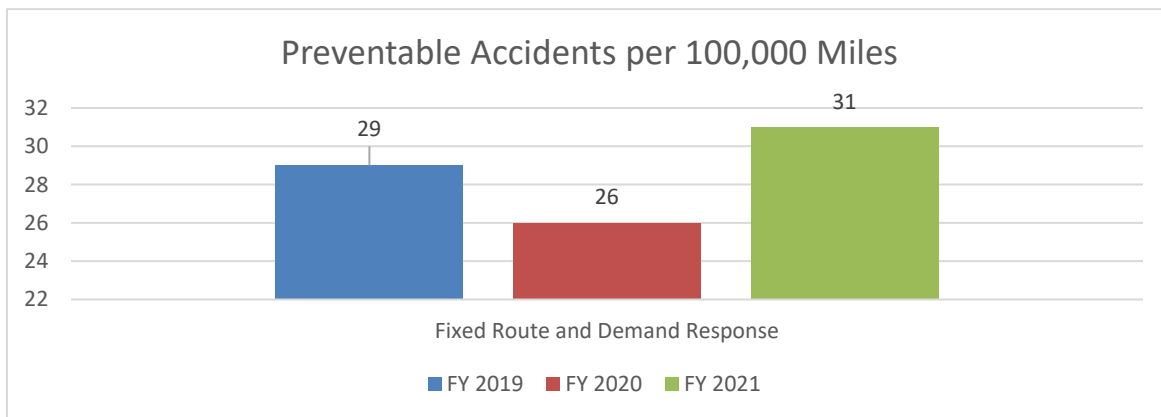
On time performance is determined by the total number of trips that occur where the vehicle leaves its designated time point within 5 minutes of its scheduled departure time divided by the total number of trips. This gives us a percentage of the trips that we consider to be on time. This metric has been gradually increasing as we have also been increasing the amount of dwell time built into our routes which allows us to remain on schedule.

Valid Complaints per 100,000 Passengers



Complaints are recorded in a database at the time that they are reported. They are later evaluated by an operations supervisor to determine if there is evidence to support the complaint. Evidence can include but is not limited to confirmation from other witnesses, video/audio clips supporting the claim, and physical evidence such as property damage. If the complaint is deemed by the operations supervisor to be valid, correctional steps are made to address the underlying issue. This process has been refined over the course of several years and additional steps have been implemented to ensure that all complaints are thoroughly evaluated. In addition, some COVID mitigation steps have led to more potential points of conflict between passengers as well as drivers. This has led to an overall increase in complaints and therefore valid complaints in recent years.

Preventable Accidents per 100,000 Miles



A Preventable Accident is an unplanned event that may or may not have resulted in personal injury or property damage, but in which the employee failed to exercise reasonable precautions to prevent the event. This consists of events such as collision with another vehicle, a collision with a fixed object, closing a vehicle door on a customer, etc.

Cost Performance Indicators

Cost performance indicators are influenced by factors such as changes in the number of revenue hours Connect Transit operates, changes in the cost of operating the services provided, and changes in fare revenue.

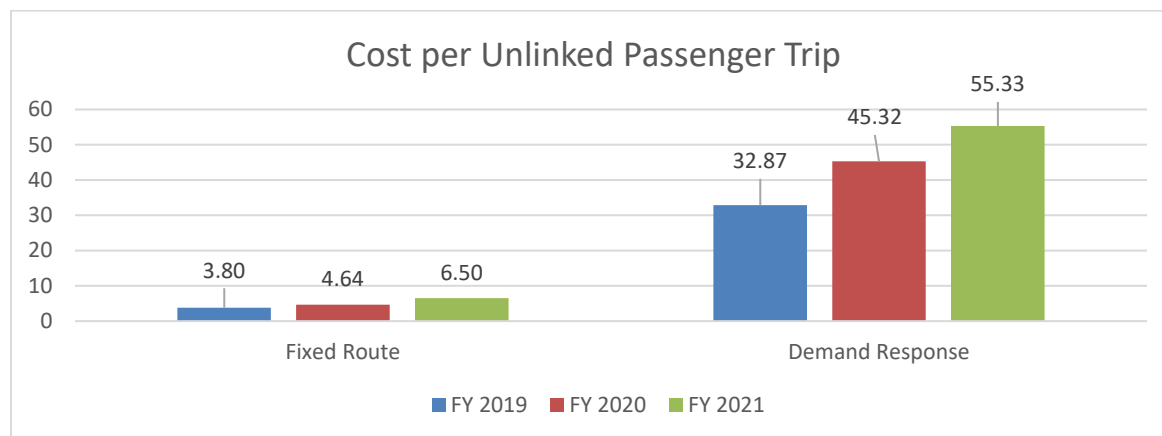
Revenue Hours: Revenue hours decreased 5.2% from FY 2019 to FY 2020; and decreased another 3.0% from FY 2020 to FY 2021 due to the COVID-19 pandemic.

Operating Expenses: In FY 2020 operating expenses increased by 6.2 % over FY 2019, but operating expenses decreased by 1.8% from FY 2020 to FY 2021 due to the COVID-19 pandemic.

Fare Revenue: Changes in the amount of fare revenue depend on multiple factors which may occur individually or at the same time: a change in the fare rates charged, a change in the number of riders, or a temporary change in agency fare collection policy due to a pandemic.

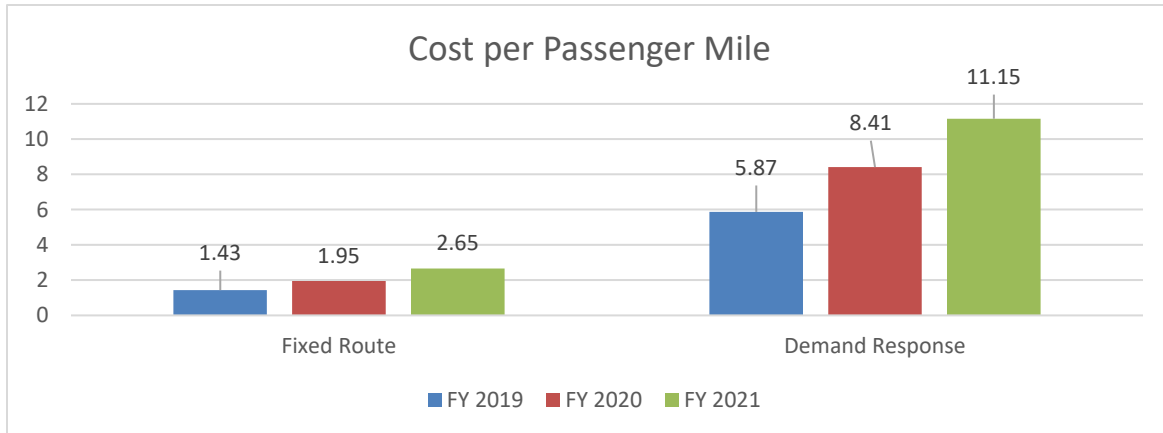
The charts below show how these factors affected Connect Transits performance.

Cost per Unlinked Passenger Trip



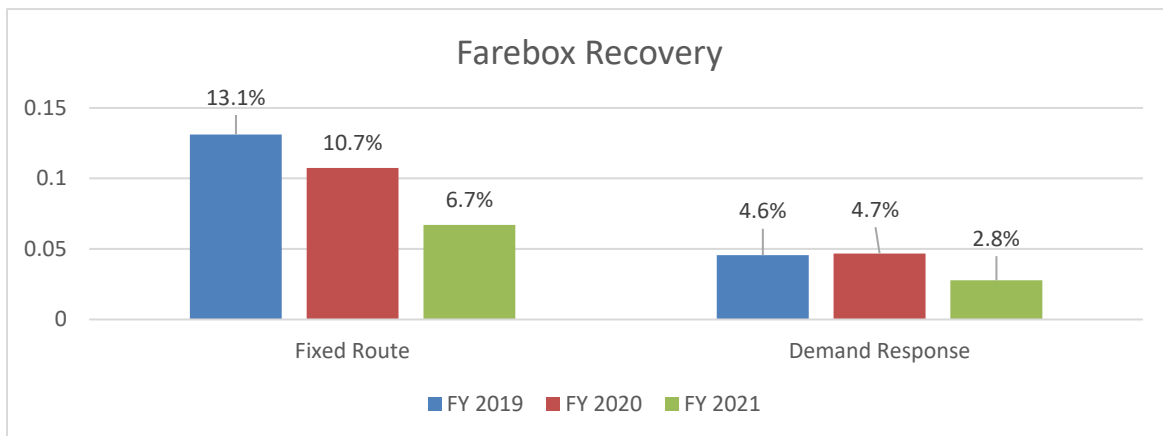
Cost per unlinked passenger trip measures the operating cost for delivery of one passenger trip. It is an indicator of cost efficiency. Connect Transit's fixed route cost per ride increased 40.1% in FY 2021 over FY 2020. Connect Transit's demand response cost per ride increased 22.1% in FY 2021 over FY 2020.

Cost per Passenger Mile



Cost per passenger mile measures the cost of operations to carry one passenger for one mile. Connect Transit’s fixed route cost per passenger mile increased 36.96% in FY 2021 over FY 2020. Connect Transit’s demand response cost per passenger mile increased 32.6% in FY 2021 over FY 2020.

Farebox Recovery



Farebox recovery measures the proportion of operating costs paid for by passenger fare revenue. Connect Transit’s passenger fare revenue decreased in FY 2021 compared to FY 2020 for both fixed route and demand response. This decrease in passenger fare revenue was due to suspending fares various times during FY 2020 and FY 2021 due to the COVID-19 pandemic.

SUPPLEMENTAL INFORMATION

CONNECT TRANSIT AT A GLANCE

In 1972, the City of Bloomington and Town of Normal, by intergovernmental agreement, established an intergovernmental agency known as the Bloomington Normal Public Transit System after the privately-owned National City bus company left the Bloomington-Normal market. The transit system operates as an independent agency governed by a board appointed by both the City of Bloomington and Town of Normal. In 2012, the transit system rebranded as Connect Transit.

SERVICE AREA

The operating area of Connect Transit is the combined corporate limits of the City of Bloomington and the Town of Normal.

Demographics

The combined population of the City of Bloomington and the Town of Normal is 131,877. The median household income is \$66,861.

DESCRIPTION OF SERVICES AND FLEET

Connect Transit operates up to 28 buses in maximum service on 16 fixed routes, including campus and late-night service. Connect Transit, under the name of Connect Mobility, provides demand-response service to all paratransit eligible riders within the American with Disabilities Act guidelines.

Connect Transit maintains a fleet of 39 buses for its 16 fixed routes. Included in this fleet are (4) 2021 Proterra 35' buses, (10) 2018 New Flyer 40' buses, (7) 2016 New Flyer 40' buses, (5) 2015 New Flyer 40' buses, (4) 2011 Gillig 35' buses, (1) 2010 Gillig 35' bus, and (8) 2003 New Flyer 40' buses.

Connect Mobility's paratransit fleet has 19 buses and includes (6) 2020 Ford E-450 vans (9) 2018 Ford E-450 vans, (4) 2017 Ford E-450 vans.

BOARD OF DIRECTORS

Connect Transit is comprised of 7 members appointed by the City of Bloomington and the Town of Normal. The City Managers for the City and Town are Ex officio members.

Appointed

Four Year Term

<u>Name</u>	<u>Position</u>	<u>Appointed By</u>	<u>Expiration Date</u>
Ryan Whitehouse	Chairman	Bloomington	June 30, 2024
Julie Hile	Vice Chairman	Normal	June 30, 2026
Tim McCue	Secretary	Normal	June 30, 2024
Judy Buchanan	Trustee	Bloomington	June 30, 2025
Linda Foster	Trustee	Bloomington	June 30, 2024
Mandava Rao	Trustee	Normal	June 30, 2025
Barbara Singer	Trustee	Bloomington	June 30, 2026
Tim Gleason	Ex officio	Bloomington	No expiration
Pam Reece	Ex officio	Normal	No expiration

Budget Glossary

ACTUAL – The actual figures in the budget document are year-end actual totals for the fiscal year preceding the budget year.

BUDGET – A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures.

CAPITAL INVESTMENT - A nonrecurring project, including but not limited to: construction of or major alterations; remodeling or repair of physical facilities, buildings, structures, fixed equipment and landscaping.

CAPITAL INVESTMENT PROGRAM - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

CONNECT TRANSIT – Bloomington Normal Public Transit System

DEPRECIATION - A method of allocating the cost of a tangible asset over its useful life.

DOAP – State of Illinois’ Downstate Operating Assistance Program

ESTIMATE - Revenue and expenditure estimates for the current fiscal year, which are developed as part of the budget preparation process.

EXPENDITURE - This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained, regardless of when the expense is actually paid.

EXPENSES - Charges incurred, whether paid immediately or unpaid, for operation, maintenance, and other charges.

FISCAL YEAR - The time period designated by Connect Transit signifying the beginning and ending period for recording financial transactions. Connect Transit has a fiscal year of July 1st through June 30th.

FIXED ASSETS - Assets of long-term character, which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FTA - Federal Transit Administration

FUND BALANCE - The excess of assets over liabilities and is, therefore, also known as surplus funds.

GAAP – Generally Accepted Accounting Principles

GASB – Government Accounting Standards Board

GFOA - Government Finance Officers Association

IDOT - Illinois Department of Transportation.

REVENUE - Funds that the government receives as income.