

**Joint Board Meeting
June 10, 2019**

Action: Approve 2020 ORCA Operating Budget

Purpose: Approve attached proposed 2020 Regional ORCA Operating Budget with expenses of \$12,688,682.

The table below outlines a comparison of the 2019 Budget as Adopted and the 2020 Proposed Operating Budget.

	2019 Adopted Budget	2020 Proposed Budget	2019 Adopted Compared to 2020 Proposed	% Change
Regional Services (ST)	\$1,881,504	\$2,480,859	\$599,356	31.86%
Regional Services (KCM)	\$3,705,100	\$4,026,801	\$321,701	8.68%
Vix Maint. & Services	\$4,663,774	\$4,722,755	\$58,981	1.26%
Retail Network	\$325,000	\$304,750	(\$20,250)	-6.23%
ORCA Subtotal	\$10,575,378	\$11,535,165	\$959,788	9.08%
Contingency	\$1,057,538	\$1,153,517	\$95,979	9.08%
Total Regional Expenses	\$11,632,915	\$12,688,682	\$1,055,766	9.08%
Agency-Specific	\$450,937	\$634,434	\$183,497	40.69%
Total Agency Regional Expenses	\$12,083,852	\$13,323,116	\$1,239,263	10.26%

Assumptions & Comparison to 2019 Adopted Budget:

- 1 Regional Services (ST)** – The net increase of \$599.4k for Sound Transit is comprised mainly of two budget lines:
 - 1.1 Regional Program Coordination** – The need for extensive PCI / System Security work allowed for a reduction of \$120k. This is offset by a small increase in Wages and Benefits and in Public Communication.
 - 1.5 Next Gen ORCA** – Both line items have significant increases for 2020. The first, Wages and Benefits, is increasing by \$577.3k to capture three new positions; ORCA Director, ORCA System Administrator and ORCA Administrative Assistant. The second increase for DARE systems, caused by a delay in bringing the DARE system online, pushed some of the initial costs from 2019 into 2020.
- 2 Regional Services (KCM)** – The budget request for King County Metro is increasing by \$321.7k over the 2019 Adopted Budget. This increase consists mainly of three significant changes:
 - 2.1 ORCA Operations** – Reduction in the headcount for ORCA Operations allows for the 2020 budget to decrease by \$158.5k.

- 2.2 Mail Center** – Two line items are producing the majority of the total increase of \$85.6k in Mail Center costs. This includes an increase in sales at the Mail Center and bank fees which drive the \$39.4k increase in Bank Card Fees. Also increased Autoload utilization triggers the potential for Unrecoverable Debt to increase by \$27k.
- 2.3 Regional Inventory and Distribution Center** – ORCA Card Costs are the bulk of this increase for section 2.3 with an increase of \$396.4k. This is solely the result of the 25% card tariffs that began in 2019.
- 3 Vix Costs** - The Vix O&M budget request increased by \$59k over the 2019 budget. The underlying contract assumptions for monthly services remained unchanged.
- 3.1** Vix Maintenance costs required a budget amendment in 2018 because of the TRU failures that required Vix staff to visit stores to manually download sales data. Going forward, a new monthly charge will be paid to Vix for the cellular connection services to the retail stores.
- 3.2** The actual costs for monthly services for 2019 were less than forecasted with only 1.8% inflation for 2019. The overall amount for monthly fees in 2020 still increases by the forecasted inflation growth of 3%. System Security increased by \$42.5k to cover the uncertainty of the portion of the Vix audit cost paid by the region. Web Content Management has been reduced by \$80k as the need for web changes decreases with less system changes.
- 3.3** The System Security line remained constant over the prior year. Uncertainty of when Vix will complete work has this amount carrying over for 2020. The total amount spent in 2018 was \$105.6k.
- 4 Retail Network** - Commission costs are expected to continuing growing, but not at the previously projected rates. This results in a decrease \$20.3k.
- 5 Contingency** – The total contingency budget request increased by \$95.9k over the adopted 2019 budget. The amount is calculated as 10% of regional costs and increased accordingly.
- 6 Agency-Specific** – The Depot Maintenance line is increasing 41% for 2020 after staying stagnant for many years. Unfortunately, aging equipment is catching up with us and the increase of repairs warrants a large increase to get back in synch with expected costs.

2020 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON

OPERATING BUDGET	2018 Actuals	2018 Final Budget	2018 Budget Savings	2019 Adopted Budget	2019 Revised Forecast	2019 Budget Change	2020 Previous Forecast	2020 Proposed Budget	2020 Budget Change	2020 Proposed vs 2019 Adopted
I. Non-Fare Revenue							(+)	(-)	(=)	
Interest Earnings	839,478	250,000	589,478	605,139	1,185,525	(580,386)	605,334	1,301,192	(695,858)	696,053
Card Fees - KCM	232,296	315,000	(82,704)	293,000	293,000	-	307,650	282,000	25,650	(11,000)
TOTAL NON-FARE OPERATING REVENUES	1,071,774	565,000	506,774	898,139	1,478,525	(580,386)	912,984	1,583,192	(670,208)	685,053
II. Regionally Shared Expenses										
1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT										
1.1 Regional Program Coordination										
Wages and Benefits Total	527,377	547,016	19,639	553,308	553,308	-	580,974	579,656	(1,317)	26,348
Legal Services / Public Disclosure	963	100,000	99,038	20,000	20,000	-	21,000	20,000	(1,000)	-
Public Communications	167,644	160,000	(7,644)	80,000	80,000	-	84,000	85,000	1,000	5,000
PCI / System Security Planning & Audits	5,420	220,000	214,580	220,000	220,000	-	231,000	100,000	(131,000)	(120,000)
Procurement	-	-	-	-	-	-	-	-	-	-
Escheatment Processing	-	10,500	10,500	10,500	10,500	-	11,025	10,500	(525)	-
Misc. Expenses & Consulting	3,716	27,250	23,534	27,250	27,250	-	28,613	27,250	(1,363)	-
<i>Subtotal - Regional Program Administration Costs</i>	<i>705,119</i>	<i>1,064,766</i>	<i>359,647</i>	<i>911,058</i>	<i>911,058</i>	<i>-</i>	<i>956,611</i>	<i>822,406</i>	<i>(134,205)</i>	<i>(88,652)</i>
1.2 Fiscal Agent and Financial Services										
Wages and Benefits Total	382,248	470,244	87,996	402,462	402,462	-	422,586	409,060	(13,526)	6,597
Annual Audit	50,100	50,000	(100)	50,000	50,000	-	52,500	52,000	(500)	2,000
Supplies and Misc. Expenses	1,942	10,500	8,558	5,500	5,500	-	5,775	4,000	(1,775)	(1,500)
Banking Fees	-	3,000	3,000	3,000	3,000	-	3,150	1,500	(1,650)	(1,500)
<i>Subtotal - Fiscal Agent Costs</i>	<i>434,290</i>	<i>533,744</i>	<i>99,454</i>	<i>460,962</i>	<i>460,962</i>	<i>-</i>	<i>484,011</i>	<i>466,560</i>	<i>(17,451)</i>	<i>5,597</i>
1.3 Call Routing										
CenturyLink Base Connection	8,717	12,000	3,283	10,000	10,000	-	10,500	10,000	(500)	-
AT&T Toll-Free Incoming	28,359	45,000	16,641	35,000	35,000	-	36,750	35,000	(1,750)	-
<i>Subtotal - Call Routing</i>	<i>37,076</i>	<i>57,000</i>	<i>19,924</i>	<i>45,000</i>	<i>45,000</i>	<i>-</i>	<i>47,250</i>	<i>45,000</i>	<i>(2,250)</i>	<i>-</i>
1.4 TVM Network										
Credit Card Chargebacks	5,005	18,000	12,995	10,000	10,000	-	10,500	12,500	2,000	2,500
<i>Subtotal - TVM Network</i>	<i>5,005</i>	<i>18,000</i>	<i>12,995</i>	<i>10,000</i>	<i>10,000</i>	<i>-</i>	<i>10,500</i>	<i>12,500</i>	<i>2,000</i>	<i>2,500</i>
1.5 Next Gen ORCA										
Wages and Benefits Total				42,120	42,120	-	44,226	619,442	575,216	577,322
Data Access + Reporting Systems				412,363	234,254	(178,109)	424,577	514,951	90,374	102,588
<i>Subtotal - Next Gen ORCA</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>454,483</i>	<i>276,374</i>	<i>(178,109)</i>	<i>468,803</i>	<i>1,134,393</i>	<i>665,590</i>	<i>679,910</i>
Total ST Managed Regional Services	1,181,490	1,673,510	492,021	1,881,504	1,703,395	(178,109)	1,967,175	2,480,859	513,685	599,356

2020 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON

				2019	2019	2019	2020	2020	2020	2020	
OPERATING BUDGET				Adopted Budget	Revised Forecast	Budget Change	Previous Forecast	Proposed Budget	Budget Change	Proposed vs 2019 Adopted	
				2018	2018	2018	2020	2020	2020	2020	
				Actuals	Final Budget	Budget Savings	Forecast	Budget	Change	Change	
2	<u>REGIONAL SERVICES PROVIDED BY KING COUNTY METRO</u>										
2.1	ORCA Operations										
	Wages and Benefits Total	294,465	436,834	142,369	450,583	450,583	-	462,960	292,081	(170,879)	(158,502)
	Technical Consulting	3,100	40,000	36,900	40,000	40,000	-	42,000	40,000	(2,000)	-
	Software Escrow	-	5,000	5,000	5,000	5,000	-	5,250	5,000	(250)	-
	<i>Subtotal - ORCA Operations</i>	297,565	481,834	184,269	495,583	495,583	-	510,210	337,081	(173,129)	(158,502)
2.2	Mail Center										
	Wages and Benefits Total	249,666	272,315	22,649	281,671	281,671	-	290,580	292,859	2,279	11,188
	Autoload Management (2 FTE)	182,188	189,553	7,365	196,852	196,852	-	203,060	203,225	165	6,373
	Supplies	25,000	30,685	5,685	32,219	32,219	-	33,830	33,830	-	1,611
	Autoload Unrecoverable Debt	122,759	165,000	42,241	199,000	199,000	-	214,000	226,000	12,000	27,000
	Bank Card Fees	887,512	924,600	37,088	908,089	908,089	-	941,501	947,489	5,988	39,400
	<i>Subtotal - Mail Center</i>	1,467,126	1,582,153	115,027	1,617,831	1,617,831	-	1,682,971	1,703,403	20,432	85,572
2.3	Regional Inventory and Distribution Center (RIDC)										
	Wages and Benefits Total	3,359	5,222	1,863	6,014	6,014	-	6,203	4,273	(1,930)	(1,741)
	Supplies	-	221	221	232	232	-	244	244	-	12
	ORCA Card Costs	1,226,074	1,321,200	95,126	1,585,440	1,685,440	100,000	1,664,712	1,981,800	317,088	396,360
	<i>Subtotal - RIDC</i>	1,229,432	1,326,643	97,211	1,591,686	1,691,686	100,000	1,671,159	1,986,317	315,158	394,631
	Total KCM Provided Regional Services	2,994,123	3,390,630	396,507	3,705,100	3,805,100	100,000	3,864,340	4,026,801	162,461	321,701
3	<u>VIX COSTS</u>										
3.1	Maintenance										
	On-Site Maintenance	51,462	60,993	9,531	62,400	62,400	-	64,896	64,272	(624)	1,872
	Technical Support	123,947	124,185	238	128,452	126,178	(2,275)	133,590	129,963	(3,628)	1,511
	Software Maintenance	382,620	382,620	-	382,620	382,620	-	382,620	382,620	-	-
	System Maintenance	147,881	200,000	52,119	75,000	135,000	60,000	75,000	135,000	60,000	60,000
	<i>Subtotal - Maintenance</i>	705,909	767,798	61,888	648,472	706,198	57,725	656,106	711,855	55,748	63,383
3.2	Services										
	System Security	407,155	380,000	(27,155)	445,000	475,000	30,000	457,500	487,500	30,000	42,500
	Customer Service	257,268	259,282	2,014	267,559	261,899	(5,660)	267,559	261,899	(5,660)	(5,660)
	Institutional Programs	182,342	183,769	1,427	189,635	185,624	(4,011)	197,221	191,192	(6,028)	1,557
	Card Procurement and Distribution	147,788	148,945	1,157	153,700	150,448	(3,251)	159,848	154,962	(4,886)	1,262
	Fare Card Management	83,707	84,362	655	87,055	85,214	(1,842)	90,538	87,770	(2,767)	715
	Clearinghouse Services	1,462,158	1,514,828	52,670	1,561,883	1,513,493	(48,390)	1,640,511	1,591,732	(48,780)	29,848
	Financial Management	152,940	154,137	1,197	159,058	155,693	(3,365)	165,420	160,364	(5,056)	1,306
	Network Management	179,822	181,230	1,408	187,015	183,059	(3,956)	194,496	188,551	(5,945)	1,536
	Revalue Network Support	152,863	154,219	1,355	159,396	157,214	(2,182)	165,772	161,930	(3,842)	2,534
	Web Content Management	6,183	100,000	93,817	105,000	25,000	(80,000)	105,000	25,000	(80,000)	(80,000)
	<i>Subtotal - Services</i>	3,032,227	3,160,772	128,545	3,315,301	3,192,644	(122,657)	3,443,864	3,310,900	(132,964)	(4,401)

2020 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON

		2018	2018	2018	2019	2019	2019	2020	2020	2020	2020
OPERATING BUDGET		Actuals	Final Budget	Budget Savings	Adopted Budget	Revised Forecast	Budget Change	Previous Forecast	Proposed Budget	Budget Change	Proposed vs 2019 Adopted
3.3	System Security & Enhancements										
	Annual System Security Plan	105,689	670,000	564,311	300,000	300,000	-	315,000	300,000	(15,000)	-
	System Enhancements	-	400,000	400,000	400,000	400,000	-	420,000	400,000	(20,000)	-
	<i>Subtotal - System Security & Enhancements</i>	105,689	1,070,000	964,311	700,000	700,000	-	735,000	700,000	(35,000)	-
3.4	Contract Extension Costs										
	Contract Extension								-		
	<i>Subtotal - Contract Extension Costs</i>	-	-	-	-	-	-	-	-	-	-
	Total Vix Costs	3,843,825	4,998,570	1,154,745	4,663,774	4,598,841	(64,932)	4,834,970	4,722,755	(112,215)	58,981
4	<u>RETAIL NETWORK</u>										
4.1	Retailer Lead Agencies										
	Commissions - 2% of sales	235,872	338,859	102,987	325,000	265,000	(60,000)	350,000	304,750	(45,250)	(20,250)
	<i>Subtotal - Retailer Lead Agencies</i>	235,872	338,859	102,987	325,000	265,000	(60,000)	350,000	304,750	(45,250)	(20,250)
	Total Retail Network	235,872	338,859	102,987	325,000	265,000	(60,000)	350,000	304,750	(45,250)	(20,250)
	SUBTOTAL REGIONAL OPERATING COSTS	8,255,310	10,401,569	2,146,259	10,575,378	10,372,336	(203,041)	11,016,485	11,535,165	518,680	959,788
	Contingency - General	-	776,157	776,157	1,057,538	1,057,538	-	1,110,415	1,153,517	43,102	95,979
	Total ORCA Contingency	-	776,157	776,157	1,057,538	1,057,538	-	1,110,415	1,153,517	43,102	95,979
	SUBTOTAL REGIONAL OPERATING COSTS	8,255,310	11,177,725	2,922,416	11,632,915	11,429,874	(203,041)	12,126,900	12,688,682	561,782	1,055,766
	TOTAL NEXT GENERATION ORCA COSTS	1,343,923	2,897,527	1,553,604	-	-	-	-	-	-	-
	TOTAL REGIONAL OPERATING COSTS	9,599,233	14,075,252	4,476,019	11,632,915	11,429,874	(203,041)	12,126,900	12,688,682	561,782	1,055,766
	Depot Maintenance	429,464	429,464	-	450,937	450,937	-	473,484	634,434	160,950	183,497
	Agency Equipment		-	-			-			-	-
	Total Agency-Specific Costs	429,464	429,464	-	450,937	450,937	-	473,484	634,434	160,950	183,497
	TOTAL REGIONAL & AGENCY OPERATING COSTS	10,028,697	14,504,716	4,476,019	12,083,852	11,880,811	(203,041)	12,600,383	13,323,116	722,732	1,239,263

2020 ORCA REGIONAL OPERATING BUDGET

	2020 Total Costs	2020 Regional Costs	CT 5.09%	ET 0.76%	AGENCY BREAKDOWNS (Operating % Share)				WSF 0.88%
					KCM 61.34%	KT 1.88%	PT 3.41%	ST 26.64%	
I. Non-Fare Revenue									
Interest Earnings	1,301,192	1,301,192	66,231	9,889	798,151	24,462	44,371	346,637	11,450
Card Fees - KCM	282,000	282,000	14,354	2,143	172,979	5,302	9,616	75,125	2,482
TOTAL NON-FARE OPERATING REVENUES	1,583,192	1,583,192	80,584	12,032	971,130	29,764	53,987	421,762	13,932
II. Regionally Shared Expenses									
1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT									
1.1 Regional Program Administration									
Wages and Benefits Total	579,656	579,656	29,505	4,405	355,561	10,898	19,766	154,420	5,101
Legal Services / Public Disclosure	20,000	20,000	1,018	152	12,268	376	682	5,328	176
Public Communications	85,000	85,000	4,327	646	52,139	1,598	2,899	22,644	748
PCI / System Security Planning & Audits	100,000	100,000	5,090	760	61,340	1,880	3,410	26,640	880
Escheatment Processing	10,500	10,500	534	80	6,441	197	358	2,797	92
Misc. Expenses & Consulting	27,250	27,250	1,387	207	16,715	512	929	7,259	240
<i>Subtotal - Regional Program Administration Costs</i>	822,406	822,406	41,860	6,250	504,464	15,461	28,044	219,089	7,237
1.2 Fiscal Agent and Financial Services									
Wages and Benefits Total	409,060	409,060	20,821	3,109	250,917	7,690	13,949	108,974	3,600
Annual Audit	52,000	52,000	2,647	395	31,897	978	1,773	13,853	458
Supplies and Misc. Expenses	4,000	4,000	204	30	2,454	75	136	1,066	35
Banking Fees	1,500	1,500	76	11	920	28	51	400	13
<i>Subtotal - Fiscal Agent Costs</i>	466,560	466,560	23,748	3,546	286,188	8,771	15,910	124,292	4,106
1.3 Call Routing									
CenturyLink Base Connection	10,000	10,000	509	76	6,134	188	341	2,664	88
AT&T Toll-Free Incoming	35,000	35,000	1,782	266	21,469	658	1,194	9,324	308
<i>Subtotal - Call Routing</i>	45,000	45,000	2,291	342	27,603	846	1,535	11,988	396
1.4 TVM Network									
Credit Card Chargebacks	12,500	12,500	636	95	7,668	235	426	3,330	110
<i>Subtotal - TVM Network</i>	12,500	12,500	636	95	7,668	235	426	3,330	110
1.5 Next Gen ORCA									
Wages and Benefits Total	619,442	619,442	31,530	4,708	379,966	11,646	21,123	165,019	5,451
Data Access + Reporting Systems	514,951	514,951	26,211	3,914	315,871	9,681	17,560	137,183	4,532
<i>Subtotal - Next Gen ORCA</i>	1,134,393	1,134,393	57,741	8,621	695,837	21,327	38,683	302,202	9,983
Total Costs - ST Managed Regional Services	2,480,859	2,480,859	126,276	18,855	1,521,759	46,640	84,597	660,901	21,832

2020 ORCA REGIONAL OPERATING BUDGET

		2020 Total Costs	2020 Regional Costs	CT 5.09%	ET 0.76%	AGENCY BREAKDOWNS (Operating % Share)				WSF 0.88%
						KCM 61.34%	KT 1.88%	PT 3.41%	ST 26.64%	
2	<u>REGIONAL SERVICES PROVIDED BY KING COUNTY METRO</u>									
2.1	ORCA Operations									
	Wages and Benefits Total	292,081	292,081	14,867	2,220	179,162	5,491	9,960	77,810	2,570
	Technical Consulting	40,000	40,000	2,036	304	24,536	752	1,364	10,656	352
	Software Escrow	5,000	5,000	255	38	3,067	94	171	1,332	44
	<i>Subtotal - ORCA Operations</i>	337,081	337,081	17,157	2,562	206,765	6,337	11,494	89,798	2,966
2.2	Mail Center									
	Mail Center Wages and Benefits Total	292,859	292,859	14,907	2,226	179,640	5,506	9,986	78,018	2,577
	Autoload Wages and Benefits Total	203,225	203,225	10,344	1,545	124,658	3,821	6,930	54,139	1,788
	Supplies	33,830	33,830	1,722	257	20,751	636	1,154	9,012	298
	Autoload Unrecoverable Debt	226,000	226,000	11,503	1,718	138,628	4,249	7,707	60,206	1,989
	Bank Card Fees	947,489	947,489	48,227	7,201	581,190	17,813	32,309	252,411	8,338
	<i>Subtotal - Mail Center</i>	1,703,403	1,703,403	86,703	12,946	1,044,867	32,024	58,086	453,787	14,990
2.3	Regional Inventory and Distribution Center (RIDC)									
	Wages and Benefits Total	4,273	4,273	217	32	2,621	80	146	1,138	38
	Supplies	244	244	12	2	150	5	8	65	2
	ORCA Card Costs	1,981,800	1,981,800	100,874	15,062	1,215,636	37,258	67,579	527,952	17,440
	<i>Subtotal - RIDC</i>	1,986,317	1,986,317	101,104	15,096	1,218,407	37,343	67,733	529,155	17,480
	Total Costs - KCM Provided Regional Services	4,026,801	4,026,801	204,964	30,604	2,470,040	75,704	137,314	1,072,740	35,436
3	<u>VIX COSTS</u>									
3.1	Maintenance									
	On-Site Maintenance	64,272	64,272	3,271	488	39,424	1,208	2,192	17,122	566
	Technical Support	129,963	129,963	6,615	988	79,719	2,443	4,432	34,622	1,144
	Software Maintenance	382,620	382,620	19,475	2,908	234,699	7,193	13,047	101,930	3,367
	System Maintenance	135,000	135,000	6,872	1,026	82,809	2,538	4,604	35,964	1,188
	<i>Subtotal - Maintenance</i>	711,855	711,855	36,233	5,410	436,652	13,383	24,274	189,638	6,264
3.2	Services									
	System Security	487,500	487,500	24,814	3,705	299,033	9,165	16,624	129,870	4,290
	Customer Service	261,899	261,899	13,331	1,990	160,649	4,924	8,931	69,770	2,305
	Institutional Programs	191,192	191,192	9,732	1,453	117,277	3,594	6,520	50,934	1,682
	Card Procurement and Distribution	154,962	154,962	7,888	1,178	95,053	2,913	5,284	41,282	1,364
	Fare Card Management	87,770	87,770	4,468	667	53,838	1,650	2,993	23,382	772
	Clearinghouse Services	1,591,732	1,591,732	81,019	12,097	976,368	29,925	54,278	424,037	14,007
	Financial Management	160,364	160,364	8,163	1,219	98,367	3,015	5,468	42,721	1,411
	Network Management	188,551	188,551	9,597	1,433	115,657	3,545	6,430	50,230	1,659
	Revalue Network Support	161,930	161,930	8,242	1,231	99,328	3,044	5,522	43,138	1,425
	Web Content Management	25,000	25,000	1,273	190	15,335	470	853	6,660	220
	<i>Subtotal - Services</i>	3,310,900	3,310,900	168,525	25,163	2,030,906	62,245	112,902	882,024	29,136

2020 ORCA REGIONAL OPERATING BUDGET

		2020 Total Costs	2020 Regional Costs	AGENCY BREAKDOWNS (Operating % Share)						
				CT 5.09%	ET 0.76%	KCM 61.34%	KT 1.88%	PT 3.41%	ST 26.64%	WSF 0.88%
3.3	System Security & Enhancements									
	Annual System Security Plan	300,000	300,000	15,270	2,280	184,020	5,640	10,230	79,920	2,640
	System Enhancements	400,000	400,000	20,360	3,040	245,360	7,520	13,640	106,560	3,520
	<i>Subtotal - System Security & Enhancements</i>	<u>700,000</u>	<u>700,000</u>	<u>35,630</u>	<u>5,320</u>	<u>429,380</u>	<u>13,160</u>	<u>23,870</u>	<u>186,480</u>	<u>6,160</u>
4.1	Contract Extension Costs									
	Contract Extension	-	-	-	-	-	-	-	-	-
	<i>Subtotal - Contract Extension Costs</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total Vix Costs	<u>4,722,755</u>	<u>4,722,755</u>	<u>240,388</u>	<u>35,893</u>	<u>2,896,938</u>	<u>88,788</u>	<u>161,046</u>	<u>1,258,142</u>	<u>41,560</u>
4	RETAIL NETWORK									
4.1	Retailer Lead Agencies									
	Commissions - 2% of sales	304,750	304,750	15,512	2,316	186,934	5,729	10,392	81,185	2,682
	<i>Subtotal - Retailer Lead Agencies</i>	<u>304,750</u>	<u>304,750</u>	<u>15,512</u>	<u>2,316</u>	<u>186,934</u>	<u>5,729</u>	<u>10,392</u>	<u>81,185</u>	<u>2,682</u>
	Total Retail Network	<u>304,750</u>	<u>304,750</u>	<u>15,512</u>	<u>2,316</u>	<u>186,934</u>	<u>5,729</u>	<u>10,392</u>	<u>81,185</u>	<u>2,682</u>
	SUBTOTAL REGIONAL OPERATING COSTS	<u>11,535,165</u>	<u>11,535,165</u>	<u>587,140</u>	<u>87,667</u>	<u>7,075,670</u>	<u>216,861</u>	<u>393,349</u>	<u>3,072,968</u>	<u>101,509</u>
	Contingency - General	1,153,517	1,153,517	58,714	8,767	707,567	21,686	39,335	307,297	10,151
	Total Contingency	<u>1,153,517</u>	<u>1,153,517</u>	<u>58,714</u>	<u>8,767</u>	<u>707,567</u>	<u>21,686</u>	<u>39,335</u>	<u>307,297</u>	<u>10,151</u>
	TOTAL REGIONAL OPERATING COSTS	<u>12,688,682</u>	<u>12,688,682</u>	<u>645,854</u>	<u>96,434</u>	<u>7,783,237</u>	<u>238,547</u>	<u>432,684</u>	<u>3,380,265</u>	<u>111,660</u>
	Depot Maintenance	634,434	634,434	32,293	4,822	389,162	11,927	21,634	169,013	5,583
	Agency Equipment	-	-	-	-	-	-	-	-	-
	Total Agency-Specific Costs	<u>634,434</u>	<u>634,434</u>	<u>32,293</u>	<u>4,822</u>	<u>389,162</u>	<u>11,927</u>	<u>21,634</u>	<u>169,013</u>	<u>5,583</u>
	TOTAL REGIONAL & AGENCY COSTS	<u>13,323,116</u>	<u>13,323,116</u>	<u>678,147</u>	<u>101,256</u>	<u>8,172,399</u>	<u>250,475</u>	<u>454,318</u>	<u>3,549,278</u>	<u>117,243</u>
	Prior Year 2019 Forecast Using 2018 % Shares		<u>12,083,852</u>	<u>618,693</u>	<u>96,671</u>	<u>7,485,947</u>	<u>215,093</u>	<u>393,934</u>	<u>3,167,178</u>	<u>106,338</u>
				5.12%	0.80%	61.95%	1.78%	3.26%	26.21%	0.88%
	INCREASE OVER PRIOR YEAR FORECAST		<u>1,239,263</u>	<u>59,453</u>	<u>4,585</u>	<u>686,453</u>	<u>35,382</u>	<u>60,385</u>	<u>382,100</u>	<u>10,906</u>

ORCA REGIONAL BUDGET - 2020 to 2023

OPERATING BUDGET

	2020 Regional Amount	2021 Regional Amount	2022 Regional Amount	2023 Regional Amount
I. Non-Fare Revenue				
Interest Earnings	1,301,192	1,442,274	1,645,723	1,864,770
Card Fees - KCM	282,000	296,100	310,905	326,450
TOTAL NON-FARE OPERATING REVENUES	1,583,192	1,738,374	1,956,628	2,191,220
II. Regionally Shared Expenses				
1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT				
1.1 Regional Program Coordination				
Wages and Benefits Total	579,656	608,639	639,071	671,025
Legal Services / Public Disclosure	20,000	21,000	22,050	23,153
Public Communications	85,000	89,250	93,713	98,398
PCI / System Security Planning & Audits	100,000	105,000	110,250	115,763
Escheatment Processing	10,500	11,025	11,576	12,155
Misc. Expenses & Consulting	27,250	28,613	30,043	31,545
<i>Subtotal - Regional Program Administration Costs</i>	822,406	863,527	906,703	952,038
1.2 Fiscal Agent and Financial Services				
Wages and Benefits Total	409,060	429,513	450,988	473,538
Annual Audit	52,000	53,000	53,000	55,650
Supplies and Misc. Expenses	4,000	4,200	4,410	4,631
Banking Fees	1,500	1,500	1,500	1,500
<i>Subtotal - Fiscal Agent Costs</i>	466,560	488,213	509,898	535,318
1.3 Call Routing				
CenturyLink Base Connection	10,000	10,500	11,025	11,576
AT&T Toll-Free Incoming	35,000	36,750	38,588	40,517
<i>Subtotal - Call Routing</i>	45,000	47,250	49,613	52,093
1.4 TVM Network				
Credit Card Chargebacks	12,500	13,125	13,781	14,470
<i>Subtotal - TVM Network</i>	12,500	13,125	13,781	14,470
1.5 Next Gen ORCA				
Wages and Benefits Total	619,442	650,414	682,935	717,082
Data Access + Reporting Systems	514,951	600,031	488,059	488,059
<i>Subtotal - Next Gen ORCA</i>	1,134,393	1,250,445	1,170,994	1,205,141
Total Costs - ST Managed Regional Services	2,480,859	2,662,560	2,650,989	2,759,061

ORCA REGIONAL BUDGET - 2020 to 2023

OPERATING BUDGET

	2020 Regional Amount	2021 Regional Amount	2022 Regional Amount	2023 Regional Amount
2 REGIONAL SERVICES PROVIDED BY KING COUNTY METRO				
2.1 ORCA Operations				
Wages and Benefits Total	292,081	306,685	322,019	338,120
Technical Consulting	40,000	42,000	44,100	46,305
Software Escrow	5,000	5,250	5,513	5,788
<i>Subtotal - ORCA Operations</i>	<u>337,081</u>	<u>353,935</u>	<u>371,632</u>	<u>390,213</u>
2.2 Mail Center				
Mail Center Wages and Benefits Total	292,859	307,502	322,877	339,021
Autoload Wages and Benefits Total	203,225	213,386	224,056	235,258
Supplies	33,830	35,522	37,298	39,162
Autoload Unrecoverable Debt	226,000	237,300	249,165	261,623
Bank Card Fees	947,489	994,863	1,044,607	1,096,837
<i>Subtotal - Mail Center</i>	<u>1,703,403</u>	<u>1,788,573</u>	<u>1,878,002</u>	<u>1,971,902</u>
2.3 Regional Inventory and Distribution Center (RIDC)				
Wages and Benefits Total	4,273	4,487	4,711	4,947
Supplies	244	256	269	282
ORCA Card Costs	1,981,800	1,981,800		
<i>Subtotal - RIDC</i>	<u>1,986,317</u>	<u>1,986,543</u>	<u>4,980</u>	<u>5,229</u>
Total Costs - KCM Provided Regional Services	<u>4,026,801</u>	<u>4,129,051</u>	<u>2,254,614</u>	<u>2,367,344</u>
3 VIX COSTS				
3.1 Maintenance				
On-Site Maintenance	64,272	66,843		
Technical Support	129,963	135,161		
Software Maintenance	382,620	382,620		
System Maintenance	135,000	135,000		
<i>Subtotal - Maintenance</i>	<u>711,855</u>	<u>719,624</u>	<u>-</u>	<u>-</u>
3.2 Services				
System Security	487,500	501,250		
Customer Service	261,899	272,375		
Institutional Programs	191,192	198,840		
Card Procurement and Distribution	154,962	161,160		
Fare Card Management	87,770	91,281		
Clearinghouse Services	1,591,732	1,655,401		
Financial Management	160,364	166,778		
Network Management	188,551	196,093		
Revalue Network Support	161,930	168,407		
Web Content Management	25,000	26,000		
<i>Subtotal - Services</i>	<u>3,310,900</u>	<u>3,437,586</u>	<u>-</u>	<u>-</u>

ORCA REGIONAL BUDGET - 2020 to 2023

OPERATING BUDGET

	2020 Regional Amount	2021 Regional Amount	2022 Regional Amount	2023 Regional Amount
3.3 System Security & Enhancements				
Annual System Security Plan	300,000	315,000		
System Enhancements	400,000	420,000		
<i>Subtotal - System Security & Enhancements</i>	<u>700,000</u>	<u>735,000</u>	-	-
3.4 Contract Extension Costs				
Contract Extension	-	-	6,360,000	6,360,000
<i>Subtotal - Contract Extension Costs</i>	<u>-</u>	<u>-</u>	<u>6,360,000</u>	<u>6,360,000</u>
Total Vix Costs	<u>4,722,755</u>	<u>4,892,210</u>	<u>6,360,000</u>	<u>6,360,000</u>
4 RETAIL NETWORK				
4.1 Retailer Lead Agencies				
Commissions - 2% of sales	304,750	350,463	403,032	423,183
<i>Subtotal - Retailer Lead Agencies</i>	<u>304,750</u>	<u>350,463</u>	<u>403,032</u>	<u>423,183</u>
Total Retail Network	<u>304,750</u>	<u>350,463</u>	<u>403,032</u>	<u>423,183</u>
SUBTOTAL REGIONAL OPERATING COSTS	<u>11,535,165</u>	<u>12,034,284</u>	<u>11,668,635</u>	<u>11,909,589</u>
Contingency - General	1,153,517	1,203,428	1,166,863	1,190,959
Total Contingency	<u>1,153,517</u>	<u>1,203,428</u>	<u>1,166,863</u>	<u>1,190,959</u>
TOTAL REGIONAL OPERATING COSTS	<u>12,688,682</u>	<u>13,237,712</u>	<u>12,835,498</u>	<u>13,100,547</u>
Depot Maintenance	634,434	666,156	699,464	734,437
Agency Equipment	-	-	-	-
Total Agency-Specific Costs	<u>634,434</u>	<u>666,156</u>	<u>699,464</u>	<u>734,437</u>
TOTAL REGIONAL & AGENCY COSTS	<u>13,323,116</u>	<u>13,903,868</u>	<u>13,534,962</u>	<u>13,834,984</u>
Prior Year Expense Forecast	<u>12,600,383</u>	<u>13,161,489</u>	<u>12,929,544</u>	<u>13,243,330</u>