

Action: Approve 2021 ORCA Regional Operating Budget

Purpose: Approve attached 2021 ORCA Regional Operating Budget with expenses of \$13,992,157.

Starting in late 2021, ORCA agencies will transition from Legacy to next gen ORCA Operations. Both systems will be operational, thus increasing expenses surrounding the transition period.

The table below provides a comparison of the 2020 Adopted Operating Budget and the 2021 Proposed Operating Budget.

	2020 Adopted Budget	2021 Proposed Budget	2020 Adopted Compared to 2021 Proposed	% Change
Regional Services (ST)	\$1,346,466	\$1,157,076	(\$189,390)	-14.1%
Regional Services (KCM)	\$4,026,801	\$3,525,974	(\$500,827)	-12.4%
Vix Maint. & Services	\$4,722,755	\$3,802,005	(\$920,750)	-19.5%
Retail Network	\$304,750	\$250,000	(\$54,750)	-18.0%
Legacy (Regional) ORCA Operations Subtotal	\$10,400,772	\$8,735,056	(\$1,665,716)	-16.0%
Legacy Agency-Specific	\$634,434	\$634,434	(\$0)	0.00%
Total Legacy ORCA Expenses	\$11,035,206	\$9,369,490	(\$1,665,716)	-15.1%
next gen (Regional) ORCA Operations	\$1,134,393	\$3,985,087	\$2,850,694	251.3%
Contingency	\$1,153,517	\$1,272,014	\$118,498	10.3%
Total Regional Operations Expenses	\$12,688,682	\$13,992,157	\$1,303,476	10.3%

Assumptions & Comparison to 2020 Adopted Budget:

1. **Regional Services managed by Sound Transit** – Overall decrease of \$189K in Legacy ORCA services provided in 2021 as we begin the transition to next gen ORCA Operations.
 - **Regional Program Coordination** – Decrease of \$185K due to decreases in staffing and services related to legal, marketing, and consulting related to the Legacy system.
2. **Regional Services managed by King County Metro** – The budget request for King County Metro is decreasing \$501K over the 2020 Adopted Budget. This decrease consists mainly of three significant changes:
 - **ORCA Operations** – Reduction in the headcount to one full-time ORCA Operations analyst allows for the decrease of \$162K. Additional savings include technical consulting and software escrow expense.
 - **Mail Center** – Forecast for the Mail Center increased \$120K over 2020 due to increased bank card fees.
 - **Regional Inventory and Distribution Center** – ORCA Card Costs projections for 2021 have decreased \$460K primarily due to the suspension of the 25% tariff imposed in 2018 and a small decrease in the card quantities.
3. **Vix Costs** – The Vix O&M budget request decreases by \$921K over the 2020 budget. This decrease is primarily due to decreases in System Security and Enhancements.
 - Vix Maintenance costs will remain consistent in 2020 with small annual CPI increases.
 - The actual costs for monthly services for 2020 were less than forecasted with only 2.3% inflation over 2019. Forecasted monthly services for 2021 include an estimate of 1.5% for the annual CPI increase on those fixed rate services.
 - Clearinghouse Services also include a variable fee calculated based on the number of transactions processed through the ORCA system. In 2020, we will see decreases due to the suspension of fares and impacts to ridership from COVID-19. The 2021 draft budget currently includes the assumption that clearinghouse services are projected to return to near pre-COVID levels in 2021. However, any updates to ridership forecasts provided by the agencies may be incorporated into the final 2021 budget.
 - The System Security and Enhancements work in 2021 will be decreased as we near the transition to next gen ORCA.
4. **Retail Network** – Commission costs are forecasted to be similar to 2019 actuals, resulting in a \$55K decrease over 2020 budget.

5. **Next gen Regional ORCA Operations Team (ROOT)** – With the transition to the next gen ORCA system scheduled for Q4 2021, the budget for operating expenses will increase in 2021. These increases include:

- **Staffing*** – Ramp up ROOT staffing throughout 2021 to prepare for the system launch and start of in-house operations.
- **DARe O&M** – Increased operation of the ORCA data warehouse for regional data storage and reporting, extended to include next gen ORCA data in 2021.
- **INIT O&M** – The back office, test facility and website hosting fees will begin at the completion of System Integration Testing, scheduled for Q2 2021.
- **Transaction Fees** – Includes credit card fee that will begin once the next gen ORCA System becomes the systems of record, scheduled for Q4 2021.
- **Overhead** – Includes rent and general support services such as human resources, procurement and contracts, legal, and information technology services to support the ROOT.
- **Consulting Services** – Includes marketing, technical, and miscellaneous consulting services as needed by the ROOT.
- **Other Expenses** – Other expenses includes supplies, trainings, etc.

6. **Contingency** – The total contingency budget request is increased by \$139K over the adopted 2020 budget. The amount is calculated as 10% of regional costs and increased accordingly.

*Approval of the 2021 operating budget does not finalize ROOT staffing decisions. Changes to the staffing may result as multiple factors come into focus, including the completion of the INIT End User Maintenance Agreement and the ROOT–Agency Service Level Agreement. The ROOT Director will regularly brief the Joint Board on status of ROOT staffing. Staffing authorities are described under the ROOT Implementation Organization as approved by the Joint Board.

2021 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON										
OPERATING BUDGET				2020 Adopted Budget	2020 Revised Forecast	2020 Budget Change	2021 Previous Forecast	2021 Proposed Budget	2021 Budget Change	2021 Proposed vs 2020 Adopted
				2019 Actuals	2019 Final Budget	2019 Budget Savings				
I. Non-Fare Revenue							(+)	(-)	(=)	
Interest Earnings				1,127,740	605,139	522,601	1,301,192	707,000	(594,192)	1,442,274
Card Fees - KCM				290,925	293,000	(2,075)	282,000	282,000	-	296,100
TOTAL NON-FARE OPERATING REVENUES				1,418,665	898,139	520,526	1,583,192	989,000	(594,192)	1,738,374
								371,850	1,366,524	(1,211,342)
II. Regionally Shared Expenses										
1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT										
1.1 Regional Program Coordination										
Wages and Benefits Total				544,586	553,308	8,723	579,656	579,656	-	608,639
Legal Services / Public Disclosure				950	20,000	19,050	20,000	-	(20,000)	21,000
Public Communications				55,808	80,000	24,192	85,000	50,000	(35,000)	89,250
PCI / System Security Planning & Audits				41,712	220,000	178,288	100,000	-	(100,000)	105,000
Escheatment Processing				-	10,500	10,500	10,500	10,500	-	11,025
Misc. Expenses & Consulting				45	27,250	27,206	27,250	27,250	-	28,613
<i>Subtotal - Regional Program Administration Costs</i>				643,100	911,058	267,958	822,406	667,406	(155,000)	863,527
								637,879	(225,648)	(184,528)
1.2 Fiscal Agent and Financial Services										
Wages and Benefits Total				376,042	402,462	26,420	409,060	409,060	-	429,513
Annual Audit				50,100	50,000	(100)	52,000	50,100	(1,900)	53,000
Supplies and Misc. Expenses				148	5,500	5,352	4,000	4,000	-	4,200
Banking Fees				-	3,000	3,000	1,500	1,500	-	1,500
<i>Subtotal - Fiscal Agent Costs</i>				426,291	460,962	34,672	466,560	464,660	(1,900)	488,213
								406,598	(22,915)	(2,462)
								50,100	(2,900)	(1,900)
								4,000	(200)	-
								1,500	-	-
								462,198	(26,015)	(4,362)
1.3 Call Routing										
CenturyLink Base Connection					10,000	10,000	10,000	10,000	-	10,500
AT&T Toll-Free Incoming				37,435	35,000	(2,435)	35,000	35,000	-	36,750
<i>Subtotal - Call Routing</i>				37,435	45,000	7,565	45,000	45,000	-	47,250
								10,000	(500)	-
								35,000	(1,750)	-
								45,000	(2,250)	-
1.4 TVM Network										
Credit Card Chargebacks				4,321	10,000	5,679	12,500	10,000	(2,500)	13,125
<i>Subtotal - TVM Network</i>				4,321	10,000	5,679	12,500	10,000	(2,500)	13,125
								12,000	(1,125)	(500)
								12,000	(1,125)	(500)
Total ST Managed Regional Services				1,111,147	1,427,021	315,873	1,346,466	1,187,066	(159,400)	1,412,114
								1,157,076	(255,038)	(189,390)

2021 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON

2021 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON													
OPERATING BUDGET				2019 Actuals	2019 Final Budget	2019 Budget Savings	2020 Adopted Budget	2020 Revised Forecast	2020 Budget Change	2021 Previous Forecast	2021 Proposed Budget	2021 Budget Change	2021 Proposed vs 2020 Adopted
2	<u>REGIONAL SERVICES PROVIDED BY KING COUNTY METRO</u>												
2.1	ORCA Operations												
	Wages and Benefits Total			278,817	450,583	171,767	292,081	292,081	-	306,685	175,000	(131,685)	(117,081)
	Technical Consulting			54,978	65,000	10,022	40,000	325	(39,675)	42,000	-	(42,000)	(40,000)
	Software Escrow			-	5,000	5,000	5,000	-	(5,000)	5,250	-	(5,250)	(5,000)
	<i>Subtotal - ORCA Operations</i>			333,795	520,583	186,789	337,081	292,406	(44,675)	353,935	175,000	(178,935)	(162,081)
2.2	Mail Center												
	Wages and Benefits Total			223,471	281,671	58,200	292,859	293,884	1,025	307,502	300,583	(6,919)	7,724
	Autoload Management (2 FTE)			158,657	196,852	38,195	203,225	200,070	(3,155)	213,386	204,620	(8,766)	1,395
	Supplies			57,504	32,219	(25,285)	33,830	33,830	-	35,522	35,522	1	1,692
	Autoload Unrecoverable Debt			128,072	199,000	70,928	226,000	164,000	(62,000)	237,300	179,000	(58,300)	(47,000)
	Bank Card Fees			1,017,737	908,089	(109,648)	947,489	1,067,426	119,937	994,863	1,103,346	108,483	155,857
	<i>Subtotal - Mail Center</i>			1,585,441	1,617,831	32,390	1,703,403	1,759,210	55,807	1,788,573	1,823,071	34,498	119,668
2.3	Regional Inventory and Distribution Center (RIDC)												
	Wages and Benefits Total			3,463	6,014	2,551	4,273	5,406	1,133	4,487	5,546	1,059	1,273
	Supplies			-	232	232	244	244	-	256	244	(12)	-
	ORCA card costs			1,892,223	1,985,440	93,217	1,981,800	1,449,631	(532,169)	1,981,800	1,522,113	(459,687)	(459,687)
	<i>Subtotal - RDIC</i>			1,895,685	1,991,686	96,001	1,986,317	1,455,281	(531,036)	1,986,543	1,527,903	(458,640)	(458,414)
	Total KCM Provided Regional Services			3,814,921	4,130,100	315,179	4,026,801	3,506,897	(519,904)	4,129,051	3,525,974	(603,077)	(500,827)
3	<u>VIX COSTS</u>												
3.1	Maintenance												
	On-Site Maintenance			52,668	62,400	9,732	64,272	63,835	(437)	66,843	64,793	(2,050)	521
	Technical Support			128,132	128,452	320	129,963	129,080	(883)	135,161	131,016	(4,146)	1,053
	Software Maintenance			382,620	382,620	-	382,620	398,466	15,846	382,620	382,620	-	-
	System Maintenance			200,900	75,000	(125,900)	135,000	135,000	-	135,000	135,000	-	-
	<i>Subtotal - Maintenance</i>			764,321	648,472	(115,849)	711,855	726,381	14,526	719,624	713,429	(6,196)	1,574

2021 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON													
OPERATING BUDGET				2019 Actuals	2019 Final Budget	2019 Budget Savings	2020 Adopted Budget	2020 Revised Forecast	2020 Budget Change	2021 Previous Forecast	2021 Proposed Budget	2021 Budget Change	2021 Proposed vs 2020 Adopted
3.2	Services												
	System Security			399,700	445,000	45,300	487,500	458,920	(28,580)	501,250	469,062	(32,188)	(18,438)
	Customer Service			261,899	267,559	5,660	261,899	267,923	6,024	272,375	271,942	(434)	10,042
	Institutional Programs			185,624	189,635	4,012	191,192	189,893	(1,299)	198,840	192,741	(6,099)	1,549
	Card Procurement and Distribution			150,448	153,700	3,251	154,962	153,909	(1,053)	161,160	156,217	(4,943)	1,255
	Fare Card Management			85,214	87,055	1,842	87,770	87,174	(596)	91,281	88,481	(2,800)	711
	Clearinghouse Services			1,472,854	1,561,883	89,029	1,591,732	1,297,772	(293,960)	1,655,401	1,330,150	(325,251)	(261,582)
	Financial Management			155,693	159,058	3,365	160,364	159,274	(1,090)	166,778	161,663	(5,115)	1,299
	Network Management			183,059	187,015	3,956	188,551	187,269	(1,281)	196,093	190,078	(6,014)	1,528
	Revalue Network Support			156,596	159,396	2,800	161,930	160,830	(1,100)	168,407	163,242	(5,165)	1,312
	Web Content Management			-	105,000	105,000	25,000	25,000	-	26,000	25,000	(1,000)	-
	Subtotal - Services			3,051,087	3,315,301	264,215	3,310,900	2,987,963	(322,937)	3,437,586	3,048,577	(389,009)	(262,323)
3.3	System Security & Enhancements												
	Annual System Security Plan			-	300,000	300,000	300,000	641,000	341,000	315,000	40,000	(275,000)	(260,000)
	System Enhancements			-	400,000	400,000	400,000	-	(400,000)	420,000	-	(420,000)	(400,000)
	Subtotal - System Security & Enhancements			-	700,000	700,000	700,000	641,000	(59,000)	735,000	40,000	(695,000)	(660,000)
3.4	Contract Extension Costs												
	Contract Extension										-		
	Subtotal - Contract Extension Costs			-	-	-	-	-	-	-	-	-	-
	Total Vix Costs			3,815,408	4,663,774	848,366	4,722,755	4,355,343	(367,411)	4,892,210	3,802,005	(1,090,205)	(920,750)
4	RETAIL NETWORK												
4.1	Retailer Lead Agencies												
	Commissions - 2% of sales			227,542	325,000	97,458	304,750	230,000	(74,750)	350,463	250,000	(100,463)	(54,750)
	Subtotal - Retailer Lead Agencies			227,542	325,000	97,458	304,750	230,000	(74,750)	350,463	250,000	(100,463)	(54,750)
	Total Retail Network			227,542	325,000	97,458	304,750	230,000	(74,750)	350,463	250,000	(100,463)	(54,750)
SUBTOTAL REGIONAL LEGACY OPERATING COSTS				8,969,018	10,545,894	1,576,877	10,400,772	9,279,307	(1,121,465)	10,783,838	8,735,056	(2,048,782)	(1,665,716)
	Depot Maintenance				450,937	-	634,434	634,434	-	666,156	634,434	(31,722)	(0)
	Agency Equipment				-	-			-			-	-
	Total Agency-Specific Costs			-	450,937	-	634,434	634,434	-	666,156	634,434	(31,722)	(0)
TOTAL LEGACY REGIONAL & AGENCY OPERATING COSTS				8,969,018	10,996,831	1,576,877	11,035,206	9,913,741	(1,121,465)	11,449,994	9,369,490	(2,080,504)	(1,665,716)

2021 ORCA REGIONAL OPERATING BUDGET - YEAR OVER YEAR COMPARISON													
OPERATING BUDGET				2019 Actuals	2019 Final Budget	2019 Budget Savings	2020 Adopted Budget	2020 Revised Forecast	2020 Budget Change	2021 Previous Forecast	2021 Proposed Budget	2021 Budget Change	2021 Proposed vs 2020 Adopted
Next Gen ORCA													
Wages and Benefits Total				31,230	42,120		619,442	632,693	13,251	650,414	1,562,474	912,060	943,032
DARe O&M				3,523	412,363		514,951	514,951	-	600,031	709,172	109,141	194,221
INIT O&M											547,698	547,698	547,698
Transaction Fees											517,000	517,000	517,000
Overhead											468,742	468,742	468,742
Consulting Services											160,000	160,000	160,000
Other Expenses											20,000	20,000	20,000
Subtotal - Next Gen ORCA				34,753	454,483	-	1,134,393	1,147,644	13,251	1,250,445	3,985,087	2,734,642	2,850,694
TOTAL NEXT GENERATION ORCA COSTS				34,753	454,483	-	1,134,393	1,147,644	13,251	1,250,445	3,985,087	2,734,642	2,850,694
TOTAL REGIONAL LEGACY + NEXT GEN OPERATING COSTS				9,003,771	11,000,378	1,576,877	11,535,165	10,426,951	(1,108,214)	12,034,284	12,720,143	685,860	1,184,978
Contingency - General				-	632,538	632,538	1,153,517	-	(1,153,517)	1,203,428	1,272,014	68,586	118,498
Total ORCA Contingency				-	632,538	632,538	1,153,517	-	(1,153,517)	1,203,428	1,272,014	68,586	118,498
TOTAL REGIONAL OPERATING COSTS				9,003,771	11,632,916	2,209,415	12,688,682	10,426,951	(2,261,731)	13,237,712	13,992,157	754,446	1,303,476

2021 ORCA REGIONAL OPERATING BUDGET

		2021 Regional Costs	CT 5.27%	ET 0.71%	AGENCY BREAKDOWNS (Operating % Share)				WSF 0.86%
					KCM 60.97%	KT 1.95%	PT 3.35%	ST 26.89%	
I. Non-Fare Revenue									
	Interest Earnings	75,750	3,992	538	46,185	1,477	2,538	20,369	651
	Card Fees - KCM	296,100	15,604	2,102	180,532	5,774	9,919	79,621	2,546
TOTAL NON-FARE OPERATING REVENUES		371,850	19,596	2,640	226,717	7,251	12,457	99,990	3,198
II. Regionally Shared Expenses									
1	<u>REGIONAL SERVICES MANAGED BY SOUND TRANSIT</u>								
1.1	Regional Program Administration								
	Wages and Benefits Total	507,879	26,765	3,606	309,654	9,904	17,014	136,569	4,368
	Legal Services / Public Disclosure	-	-	-	-	-	-	-	-
	Public Communications	25,000	1,318	178	15,243	488	838	6,723	215
	PCI / System Security Planning & Audits	100,000	5,270	710	60,970	1,950	3,350	26,890	860
	Escheatment Processing	5,000	264	36	3,049	98	168	1,345	43
	Misc. Expenses & Consulting	-	-	-	-	-	-	-	-
	<i>Subtotal - Regional Program Administration Costs</i>	637,879	33,616	4,529	388,915	12,439	21,369	171,526	5,486
1.2	Fiscal Agent and Financial Services								
	Wages and Benefits Total	406,598	21,428	2,887	247,903	7,929	13,621	109,334	3,497
	Annual Audit	50,100	2,640	356	30,546	977	1,678	13,472	431
	Supplies and Misc. Expenses	4,000	211	28	2,439	78	134	1,076	34
	Banking Fees	1,500	79	11	915	29	50	403	13
	<i>Subtotal - Fiscal Agent Costs</i>	462,198	24,358	3,282	281,802	9,013	15,484	124,285	3,975
1.3	Call Routing								
	CenturyLink Base Connection	10,000	527	71	6,097	195	335	2,689	86
	AT&T Toll-Free Incoming	35,000	1,845	249	21,340	683	1,173	9,412	301
	<i>Subtotal - Call Routing</i>	45,000	2,372	320	27,437	878	1,508	12,101	387
1.4	TVM Network								
	Credit Card Chargebacks	12,000	632	85	7,316	234	402	3,227	103
	<i>Subtotal - TVM Network</i>	12,000	632	85	7,316	234	402	3,227	103
Total Costs - ST Managed Regional Services		1,157,076	60,978	8,215	705,470	22,563	38,762	311,138	9,951

2021 ORCA REGIONAL OPERATING BUDGET

		2021 Regional Costs	CT 5.27%	ET 0.71%	AGENCY BREAKDOWNS (Operating % Share)					WSF 0.86%
					KCM 60.97%	KT 1.95%	PT 3.35%	ST 26.89%		
2	<u>REGIONAL SERVICES PROVIDED BY KING COUNTY METRO</u>									
2.1	ORCA Operations									
	Wages and Benefits Total	175,000	9,223	1,243	106,698	3,413	5,863	47,058		1,505
	Technical Consulting	-	-	-	-	-	-	-		-
	Software Escrow	-	-	-	-	-	-	-		-
	<i>Subtotal - ORCA Operations</i>	175,000	9,223	1,243	106,698	3,413	5,863	47,058		1,505
2.2	Mail Center									
	Mail Center Wages and Benefits Total	300,583	15,841	2,134	183,265	5,861	10,070	80,827		2,585
	Autoload Wages and Benefits Total	204,620	10,783	1,453	124,757	3,990	6,855	55,022		1,760
	Supplies	35,522	1,872	252	21,658	693	1,190	9,552		305
	Autoload Unrecoverable Debt	179,000	9,433	1,271	109,136	3,491	5,997	48,133		1,539
	Bank Card Fees	1,103,346	58,146	7,834	672,710	21,515	36,962	296,690		9,489
	<i>Subtotal - Mail Center</i>	1,823,071	96,076	12,944	1,111,526	35,550	61,073	490,224		15,678
2.3	Regional Inventory and Distribution Center (RIDC)									
	Wages and Benefits Total	5,546	292	39	3,381	108	186	1,491		48
	Supplies	244	13	2	149	5	8	66		2
	ORCA Card Costs	1,522,113	80,215	10,807	928,032	29,681	50,991	409,296		13,090
	<i>Subtotal - RIDC</i>	1,527,903	80,521	10,848	931,563	29,794	51,185	410,853		13,140
Total Costs - KCM Provided Regional Services		3,525,974	185,819	25,034	2,149,787	68,756	118,120	948,134		30,323
3	<u>VIX COSTS</u>									
3.1	Maintenance									
	On-Site Maintenance	64,793	3,415	460	39,504	1,263	2,171	17,423		557
	Technical Support	131,016	6,905	930	79,880	2,555	4,389	35,230		1,127
	Software Maintenance	382,620	20,164	2,717	233,283	7,461	12,818	102,887		3,291
	System Maintenance	135,000	7,115	959	82,310	2,633	4,523	36,302		1,161
	<i>Subtotal - Maintenance</i>	713,429	37,598	5,065	434,977	13,912	23,900	191,841		6,135

2021 ORCA REGIONAL OPERATING BUDGET

		2021 Regional Costs	CT 5.27%	ET 0.71%	KCM 60.97%	KT 1.95%	PT 3.35%	ST 26.89%	WSF 0.86%
3.2	Services								
	System Security	469,062	24,720	3,330	285,987	9,147	15,714	126,131	4,034
	Customer Service	271,942	14,331	1,931	165,803	5,303	9,110	73,125	2,339
	Institutional Programs	192,741	10,157	1,368	117,514	3,758	6,457	51,828	1,658
	Card Procurement and Distribution	156,217	8,233	1,109	95,246	3,046	5,233	42,007	1,343
	Fare Card Management	88,481	4,663	628	53,947	1,725	2,964	23,793	761
	Clearinghouse Services	1,330,150	70,099	9,444	810,992	25,938	44,560	357,677	11,439
	Financial Management	161,663	8,520	1,148	98,566	3,152	5,416	43,471	1,390
	Network Management	190,078	10,017	1,350	115,891	3,707	6,368	51,112	1,635
	Revalue Network Support	163,242	8,603	1,159	99,529	3,183	5,469	43,896	1,404
	Web Content Management	25,000	1,318	178	15,243	488	838	6,723	215
	<i>Subtotal - Services</i>	3,048,577	160,660	21,645	1,858,717	59,447	102,127	819,762	26,218
3.3	System Security & Enhancements								
	Annual System Security Plan	40,000	2,108	284	24,388	780	1,340	10,756	344
	System Enhancements	-	-	-	-	-	-	-	-
	<i>Subtotal - System Security & Enhancements</i>	40,000	2,108	284	24,388	780	1,340	10,756	344
4.1	Contract Extension Costs								
	Contract Extension	-	-	-	-	-	-	-	-
	<i>Subtotal - Contract Extension Costs</i>	-	-	-	-	-	-	-	-
	Total Vix Costs	3,802,005	200,366	26,994	2,318,083	74,139	127,367	1,022,359	32,697
4	RETAIL NETWORK								
4.1	Retailer Lead Agencies								
	Commissions - 2% of sales	250,000	13,175	1,775	152,425	4,875	8,375	67,225	2,150
	<i>Subtotal - Retailer Lead Agencies</i>	250,000	13,175	1,775	152,425	4,875	8,375	67,225	2,150
	Total Retail Network	250,000	13,175	1,775	152,425	4,875	8,375	67,225	2,150
	SUBTOTAL REGIONAL OPERATING COSTS	8,735,056	460,337	62,019	5,325,764	170,334	292,624	2,348,857	75,121
	Depot Maintenance	634,434	33,435	4,504	386,814	12,371	21,254	170,599	5,456
	Total Agency-Specific Costs	634,434	33,435	4,504	386,814	12,371	21,254	170,599	5,456
	TOTAL LEGACY REGIONAL & AGENCY OPERATING COSTS	9,369,490	493,772	66,523	5,712,578	182,705	313,878	2,519,456	80,578

2021 ORCA REGIONAL OPERATING BUDGET

		2021 Regional Costs	CT 5.27%	ET 0.71%	AGENCY BREAKDOWNS (Operating % Share)				WSF 0.86%
					KCM 60.97%	KT 1.95%	PT 3.35%	ST 26.89%	
Next Gen ORCA									
Wages and Benefits Total		1,562,474	82,342	11,094	952,641	30,468	52,343	420,149	13,437
DARe O&M		709,172	37,373	5,035	432,382	13,829	23,757	190,696	6,099
INIT O&M		547,698	28,864	3,889	333,932	10,680	18,348	147,276	4,710
Transaction Fees		517,000	27,246	3,671	315,215	10,082	17,320	139,021	4,446
Overhead		468,742	24,703	3,328	285,792	9,140	15,703	126,045	4,031
Consulting Services		160,000	8,432	1,136	97,552	3,120	5,360	43,024	1,376
Other		20,000	1,054	142	12,194	390	670	5,378	172
<i>Subtotal - Next Gen ORCA</i>		3,985,087	210,014	28,294	2,429,708	77,709	133,500	1,071,590	34,272
TOTAL NEXT GENERATION ORCA COSTS		3,985,087	210,014	28,294	2,429,708	77,709	133,500	1,071,590	34,272
TOTAL REGIONAL LEGACY + NEXT GEN OPERATING COSTS		12,720,143	670,352	90,313	7,755,471	248,043	426,125	3,420,446	109,393
Contingency - General		1,272,014	67,035	9,031	775,547	24,804	42,612	342,045	10,939
Total Contingency		1,272,014	67,035	9,031	775,547	24,804	42,612	342,045	10,939
TOTAL REGIONAL OPERATING COSTS		13,992,157	737,387	99,344	8,531,018	272,847	468,737	3,762,491	120,333

**2021 ORCA REGIONAL OPERATING BUDGET
2021-2025 FORECAST**

Please note 2022-2025 Budget development is still underway, Final System design may have impact on operating assumptions, including if the Vix Contract extends into 2023.

	2021 Regional Costs	2022 Regional Costs	2023 Regional Costs	2024 Regional Costs	2025 Regional Costs
I. Non-Fare Revenue					
Interest Earnings	75,750	75,750	75,750	75,750	75,750
Card Fees -Regional	296,100	296,100	296,100	296,100	296,100
TOTAL NON-FARE OPERATING REVENUES	371,850	371,850	371,850	371,850	371,850
II. Regionally Shared Expenses					
1 REGIONAL SERVICES MANAGED BY SOUND TRANSIT					
1.1 Regional Program Administration					
Wages and Benefits Total	507,879	344,648	119,601	-	-
Legal Services / Public Disclosure	-	-	-	-	-
Public Communications	25,000	-	-	-	-
PCI / System Security Planning & Audits	100,000	-	-	-	-
Escheatment Processing	5,000	-	-	-	-
Misc. Expenses & Consulting	-	-	-	-	-
<i>Subtotal - Regional Program Administration Costs</i>	637,879	344,648	119,601	-	-
1.2 Fiscal Agent and Financial Services					
Wages and Benefits Total	406,598	372,246	193,568	-	-
Annual Audit	50,100	-	-	-	-
Supplies and Misc. Expenses	4,000	-	-	-	-
Banking Fees	1,500	-	-	-	-
<i>Subtotal - Fiscal Agent Costs</i>	462,198	372,246	193,568	-	-
1.3 Call Routing					
CenturyLink Base Connection	10,000				
AT&T Toll-Free Incoming	35,000	-	-	-	-
<i>Subtotal - Call Routing</i>	45,000	-	-	-	-
1.4 TVM Network					
Credit Card Chargebacks	12,000	-	-	-	-
<i>Subtotal - TVM Network</i>	12,000	-	-	-	-
Total Costs - ST Managed Regional Services	1,157,076	716,895	313,169	-	-

**2021 ORCA REGIONAL OPERATING BUDGET
2021-2025 FORECAST**

Please note 2022-2025 Budget development is still underway, Final System design may have impact on operating assumptions, including if the Vix Contract extends into 2023.

		2021 Regional Costs	2022 Regional Costs	2023 Regional Costs	2024 Regional Costs	2025 Regional Costs
2	<u>REGIONAL SERVICES PROVIDED BY KING COUNTY METRO</u>					
2.1	ORCA Operations					
	Wages and Benefits Total	175,000	175,000	-	-	-
	Technical Consulting	-	-	-	-	-
	Software Escrow	-	-	-	-	-
	<i>Subtotal - ORCA Operations</i>	175,000	175,000	-	-	-
2.2	Mail Center					
	Mail Center Wages and Benefits Total	300,583	-	-	-	-
	Autoload Wages and Benefits Total	204,620	-	-	-	-
	Supplies	35,522	-	-	-	-
	Autoload Unrecoverable Debt	179,000	-	-	-	-
	Bank Card Fees	1,103,346	-	-	-	-
	<i>Subtotal - Mail Center</i>	1,823,071	-	-	-	-
2.3	Regional Inventory and Distribution Center (RIDC)					
	Wages and Benefits Total	5,546	-	-	-	-
	Supplies	244	-	-	-	-
	ORCA Card Costs	1,522,113	-	-	-	-
	<i>Subtotal - RDIC</i>	1,527,903	-	-	-	-
	Total Costs - KCM Provided Regional Services	3,525,974	175,000	-	-	-
3	<u>VIX COSTS</u>					
3.1	Maintenance					
	On-Site Maintenance	64,793	-	-	-	-
	Technical Support	131,016	-	-	-	-
	Software Maintenance	382,620	-	-	-	-
	System Maintenance	135,000	-	-	-	-
	<i>Subtotal - Maintenance</i>	713,429	-	-	-	-

**2021 ORCA REGIONAL OPERATING BUDGET
2021-2025 FORECAST**

Please note 2022-2025 Budget development is still underway, Final System design may have impact on operating assumptions, including if the Vix Contract extends into 2023.

		2021 Regional Costs	2022 Regional Costs	2023 Regional Costs	2024 Regional Costs	2025 Regional Costs
3.2	Services					
	System Security	469,062	-	-	-	-
	Customer Service	271,942	-	-	-	-
	Institutional Programs	192,741	-	-	-	-
	Card Procurement and Distribution	156,217	-	-	-	-
	Fare Card Management	88,481	-	-	-	-
	Clearinghouse Services	1,330,150	-	-	-	-
	Financial Management	161,663	-	-	-	-
	Network Management	190,078	-	-	-	-
	Revalue Network Support	163,242	-	-	-	-
	Web Content Management	25,000	-	-	-	-
	<i>Subtotal - Services</i>	3,048,577	-	-	-	-
3.3	System Security & Enhancements					
	Annual System Security Plan	40,000	-	-	-	-
	System Enhancements	-	-	-	-	-
	<i>Subtotal - System Security & Enhancements</i>	40,000				
4.1	Contract Extension Costs¹					
	Contract Extension	-	7,712,256	2,255,562	-	-
	<i>Subtotal - Contract Extension Costs¹</i>	-	7,712,256	2,255,562	-	-
	Total Vix Costs	3,802,005	7,712,256	2,255,562	-	-
4	<u>RETAIL NETWORK</u>					
4.1	Retailer Lead Agencies					
	Commissions - 2% of sales	250,000	-	-	-	-
	<i>Subtotal - Retailer Lead Agencies</i>	250,000	-	-	-	-
	Total Retail Network	250,000	-	-	-	-
	SUBTOTAL REGIONAL OPERATING COSTS	8,735,056	8,604,151	2,568,731	-	-

**2021 ORCA REGIONAL OPERATING BUDGET
2021-2025 FORECAST**

Please note 2022-2025 Budget development is still underway, Final System design may have impact on operating assumptions, including if the Vix Contract extends into 2023.

	2021 Regional Costs	2022 Regional Costs	2023 Regional Costs	2024 Regional Costs	2025 Regional Costs
Depot Maintenance	634,434				
Total Agency-Specific Costs	634,434	-	-	-	-
TOTAL LEGACY REGIONAL & AGENCY OPERATING COSTS	9,369,490	8,604,151	2,568,731	-	-
Next Gen ORCA					
Wages and Benefits	1,562,474	2,410,585	2,507,008	2,607,288	2,711,580
DARe O&M	709,172	774,936	637,416	710,296	800,156
INIT O&M	547,698	1,327,575	3,144,404	3,783,780	3,846,415
Transaction Fees	517,000	4,053,761	4,383,507	4,666,600	5,060,498
Overhead	468,742	723,175	752,102	782,187	813,474
Services	160,000	481,500	591,500	591,500	591,500
Other Expenses	20,000	85,000	85,000	85,000	85,000
Card Costs	-	947,548	405,306	405,306	405,306
KCM SLA	-	358,990	376,939	395,786	415,576
TVM SLA	-	-	-	-	-
Subtotal - Next Gen ORCA	3,985,087	11,163,070	12,883,183	14,027,743	14,729,504
TOTAL NEXT GENERATION ORCA COSTS	3,985,087	11,163,070	12,883,183	14,027,743	14,729,504
TOTAL REGIONAL LEGACY + NEXT GEN OPERATING COSTS	12,720,143	19,767,220	15,451,914	14,027,743	14,729,504
Contingency - General	1,272,014	1,976,722	1,545,191	1,402,774	1,472,950
Total Contingency	1,272,014	1,976,722	1,545,191	1,402,774	1,472,950
TOTAL REGIONAL OPERATING COSTS	13,992,157	21,743,942	16,997,105	15,430,518	16,202,455

¹By January 1, 2021, the agencies must provide Vix written notice of intent to extend the Contract beyond December 31, 2022.

Extension Period	Annual	Monthly
3 Months- Contract Termination of 3/31/2023	2,255,562	751,854
6 Months- Contract Termination of 6/30/2023	4,337,622	722,937
9 Months- Contract Termination of 9/30/2023	6,256,188	695,132
12 Months- Contract Termination of 12/31/2023	8,020,752	668,396