

Memorandum

To: Members of the City of Bloomington Common Council
From: Lew May, General Manager
Date: August 14, 2020

Why We Exist

Bloomington Transit is a full-featured municipal transit corporation that provides bus services in Bloomington

Background

Fixed route bus service is provided on nine routes serving most areas of the City. Bloomington Transit also offers BT Access, a specialized service available to persons with disabilities who are unable to use regular fixed route services.

Impact of COVID-19

Due to the COVID-19 pandemic, BT implemented several protocols to provide physical distancing between drivers and passengers to limit community spread of COVID-19, including the following:

- Free fares on all fixed route and BT Access service buses.
- Passengers on fixed route buses board through the rear doors. Persons in wheelchairs and using other mobility devices may continue to board through the front door.
- The Downtown Transit Center is closed to the public, though portable restrooms have been set up outside of the center.
- Fixed route and BT Access vehicles are disinfected nightly with special equipment.

This budget has been reviewed and was considered for approval by the Bloomington Public Transportation Corporation (BPTC) Board of Directors on August 11.

A summary of the proposed 2021 budget is shown below:

Budget Class	Proposed 2021 Budget	Approved 2020 Budget	Percent Change
Class I – Personnel	\$6,184,885	\$6,008,467	2.94
Class II – Materials & Supplies	\$1,416,816	\$1,637,394	(13.47)
Class III – Professional Services	\$1,701,728	\$1,511,414	12.59
Class IV – Capital	\$5,202,364	\$4,817,975	7.98
Total	\$14,505,793	\$13,975,250	3.80

Budget Highlights

- The 2021 budget is premised on existing fares and a 1.5% increase in overall service hours based on implementing proposed service changes. Incidentally, the BPTC Board has postponed final decision-making on the proposed service changes and the earliest that the overall package of service changes would be implemented is January 2021.
- A mobility-on-demand (micro-transit) service demonstration is planned for 2021 and we've included \$250,000 in the Class III section of the budget as we would likely contract this service out to a service provider.
- We also have included \$100,000 in the 2021 budget to prepare an assessment of our electrical infrastructure at our Grimes Lane facility as it is likely we'll have to invest in infrastructure upgrades to charge a larger fleet of electric buses in the future.
- Included in the proposed 2021 budget is the replacement of 3 35-foot 2008 diesel buses with 3 35-foot battery-electric buses, as well as charging stations for the buses and installation of the charging stations. Total cost for this project is \$3.12 million. We will apply for competitive Federal and State grant(s) to fund 80% of the cost of this project.
- The replacement of our existing fare collection technology is included in the proposed 2021 budget at \$1.5 million. We were successful in winning a competitive Federal grant that will fund 75% of the cost of this project.
- Included in the 2021 budget is \$186,250 for construction of 2 new bus stops including accessible crosswalks, concrete landings, shelters, and benches. We won a Federal competitive grant that will fund 80% of this cost. The 2 locations we're considering for these bus stop improvements are subject to final approval by the City; the sites being considered are on Walnut Street Pike near the College Square Apartments and Pete Ellis Drive near the Cambridge Square Apartments.

The revenue portion of the proposed 2021 budget is especially challenging given the current COVID-19 pandemic and the far-ranging impacts on several of our revenue sources. The following are notable highlights from the revenue portion of the proposed 2021 budget:

- Local property tax revenue is budgeted at a 4.2% increase which is in line with the maximum allowable increase.
- Passenger fares are budgeted at a 36.5% decrease based on greatly reduced ridership resulting from the pandemic and its corollary impacts on the local economy.
- Advertising sales revenue is projected to decrease about 23% due to the pandemic and its impact on the commercial advertising market.
- State Public Mass Transit Fund (PMTF) revenue is budgeted to decline 13.24% based on figures provided to us from INDOT. All transit systems across the State are seeing the same decrease in State PMTF funding given the impact of the pandemic on State general fund revenues.
- Final revenue figures from Indiana University are not yet known given IU's uncertainty on enrollment numbers and student fee revenues. For budgeting purposes, we're showing no change in IU revenue, however, that could change pending final discussions with IU in September 2020. If a budget change is necessary on IU revenue, an adjustment would be made in time for the September council meeting on the budget.
- We have a sizeable amount of Federal CARES Act funding included in the 2021 budget as a balancing mechanism. BPTC received a total of \$7.8 million in CARES Act funding which is intended to be used to cover expenses and operating costs for transit in the midst of the pandemic. For 2021, we've included about \$4.29 million in CARES Act funding. Our Federal funding agency has asked us to spend CARES Act funding first before using Federal 5307 operating assistance. The CARES Act funding is a lifesaver for most transit agencies that are experiencing major cost increases as well as revenue losses.
- No Federal 5307 operating assistance is proposed to be used in the 2021 budget. Our annual apportionment of Federal 5307 funding (about \$2.5 million) used for operating assistance will carryover and be available for future years when we're likely to need it assuming that ridership and some revenue sources such as passenger fares, State PMTF, and possibly IU revenues are likely to take several years to recover.
- Lastly, we're not proposing to use any local reserves in the 2021 budget. Reserves currently stand at \$8.4 million and are typically used to provide local match for capital grants, provide a hedge against increases in volatile operating expense items such as fuel, and provide cash flow to make payroll and pay claims pending receipt of local tax monies and Federal grants. We'll need these reserves in future years assuming that ridership and some revenue sources such as passenger fares, State PMTF, and possibly IU revenues are likely to take several years to recover.

Overall, we've budgeted a 3.8 percent increase in the 2021 budget compared to the 2020 budget. I look forward to our budget discussion. Thank you for your support and advocacy for public transportation and especially for Bloomington Transit.

2021 Proposed Budget



Bloomington Transit



OPERATING EXPENSES

Budget Class I	2021 <u>Proposed</u>	2020 <u>Approved</u>	<u>Percent Change</u>
Salaries (Operators) Fixed and BT Access full and part time operators	3,057,477	3,001,545	1.86%
Salaries (Other Operating) Operations manager and supervisors; and BT Access F/T dispatchers	384,431	374,912	2.54%
Salaries (Maintenance) Maintenance manager, mechanics, service attendants, and parts specialist salaries	792,344	775,271	2.20%
Salaries (Other) Administrative staff	505,640	490,094	3.17%
FICA	362,602	355,099	2.11%
PERF	421,289	413,122	1.98%
Health/Dental/Disability/Life/Vision Insurance	612,978	550,960	11.26%
Unemployment	10,000	10,000	0.00%
Employee Uniforms	25,624	25,624	0.00%
Tool and CDL Allowance	<u>12,500</u>	<u>11,840</u>	5.57%
Subtotal Budget Class I	<u><u>\$ 6,184,885</u></u>	<u><u>\$ 6,008,467</u></u>	2.94%

Budget Class II

	2021 <u>Proposed</u>	2020 <u>Approved</u>	Percent <u>Change</u>
Office Supplies	16,816	16,326	3.00%
Garage Uniforms/Drug Testing	15,000	15,000	0.00%
Fuel/Oil/Grease/Fluids	750,000	924,756	-18.90%
Parts	525,000	555,948	-5.57%
Other Supplies	<u>110,000</u>	<u>125,364</u>	-12.26%
Subtotal Budget Class II	<u><u>\$1,416,816</u></u>	<u><u>\$1,637,394</u></u>	-13.47%

Budget Class III

Professional Services	983,510	\$767,626	28.12%
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Expenses include contracted transit management services, contracted facility maintenance services, software support services, Microtransit employee counseling services, various professional support services/contracts, legal services, information technology services, payroll processing, and auditing services.

Telephone	14,616	13,920	5.00%
Postage	3,933	3,819	2.99%
Travel	3,868	3,684	4.99%
Printing	30,447	30,447	0.00%
Advertising	41,293	39,327	5.00%
Insurance/Risk Management	322,207	303,154	6.28%
Electricity	55,000	60,000	-8.33%

Budget Class III (continued)

	2021 <u>Proposed</u>	2020 <u>Approved</u>	<u>Percent Change</u>
Water	12,600	12,000	5.00%
Gas	13,500	15,500	-12.90%
IU Shared Expenses	95,100	140,137	-32.14%
Building Maintenance	20,000	20,000	0.00%
Repairs and Labor	63,654	61,800	3.00%
Training, Dues, and Subscriptions	<u>42,000</u>	<u>40,000</u>	5.00%
Subtotal Budget Class III	<u>\$1,701,728</u>	<u>\$1,511,414</u>	12.59%
Total Operating Expenses	<u>\$9,303,429</u>	<u>\$9,157,275</u>	1.60%

Budget Class IV - Capital

Tires and Engine/Transmission Rebuilds	212,914	204,725	4.00%
Passenger/Bus-2 bus stops	186,250	-	#DIV/0!
Equipment and Maintenance	1,606,000	613,250	161.88%
Includes computer hardware and software, Facility maintenance, Fare collection equipment; and Canopy lighting update.			
Motor Equipment - 3 buses and 1 support	<u>3,197,200</u>	<u>4,000,000</u>	-20.07%
Subtotal Budget Class IV	<u>\$5,202,364</u>	<u>\$4,817,975</u>	7.98%
TOTAL EXPENDITURES	<u>\$14,505,793</u>	<u>\$13,975,250</u>	3.80%

Revenues

	2021 <u>Proposed</u>	2020 <u>Approved</u>	<u>Percent Change</u>
Property Tax Levy	\$1,413,937	\$1,356,945	4.20%
Financial Institution Tax	12,344	11,870	3.99%
License Excise Tax	62,754	61,290	2.39%
Local Option Income Tax	512,037	512,037	0.00%
Commercial Vehicle Excise Tax	4,098	3,666	11.78%
Passenger Fares	400,000	630,000	-36.51%
Advertising Sales	100,000	130,000	-23.08%
State PMTF	2,211,957	2,549,423	-13.24%
Federal -Operating and Capital	8,338,479	6,289,950	32.57%
Transfer from Operating Reserve	0	899,845	-100.00%
IU Contract Revenue	1,240,087	1,240,087	0.00%
IU Reimbursements	95,100	140,137	-32.14%
Miscellaneous	<u>115,000</u>	<u>150,000</u>	-23.33%
TOTAL REVENUE	<u>\$14,505,793</u>	<u>\$13,975,250</u>	3.80%



Bloomington Housing Authority

1007 North Summit, Bloomington, Indiana 47404
812-339-3491 fax 812-339-7177

Memorandum

To: Members of the City of Bloomington Common Council
From: Amber Skoby, Executive Director, Bloomington Housing Authority
Date: August 12, 2020

This memo accompanies the proposed Fiscal Year End 09/30/2021 budget for the Bloomington Housing Authority. This budget overview and August 19th presentation is informational only as the BHA Board of Commissioners will approve by resolution the operating budget for fiscal year 2021 during their regular meeting on Thursday, September 17, 2020.

Why We Exist

The Bloomington Housing Authority, also known as the BHA, administers public funds to offer a variety of affordable housing opportunities and supportive services that foster stability and self-sufficiency. The main housing programs administered by the BHA include low-income public housing and the Housing Choice Voucher program (HCV), also referred to as Section 8.

The BHA receives approximately \$750,000 in federal subsidy from the U.S Department of Housing and Urban Development (HUD) to operate 196 units of low-income public housing. Over \$8.5 million in housing assistance payment funds is received from HUD and paid directly to local property owners as part of the HCV program. BHA administers over 1300 vouchers. For funding of supportive services, the BHA receives over \$153,000 to fund service coordinator positions and special program activities.

What is the impact of this federal funding on our local community? So far in fiscal year 2020, the BHA:

- ✓ Maintained 98% occupancy in the public housing program
- ✓ Maintained 99% utilization in the HCV program
- ✓ Had 180 clients participate in a supportive service program directly administered by our agency
- ✓ Added ramps and wheelchair accessibility to 3 buildings in Reverend ED Butler and along sidewalks and curbs in Walnut Woods.
- ✓ Assembled \$17.8 million in financing for major renovations in Reverend Butler and Walnut Woods communities through the Rental Assistance Demonstration (RAD) Program which will preserve deep affordability.
- ✓ Earned High Performer Status as designated by HUD
- ✓ Has all 28 staff serve as essential employees continuing day-to-day operations during the COVID-19 pandemic, quickly responding to rent assistance changes because of client



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income decreases, completed emergency work orders, and closed a RAD deal during an extremely stressful time.

Background

The BHA's fiscal year is October 1 to September 30. Our primary funder is HUD which is subject to congressional funding appropriations. As such, it is not uncommon for the BHA to not know its funding level for a fiscal year until many months into that same fiscal year when federal spending limits are determined. Therefore, much of the proposed budget is developed from funding level assumptions from the previous funding period.

Federal funding for public housing operating subsidy, HCV housing assistance payments and administrative fees, and resident service grants will most likely remain steady or slightly increase from previous years as we do expect a continuing resolution this federal budget year. BHA received additional funding through the CARES Act to support its public housing and HCV programs that will carry forward into this upcoming FY. For FY2021, the BHA has a CARES Act balance of \$122,000 to spend towards COVID-related public housing program operating expenses and \$307,058 for COVID-related HCV program administrative expenses.

This upcoming operating budget has one major change: elimination of the AMP 2 program. The May 2020 closing of our RAD program financing deal for AMP 2 (Reverend ED Butler and Walnut Woods communities) resulted in those 116 units becoming their own project budget under the new owner, Bloomington RAD I, LP with a January 1 to December 31 fiscal year.

2021 Budget Goals and Overview

Broad budget goals for FY2021 include:

1. Spend federal CARES Act funding to promote business continuity, voucher utilization and client/resident health and safety.
2. Complete pre-development work and close financing for renovation of Crestmont through the HUD RAD program. Goal to infuse \$22 million + in renovation needs.
3. Address unit physical improvements that impact health and safety to prepare for the Crestmont HUD Real Estate Assessment Center inspection.
4. Continue expanding the project-based voucher program targeting new construction or renovation projects in mixed-income communities.

Below is a budget overview for each major program area.

Low Income Public Housing – The BHA owns and manages 196 units of Public Housing in the Crestmont community. Funding for the Public Housing program primarily comes from tenant rents collected, non-dwelling rental income and operating subsidy received from HUD. The anticipated income from operating subsidy is expected to increase slightly from FY2020 to be \$752,936. Total rents collected is estimated at \$533,000, which is consistent with the previous year. There is a possibility of collection loss due to COVID-19 impacts, however that adjustment will be made if needed six months into the fiscal year. Expenses for Public Housing, including administrative costs, maintenance costs, insurance, tenant services, and utilities are budgeted at \$1,526,963.

Around \$122,000 in CARES Act funding income must be spent by December 31, 2020. BHA plans to spend this money on personal protective equipment, technology upgrades, extra resident



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service staffing, extra payroll expenses, extra cleaning fees and additional office supplies costs.

Housing Choice Voucher (HCV or Section 8) – The BHA administers 1,284 housing choice vouchers, 80 Veterans Affairs Supportive Housing vouchers and 12 Single Room Occupancy vouchers. The HCV program is primarily funded by HUD via Housing Assistance Payments (HAP) and administrative fees. HAP is the housing subsidy paid to property owners directly by the BHA on behalf of the participating low-income family. Administrative fees cover the costs of administering the HCV program, including staff salaries and office expenses. For FY21, we expect to receive approximately \$8,500,000 in HAP income and \$709,217 in administrative fees. This is slightly lower compared to FY2020 funding levels.

Around \$307,000 in CARES Act funding income must be spend by June 30, 2021. We are establishing how to best spend this funding which may include: landlord participation incentives, deposit assistance, technology improvements for business continuity, extra payroll expenses, additional office supply costs and personal protective equipment.

Family Self-Sufficiency (FSS) – Grant funding for the FSS program remains consistent at around \$94,000, which is used to pay salary and benefits for two FSS Coordinators. FSS is a program that enables HCV-assisted families to increase their earned income and reduce their dependency on welfare assistance and rental subsidies. The BHA FSS program maintains 80 participants.

Resident Opportunity and Self-Sufficiency (ROSS) – Grant funding for the Public Housing ROSS program remains consistent at \$51,178, which funds one full-time coordinator position, administrative expenses and training costs. The BHA ROSS program has around 99 participants.

Central Office Cost Center – The Cost Center acts as a business management unit within the BHA which earns income from fees charged to the Public Housing, HCV and Capital Fund programs such as a book keeping fees, asset management fees, property management fees, and program management fees. The Cost Center is expected to earn approximately \$654,083 in management fees for FY2021. Expenses are estimated at \$621,445.

Conclusion

Funding for Crestmont, the HCV program, the Central Office Cost Center and resident service programs is projected to remain fairly steady. The additional CARES Act funding will ensure BHA can carry out its critical mission and help eliminate client barriers during the pandemic crisis and into the future as our community recovers.

Thank you for the opportunity to report on the BHA's programs and FY2021 budget. The BHA stands committed to providing safe, decent and affordable housing opportunities. We look forward to providing updates to City Council in the coming years.

I would be happy to answer any questions about the budget or about our programs. I can be contacted via email at askoby@blha.net or by calling 812-339-3491 extension 124.

Attachments:

BHA Fiscal Year 2021 Operating Budget



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