



2016 Budget



State of Colorado
Adoption date: December 10, 2015



2016 Budget

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* The column titled CLBL is for easy reference to the Colorado Local Budget Law (CLBL) criteria. CLBL requirements are **underlined and in bold through out the document**.

** The column titled GFOA is for easy reference to the Government Finance Officer Association (GFOA) criteria. GFOA criteria are underlined though out the document.

Introduction

This Budget Document has been formatted to reflect the Governmental Finance Officers Association (GFOA) Distinguished Budget Awards Program structure and criteria of high quality budget documents. Annually the Program recognizes high quality budget documents. The high quality budget structure contains the following categories:

- Policy Document;
- Financial Plan;
- Operations Guide;
- Communications Device.

GFOA Categories and criteria are explicitly identified and cross referenced in the document.

The State of Colorado Financial Management Manual – A Guide for Colorado Local Governments also recommends that a budget document is formatted in the GFOA Budget structure (contains the four categories). Additional requirements by Colorado Local Budget Law are explicitly identified and cross referenced in the document.

The GFOA presented a Distinguished Budget Presentation Award to the Roaring Fork Transportation Authority for the Annual Budget beginning **January 1, 2015**. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Management presents the 2016 Roaring Fork Transportation Authority Budget formatted in accordance with the GFOA Budget Award Program categories and criteria.

Michael Yang, CPA
Budget Officer





2016 Budget

Message

The Roaring Fork Transportation Authority (the Authority) has prepared the 2016 Annual Budget document as a means to communicate to the Public and the Authority Board (the Board) the issues considered in planning the use of limited resources to provide public transit and maintaining the Rio Grande Trail in the Roaring Fork Valley during the 2016 year.

Services to be delivered

- The Authority provides regional transit services in the Roaring Fork Valley (from Aspen to Glenwood Springs, Colorado) and in the I-70 Corridor (from Glenwood Springs to Rifle, Colorado). Additionally, the Authority owns a rail corridor in the Roaring Fork Valley and maintains the Rio Grande Trail for pedestrian, bike and equestrian use.
- In 2016, the Transit Program will provide public transit service to approximately 4 million passengers, covering approximately 5 million miles within a 70-mile region, operating and maintaining approximately 100 large transit vehicles with approximately 330 employees during peak winter season.
- The Trails Program maintains a 34-mile rail corridor and trail.

2016 Budget Initiatives and Priorities

- At the August 2015 Board meeting, the Board determined that the initial 2016 Budget should add to fund balance, if possible;
- There should be a reduction of transit services, if necessary, in order to avoid the use of fund balance; and
- The budget should adhere to the financial reserve thresholds in accordance with current policy.
- Consult with the Authority's member jurisdictions to obtain their sales tax revenue estimates for the budget year.
- Develop the transit service plan, initially based upon status quo service levels with updates for seasonal date changes.
- Develop revenue estimates for service contracts, state and federal grant, and other local governmental contributions.
- There is no upward transit fare adjustment planned for 2016.
- Any new positions identified as a priority by Management will be incorporated into the budget.
- Capital grants will be strategically pursued to help fund capital items and projects and only those that are awarded will be included in the budget or presented in a supplemental budget appropriation over the course of the budget year.



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Continuing Budget issues

- As the Authority's primary funding mechanism, Sales and Use tax revenues can be volatile and growth can vary among our member jurisdictions. The Authority relies on each member jurisdiction's Finance Department's assumptions and trend analysis for estimate preparation. Staff consulted with each Finance Department to obtain their sales tax estimate for 2016 resulting in an overall increase of approximately 4%.
- Transit fuel prices are known to be volatile. Similar to previous years, management obtained fixed price transit diesel and gasoline fuel contracts to manage this volatility resulting in an 18% decrease from the current year's weighted average cost per gallon.
- Health care costs continue to increase; however management received new information from our healthcare provider that Medical premiums will actually decrease in 2016 by 5% with no changes in Dental, Vision and Life/AD&D. The decrease was attributable to a renewable band methodology change made by our provider who will increase the number of bands from 7 to 10. The increase in bands allows for smaller rate increases in the upper bands and allows for increased loss ratio percentages in the lower bands; therefore, more entities have lower rate increases. Management has reviewed the current plan design and will keep employee contributions at the same levels.
- Historically, the high cost of living in the Roaring Fork Valley has negatively affected the Authority's ability to hire and retain qualified transit personnel. During the last recession, the pool of workers available in the region increased for the Authority as a result of limited job opportunities. However, with today's stronger economy and job growth in the valley, the Authority faces increased challenges to attract, retain and maintain adequate staffing levels. In order to meet this challenge, management continues to review and refine the Authority's compensation package with respect to wages, incentive programs, and benefit enhancements, including employee housing, in order to remain competitive in the local job market. As part of the compensation review, a market survey for all positions was conducted by a third party consultant during the fall of 2015. In general, the results indicated that the market average increased for almost all grades but at varying rates. The budget reflects a combination of market adjustments and merit increases in order to remain competitive with the market.

New Budget Issues:

- A Full-Time Year-Round Bus Operator Collective Bargaining Unit (CBU) was certified by the Division of Labor on March 10, 2015. Contract negotiations between representatives of the CBU and the Authority's management were held in early December 2015 where both parties reached tentative agreement on all articles of the Collective Bargaining Agreement. The 2016 budget incorporates the economic impacts as it relates to compensation and any other items with fiscal implications in accordance with the Agreement. The Agreement is subject to the Authority's Board of Director's approval of the 2016 budget and has been ratified by the members of the CBU.

- Management is developing a funding strategy for the short and long term capital needs, which includes: financing options, seeking out grant opportunities, the use of reserves in fund balance, seeking additional revenue streams dedicated to capital replacement, and reducing operating costs. The immediate capital needs include:
 - Replacing six over-the-road coach buses with an estimated lead time of 12 to 16 months. Management plans to actively seek capital grant funding and to finance the remaining amount of up to \$5 million; and
 - Phase I of the multi-phase Glenwood Maintenance Facility renovation and expansion project. The preliminary cost estimate is approximately \$5 million. Management plans to issue up to \$7.1 million of remaining bonding authority to finance the initial phase of this project.

Dan Blankenship
Chief Executive Officer

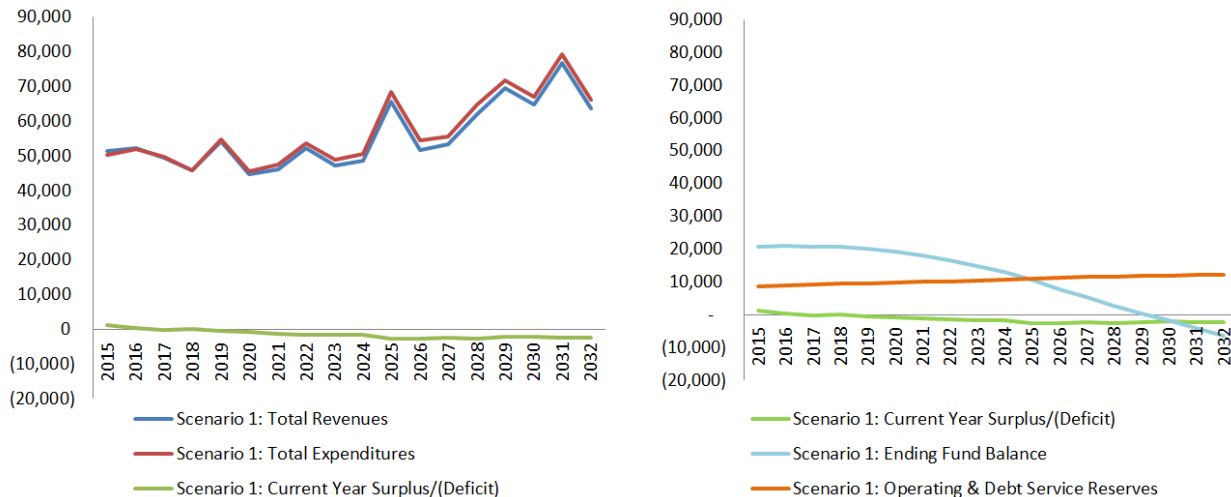


Policy Document

Overview of Financial Policies

Financial Planning

- *Balanced Budget:* Current year expenditures/ expenses will be funded from current year forecasted sales tax, transit fares and other sources specifically identified to fund current operating expenditures/ expenses. Other sources of funds must be confirmed or reasonably anticipated to be used for operating expenditures/ expenses. Use of fund balance for current year expenditures/expenses will be explicitly approved by the Board;
- *Long Range Planning:* Management prepared a long-range financial forecast for planning purposes. The forecast is based on status quo service levels and includes estimated revenues, operating costs, recurring annual capital outlay, and bus replacements. The following forecast (Scenario 1) assumes bus replacements will be funded evenly between grants and financing:



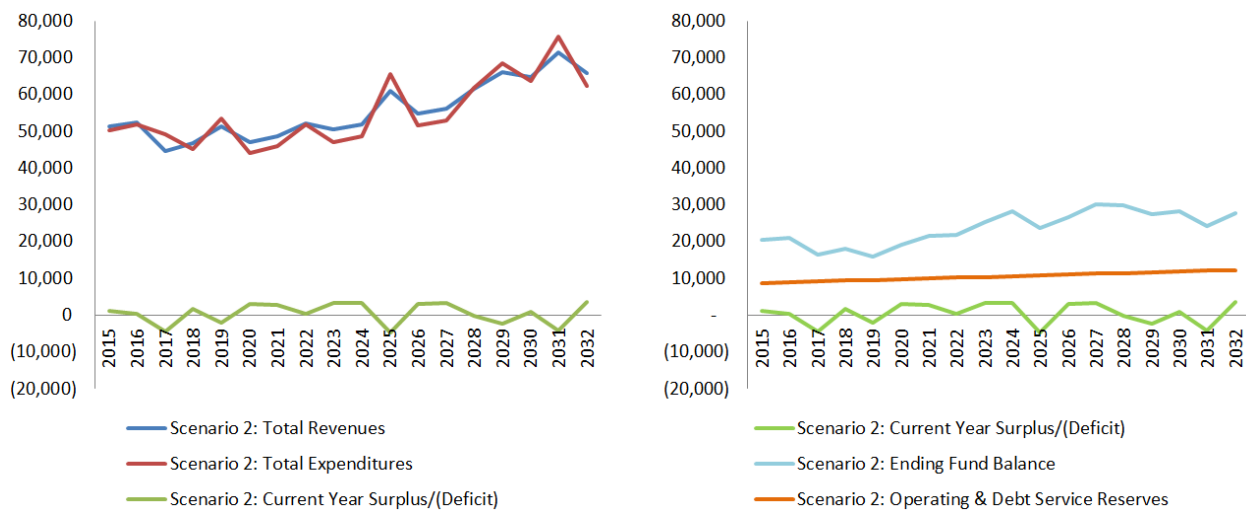
- Over the next 12 years, the Authority will need to replace approximately 83 heavy-duty transit vehicles at an estimated cost of approximately \$50 million. The Authority has been reasonably successful over the years in attracting Federal and State capital grants that have enabled it to replace obsolete vehicles and maintain its fleet in a State of Good Repair. However, the future Federal and State funding picture is uncertain, and it is evident that in addition to operating as efficiently as it can, the Authority will need to secure additional revenue in order to maintain long-term financial sustainability.



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Financial Planning continued...

- *Long Range Planning (continued)*
 - The Authority believes that at some point in the future it should consider seeking voter approval of a region-wide property tax mill levy. In 2009, the Colorado Legislature authorized Regional Transportation Authorities to levy voter-approved property taxes up to a threshold of 5 mills. However, this authorization is set to expire on January 1, 2019. The following forecast (Scenario 2) assumes bus replacement will be funded evenly between grant funds and an additional revenue stream dedicated for bus replacements:



- *Capital purchases:* The useful life of a bus for operating purposes is 12 years and/or 500,000 miles. Refurbishing a bus can extend its operating life. Annually, Management will review the bus fleet based on the above criteria to determine required replacement. Trails capital expenditures/expenses will be incurred as funding is available. Capital assets are defined as assets with an initial cost of \$5,000 or more and a minimum useful life of 3 years.

Basis of Budgeting

- The Authority Budget and Financial Statements are reported in accordance with generally accepted accounting principles on a modified accrual basis of accounting; Authority transit and trails activity is recorded in the General Fund of the government wide financial statements; additionally, the Authority accounts for service contract, bus stop and park & ride activity as well as certain trails activity in Eagle County in each of its own Special Revenue fund; Bond Resolutions for Series 2009A&B, 2012A, and 2013A&B require capital projects funds and debt service funds for each bond and a reserve fund; capital expenditures using the Federal Transit Authority's Very Small Starts capital grant funds are recorded in its own capital projects fund; and finally, capital expenditures using the State of Good Repair capital grant are recorded in its own capital projects fund.

Basis of Budgeting continued...

- The modified accrual basis of accounting recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash. Amounts are recognized as revenue when earned and collectable to pay liabilities of the current period or soon after; certain expenditures are recognized when payment is due.

Revenue

- *Revenue Diversification:* Funding is received primarily through dedicated sales tax, service contract revenue and transit fares. Revenue diversification is achieved by actively pursuing other financing sources each year such as local, state and federal grants;
- *Fees and Charges:* Annual sales tax forecast will be based on estimates received from the participating governmental entities. Additionally, annual review of Transit fares is performed for possible adjustment;
- *Use of one time revenues/ unpredictable revenues:* Financing sources (sources other than sales tax, service contract revenue or transit fares) should not be used to pay for current year operating expenditures unless specifically identified to fund operating expenditures/ expenses by the contributor/ grantor of the resource and the amount to be received is certain.

Expenditure/ Expense Policies

- *Debt capacity, issuance and management:* By Colorado Law, the Authority cannot enter into any action creating a multiple fiscal year debt or other financial obligation unless first submitted to a vote of the registered electors residing within the boundaries of the Authority;
- However, the Law allows the Board to enter into installment or lease purchase contracts, subject to annual appropriation with the following limits:
 - for the purchase of property or capital equipment;
 - the term of any such contract may not extend over a period greater than the estimated useful life of the property or equipment;
- Additionally, Authority policy prohibits debt with the following exceptions:
 - use of a credit card for business-related purposes;
 - borrowing from unassigned fund balance in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days after borrowing without Board approval;
- Derivatives do not fit within the overall debt management program and are prohibited;
- The Authority does not have written policies concerning debt structuring, issuance or management practices. The Authority plans to prepare a debt policy in accordance with GFOA best practices and advisories;
- *Operating/ capital expenditure accountability:* Review of actual expenditures to budget by department will be performed on a monthly basis taking action to bring the department expenditures within budget when necessary.

Expenditure/ Expense Policies continued...

- *Reserve or stabilization accounts:* the Operating reserve requirement is at least an average of two months of budgeted General Fund Revenues to Operating Reserves or an average of 2 months of budgeted General Fund Expenditures) whichever is larger. Revenues include sales and use tax, service contracts, fares, operating grants and contributions. Expenditures include operation expenditures, operating expenditures allocated to service contracts and debt service. Additionally, capital reserves are committed based on Board requirements as to amount. Prior Board approval is required to use reserved funds, to not reserve funds in a given year or use fund balance when expenditures exceed revenues in a given year.

Non-financial goals and objectives

Global ends statement:

The Roaring Fork Transportation Authority's purpose is that residents and visitors utilize an environmentally friendly, safe, efficient, convenient, and economical public transit and trails system.

Ends statements that support the Global ends statement have been identified as follows:

- The Rio Grande Corridor is appropriately protected and utilized;
- Trail and transit users move safely, quickly, and efficiently;
- There is a positive public perception of bus-riding;
- Transit experiences are enjoyable;
- Transit access is affordable to all in the valley;
- Ridership increases 1.75% per year;
- Trail and transit users enjoy environmentally friendly equipment and facilities.

Policy for a Greener, Less Petroleum-Dependent Transit Fleet

Additionally, in December 2002, the Authority adopted a phased approach to converting its fleet to alternative propulsion systems as a means of:

- Reducing the environmental impacts from transit operations on the community and
- Reducing the Authority's dependence on petroleum by moving towards sustainable and renewable forms of energy and
- Providing higher quality service to our customers and the communities we serve.

Furthermore, in July 2011, the Authority Board created the following vision statement and identified the following values statements:

VISION/MISSION:

RFTA pursues excellence and innovation in providing preferred transportation choices that connect and support vibrant communities.

VALUES:

SAFE

Safety is RFTA's highest priority.

ACCOUNTABLE

RFTA will be financially sustainable and accountable to the public, its users, and its employees.

AFFORDABLE

RFTA will offer affordable and competitive transportation options.

CONVENIENT

RFTA's programs and services will be convenient and easy to use.

DEPENDABLE

RFTA will meet the public's expectations for quality and reliability of services and facilities.

EFFICIENT

RFTA will be efficient and agile in management, operations, and use of resources.

SUSTAINABLE

RFTA will be environmentally responsible.

Organizational Objectives:

In 2012, the Authority’s organizational long-term objectives and related strategies were updated:



Organizational Strategies:

Objective 1: Safety

Strategies:

1. Develop a plan to systemically reinforce good safety habits throughout the Authority.
2. Develop a system to identify, evaluate, and implement innovative ideas to proactively implement safety throughout the Authority.
3. Develop a plan to more fully integrate the public in the Authority's safety culture.

Objective 2: Human Capital

Strategies:

1. Design and implement a 5-year development plan to train all staff to proficiency and that ensures every job function has multiple employees capable of performing the critical tasks associated with each function.
2. Develop a Succession Plan for all Directors/Managers with a three-year target for identification and development of potential successors.
3. Develop and implement formal Performance Evaluation tools and procedures that include objective performance measures that have associated rewards/incentives.
4. Review and revise all job descriptions for accuracy, clarity, and completeness. Align job descriptions with performance development, performance evaluation, and succession plans.
5. Develop formal and/or informal methods and programs for evaluating employee happiness and satisfaction, implementing the benefits, conditions and programs identified through evaluation methods, and continuously refining the benefits, conditions and programs based on regular feedback from employees.

Objective 3: Sustainability/Existence Planning

Strategies:

1. Create a baseline service plan based on new BRT data collection tools and use this to optimize service with existing resources.
2. Develop a long-term Capital Maintenance/Replacement program to properly maintain RFTA assets using new Asset Management software.
3. Develop a Capital Project Plan that identifies, prioritizes and primes capital projects to best use available funds.
4. Create a plan to reduce operating expenditures and/or recommend the use of fund balance in response to volatile financial conditions.

Objective 4: Customer Service

Strategies:

1. Conduct a survey to determine customer's perceptions and expectations of a safe, reliable, cost-efficient and comfortable transportation.
2. Develop performance measures and service standards for safety, reliability, cost-efficiency, and comfort based on financial feasibility, customer expectations, industry standards and RFTA best practices; Develop procedures to meet or exceed these standards.
3. Continue to improve and/or expand our method(s) for getting regular feedback from our customers about our service.

Organizational Strategies continued...

Objective 4: Customer Service (continued)

Strategies:

4. Develop a Quality Assurance program that allows Maintenance personnel to look at the buses from a customer's perspective.

Objective 5: Environmental Sustainability Planning

Strategies:

1. Staff will continue to seek grants and various funding opportunities that align with sustainable facility and fleet projects.
2. RFTA will maintain partnerships with regional non-profit and private sector businesses that offer sustainability expertise beyond staff skills.
3. RFTA will continue to be a national pacesetter researching and using alternative fuel technologies that are proven and make sense for operational success.

Objective 6: Communication

Strategies:

1. Define what community means to RFTA.
2. Improve a communication plan to better utilize technology and to continually educate and update our community.
3. Ensure communication plan encompasses all available media outlets.
4. Develop and implement a plan to improve implied communication at stops, on buses, at buildings and facilities.
5. Develop bilingual or universal symbol communication tools.
6. Create a branded SharePoint program.
7. Centralize all relevant existing information into SharePoint and make on-going communications consistent and unified.



Department Annual Goals:

Departments identify issues and opportunities for improvement and create related goals on a project basis that will address the identified areas for improvement. Goal status is periodically reported to the CEO and Board.

CEO/ COO/Procurement/Safety & Training

- Continue development/implementation of a CEO and Management Team Succession/Training Plan (Sustainability/Existence);
- Conduct due diligence for potential future property tax referendum (Sustainability/Existence);
- Update long-term Capital Replacement Plan (Sustainability/Existence);
- Continue implementing Organizational Structure Review recommendations (Sustainability/Existence);
- Update Board Governing Policies (Sustainability/Existence Planning);
- Develop the Integrated Transportation System Plan (Sustainability/Existence);
- Update 5-year Strategic Plan (Sustainability/Existence Planning);
- Update 15-year financial forecast (Sustainability/Existence Planning);
- Update 15-year Financial Sustainability Plan (Sustainability/Existence Planning).

Facilities/Trails Department

- Complete construction of Aspen Maintenance Facility (AMF) Phase III and minor outstanding items for Rubey Park Transit Center (Safety; Customer Service; Environmental);
- Park and ride projects: New Castle, West Glenwood, and Carbondale (Customer Service);
- Start AMF Phase IV and Glenwood Maintenance Facility (GMF) Phase I (Sustainability/Existence)
- Continue Housing and Office Space Master Plan (Sustainability/Existence);
- Continue implementation of Asset Management software (Sustainability/Existence);
- Update Comprehensive Plan for transit and rail corridor (Sustainability/Existence).

Finance Department

- Refine Long Range Financial Forecast using information from Capital Investment and Replacement Plan (Sustainability/Existence);
- Issue bonds for \$7.105 million of remaining bonding authority to fund portion of GMF Phase I (Sustainability/Existence);
- Procure financing for six bus replacements with an estimated cost of \$5 million (Sustainability/Existence)
- Enhance the collection and dissemination of financial data (Sustainability/Existence; Communication).

Human Resources & Risk Management

- Update Employee Handbook (Human Capital);
- Update the Administrative Personnel Performance Evaluation Form (Human Capital);
- Continue to explore creative ways to hire and retain quality employees (Human Capital);
- Increase participation in the Wellness Program (Human Capital);
- Offer in-house management and supervisor training (Human Capital).

Department Goals continued...

Information Technology Department

- Continue to improve electronic information, connectivity, and web security (Sustainability/Existence);
- Expand preventative maintenance mode for fare boxes (Sustainability/Existence);
- Update phone system and replace servers (Communication);
- Develop in-house reporting mechanisms for ITS programs (Communication);
- Upgrade transit fleet with new Digital Video Recorders and Cameras (Safety, Customer Service).

Maintenance Department

- Address fleet capacity issues at the GMF (Safety, Sustainability/Existence);
- Develop robust reporting capabilities for Asset Management systems (Sustainability/Existence);
- Develop Employee Tracking and Development Systems (Human Capital);
- Implement and integrate State of Good Repair reporting program (Sustainability/Existence);
- Continue to develop 5 year Growth and Vehicle Replacement Plan (Sustainability/Existence);
- Review departmental position needs (Human Capital).

Operations Department

- Coordinate transit service optimization efforts (Sustainability/Existence);
- Continue to update service plans in anticipation of the closure of the Grand Avenue Bridge in Glenwood Springs (Customer Service);
- Develop programs and incentives to hire and retain bus operators to meet staffing levels (Human Capital);
- Continue to evaluate public safety/security needs (Safety);
- Train supervisory staff for operating in the new union environment (Human Capital).

Planning and Marketing Department

- Update RFTA 5-year Strategic Plan (Sustainability/Existence);
- Continue to seek and manager Federal, State and regional grant opportunities that align with project goals (Sustainability/Existence);
- Monitor and communicate performance of Community Solar Array investment (Environmental Sustainability);
- Implement the Performance Monitoring Plan (Sustainability/Existence);
- Coordinate with regional jurisdictions regarding transit impacts and mitigation for development projects (Sustainability/Existence);
- Complete the biennial Onboard Passenger Survey (Customer Service; Communication);
- Collaborate with WE-Cycle efforts in the mid-valley (Customer Service);
- Strive to make the RFTA system easier for existing and new users to understand and navigate (Customer Service, Communication);
- Explore integration of RFTA system onto Google Transit (Communication).

Financial Plan

Fund and fund structure

The Authority Budget and Financial Statement are reported in accordance with generally accepted accounting principles on a modified accrual basis of accounting. All Funds are appropriated.

General Fund reports operating activity for regional Valley, Grand Hogback and miscellaneous Transit, Trails and Administrative Support services. Additionally, Capital and all Debt Service activity are reported in the General Fund, unless otherwise required by bond resolution.

Service Contract Special Revenue Fund reports revenue and operating activity for additional contracted transit services. These services are extra services provided in certain areas within the overall Authority service area. For a more detailed description of the Transit Services provided see the service description narrative and service area map in the statistical and supplemental information section.

Bus Stop and Park & Ride Special Revenue Fund reports vehicle registration fee revenue and bus stops and park & ride expenditure activity as required by State rural transit authority enabling legislation. Additionally, by resolution, Garfield County has dedicated certain development fees to construct bus shelter and park n ride improvements in unincorporated Garfield County.

Mid Valley Trails Special Revenue Fund reports activity for certain trails activities within Eagle County. As a condition of becoming a member of the Authority, Eagle County dedicated an existing ½ cent sales tax to the Authority. Part of the sales tax was dedicated to trails. In June of 2002 the Authority by resolution adopted the Eagle County Mid Valley Trails Committee. The Committee administers all aspects of appropriating the funds and the Authority provides accounting of the funds and other services as requested by the Committee.

Capital Project Fund:

Very Small Starts BRT Capital Projects Fund reports all expenditure activity related to the Bus Rapid Transit Project for assets and infrastructure primarily using federal awards from the Very Small Starts grant.

AMF Capital Projects Fund reports expenditure activity related to the Aspen Maintenance Facility Re-commissioning Project for assets and infrastructure.

Series 2013A Capital Projects Fund reports all expenditure activity related to the various transit capital projects, which may include the Rubey Park Transit Center Renovations, New Castle Park & Ride, and Carbondale Park & Ride Expansion.

Series 2016A Capital Projects Fund reports expenditure activity related to the various transit capital projects, which may include the GMF renovation and expansion. This fund is anticipated to be created assuming a 2016 bond issuance.

Debt Service Fund:

Series 2009A Debt Service Fund reports all principal and interest expenditures for the \$6.5 million bond issuance and interest earned as required by resolution. This is a tax exempt issuance.

Series 2009B Debt Service Fund reports all principal and interest expenditures for related to the \$21 million Build America Bond (BAB) issuance and interest earned as required by resolution. The BABs allow a Federal reimbursement of 35% of the interest paid.

Series 2012A Debt Service Fund reports all principal and interest expenditures for the \$6.65 million Qualified Energy Conservation Bond (QECB) issuance and interest earned as required by resolution. The QECBs allow a Federal reimbursement for 70% of the Qualified Tax Credit Rate of the interest paid.

Series 2013A Debt Service Fund reports all principal and interest expenditures for the \$2 million bond issuance and interest earned as required by resolution. This is a tax-exempt issuance.

Series 2013B Debt Service Fund reports all principal and interest expenditures for the \$1.3 million QECB issuance and interest earned as required by resolution. The QECBs allow a Federal reimbursement for 70% of the Qualified Tax Credit Rate of the interest paid.

The Series 2016A Debt Service Fund reports all principal and interest expenditures for the \$7.105 million bond issuance and interest earned as required by resolution. This fund is anticipated to be created assuming a 2016 bond issuance.

Reserve Fund reports all activity related to the required reserves for the Series 2009, Series 2012, and Series 2013 Bonds and interest earned as required by resolution.





2016 Budget

Consolidated Financial Overview (in thousands)

| (1,000's) | General Fund | Service Contracts | Bus Stops/ PNR SRF | Mid Valley Trails SRF | Capital Projects Fund (1) | Debt Service Fund | 2016 Total Budget | % |
|--|-------------------|-------------------|-----------------------|--------------------------|---------------------------------|-------------------------|----------------------|-------------|
| Beginning fund balance (Budget) | \$ 16,648 | \$ - | \$ 80 | \$ 116 | \$ - | \$ 2,499 | \$ 19,343 | |
| Revenues: | | | | | | | | |
| Sales and use tax | \$ 20,678 | \$ - | \$ - | \$ 50 | \$ - | \$ - | \$ 20,728 | 52% |
| Service contracts | \$ - | \$ 9,671 | \$ - | \$ - | \$ - | \$ - | \$ 9,671 | 24% |
| Operating revenue | \$ 4,594 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,594 | 11% |
| Grant revenue - operating | \$ 1,215 | \$ 30 | \$ - | \$ - | \$ - | \$ - | \$ 1,245 | 3% |
| Grant revenue - capital | \$ 859 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 859 | 2% |
| Local gov't contributions - operating | \$ 1,364 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,364 | 3% |
| Local gov't contributions - capital | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% |
| Other income | \$ 435 | \$ - | \$ 461 | \$ - | \$ - | \$ 672 | \$ 1,568 | 4% |
| Investment income | \$ 14 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14 | 0% |
| Total revenue | \$ 29,159 | \$ 9,701 | \$ 461 | \$ 50 | \$ - | \$ 672 | \$ 40,043 | 100% |
| Program expenditures: | | | | | | | | |
| Fuel | \$ 1,698 | \$ 745 | \$ - | \$ - | \$ - | \$ - | \$ 2,443 | 5% |
| Transit | \$ 19,716 | \$ 9,095 | \$ 627 | \$ - | \$ - | \$ - | \$ 29,437 | 57% |
| Trails & Corridor Mgmt | \$ 437 | \$ - | \$ - | \$ 66 | \$ - | \$ - | \$ 503 | 1% |
| Subtotal operating exp. | \$ 21,851 | \$ 9,840 | \$ 627 | \$ 66 | \$ - | \$ - | \$ 32,384 | 62% |
| Capital | \$ 7,050 | \$ - | \$ - | \$ - | \$ 6,691 | \$ - | \$ 13,741 | 26% |
| Debt Service | \$ 2,319 | \$ - | \$ - | \$ - | \$ 142 | \$ 3,358 | \$ 5,819 | 11% |
| Total expenditures | \$ 31,220 | \$ 9,840 | \$ 627 | \$ 66 | \$ 6,833 | \$ 3,358 | \$ 51,944 | 100% |
| Other financing sources | \$ 5,172 | \$ 138 | \$ 166 | \$ - | \$ 7,330 | \$ 2,958 | \$ 15,764 | |
| Other financing (uses) | \$ (3,215) | \$ - | \$ - | \$ - | \$ (272) | \$ - | \$ (3,487) | |
| Change in Fund Balance | \$ (105) | \$ 0 | \$ 0 | \$ (16) | \$ 225 | \$ 272 | \$ 376 | |
| Ending fund balance | \$ 16,543 | \$ 0 | \$ 80 | \$ 100 | \$ 225 | \$ 2,771 | \$ 19,719 | |

(1) See Supplemental Schedule for Capital Project Funds:

| (1,000's) | VSS BRT CPF | AMF CPF | Series 2013A CPF | Series 2016A CPF | Total Capital Projects Fund |
|---|----------------|---------------|------------------------|------------------------|-----------------------------------|
| Beginning fund balance (Budget). | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues: | | | | | |
| Total revenue | \$ - | \$ - | \$ - | \$ - | \$ - |
| Program expenditures: | | | | | |
| Capital | \$ - | \$ - | \$ - | \$ 6,691 | \$ 6,691 |
| Debt Service | \$ - | \$ - | \$ - | \$ 142 | \$ 142 |
| Total expenditures | \$ - | \$ - | \$ - | \$ 6,833 | \$ 6,833 |
| Other financing sources | \$ - | \$ 225 | \$ - | \$ 7,105 | \$ 7,330 |
| Other financing (uses) | \$ - | \$ - | \$ - | \$ (272) | \$ (272) |
| Change in Fund Balance | \$ - | \$ 225 | \$ - | \$ - | \$ 225 |

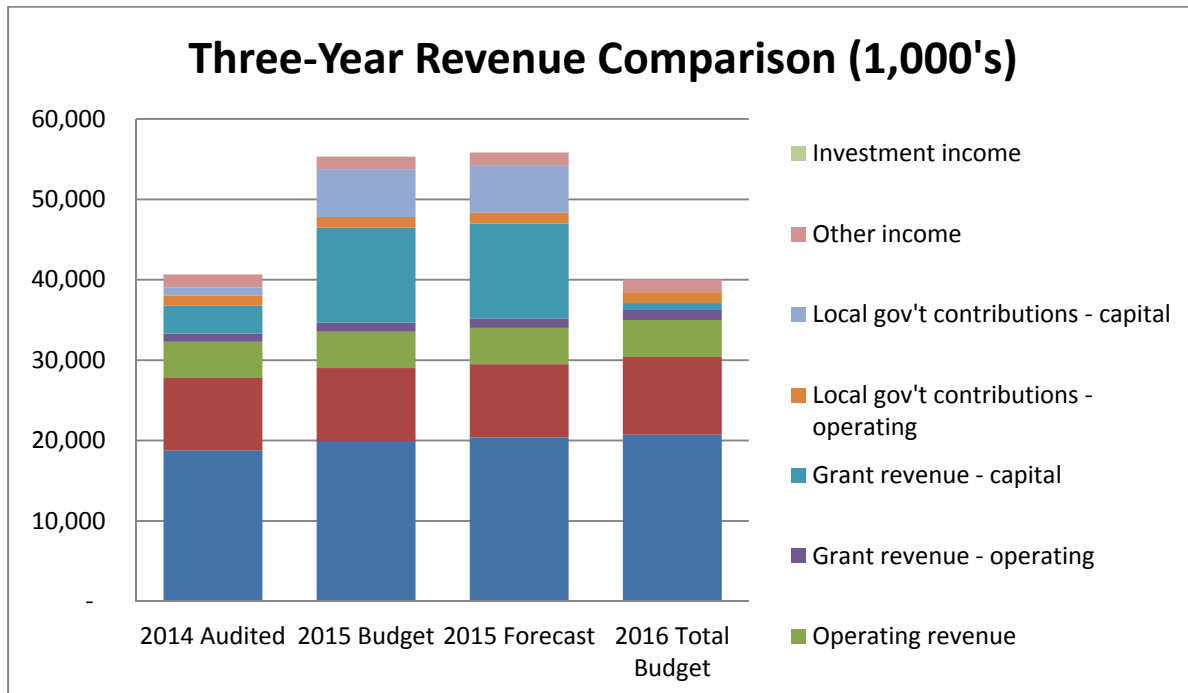
(2) After the end of the 2015 year, any unexpended budget pertaining to the VSS BRT CPF, AMF CPF, and Series 2013A CPF will need to be re-budgeted in 2016

Three Year Financial Summary Information

| | 2014 | 2015 Budget | 2015 Forecast | 2016 Total | | |
|---------------------------------------|------------------|---------------------------|-----------------------------|------------------|--------------------|---------------|
| Total revenues (in thousands) | Audited | as of 11/30/15 | as of 10/31/2015 | Budget | \$ Dif | % Dif |
| Sales and use tax | 18,786 | 19,947 | 20,409 | 20,728 | 781 | 3.9% |
| Service contracts | 8,997 | 9,079 | 9,095 | 9,671 | 592 | 6.5% |
| Operating revenue | 4,497 | 4,513 | 4,513 | 4,594 | 81 | 1.8% |
| Grant revenue - operating | 1,015 | 1,145 | 1,145 | 1,245 | 100 | 8.7% |
| Local gov't contributions - operating | 1,262 | 1,332 | 1,332 | 1,364 | 33 | 2.4% |
| Other income | 1,610 | 1,560 | 1,572 | 1,568 | 8 | 0.5% |
| Investment income | 23 | 10 | 14 | 14 | 4 | 38.6% |
| Subtotal Revenues - Operating | 36,189 | 37,586 | 38,080 | 39,184 | 1,598 | 4.3% |
| Local gov't contributions - capital | 1,001 | 5,937 | 5,937 | - | (5,937) | -100.0% |
| Grant revenue - capital | 3,491 | 11,798 | 11,822 | 859 | (10,939) | -92.7% |
| Subtotal Revenues - Capital | 4,492 | 17,735 | 17,759 | 859 | (16,876) | -95.2% |
| Total | \$ 40,681 | \$ 55,321 | \$ 55,839 | \$ 40,043 | \$ (15,278) | -27.6% |

2015/ 2016 budgetary revenue trends:

- Increase in sales tax revenue as a result of a strengthening regional economy;
- Increase in service contract revenues as a result of running an extra day of service as 2016 is a leap year and increased service in the City of Aspen’s Municipal Transit Service Contract.
- Increase in operating revenues, which include transit fares and pass sales, due to a slower growth in ridership on regional commuter services.
- Increase in operating grant revenues due to securing a CDOT FASTER operating grant to fund regional transit services along the I-70 corridor.
- Decrease in capital grant revenue primarily due to the timing of capital outlay based on project completion; grants are recognized as awarded and collection is certain.



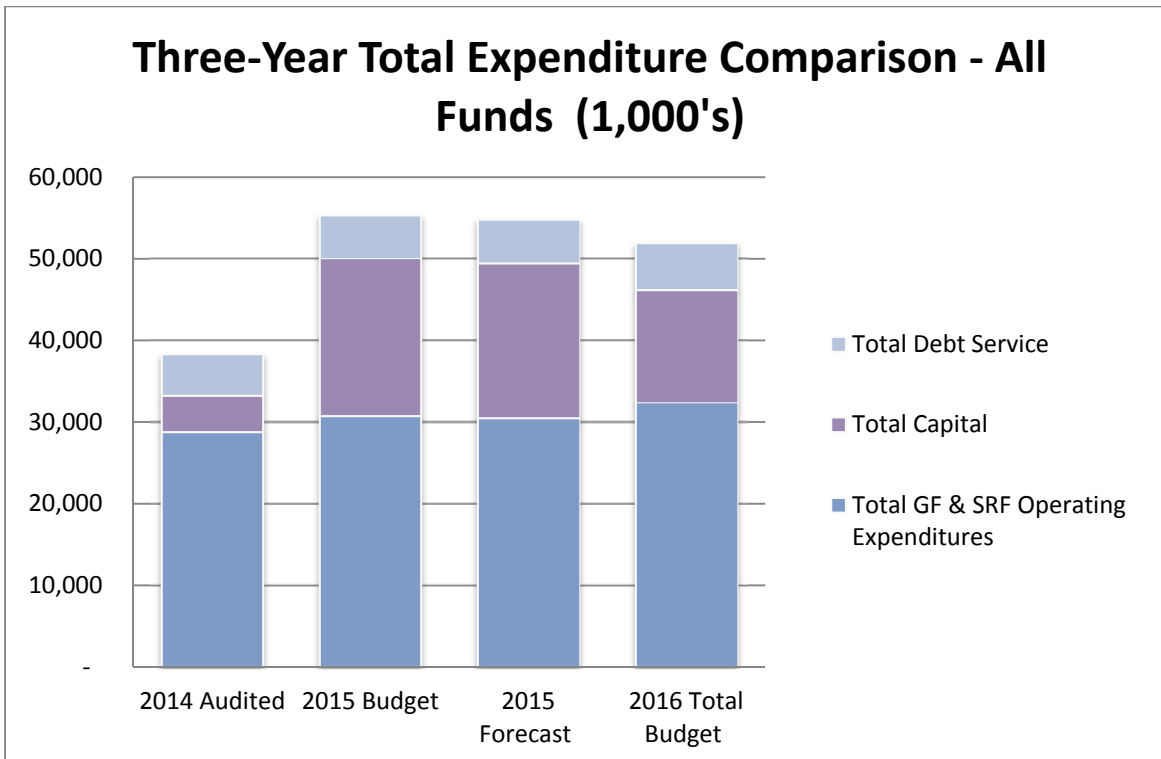
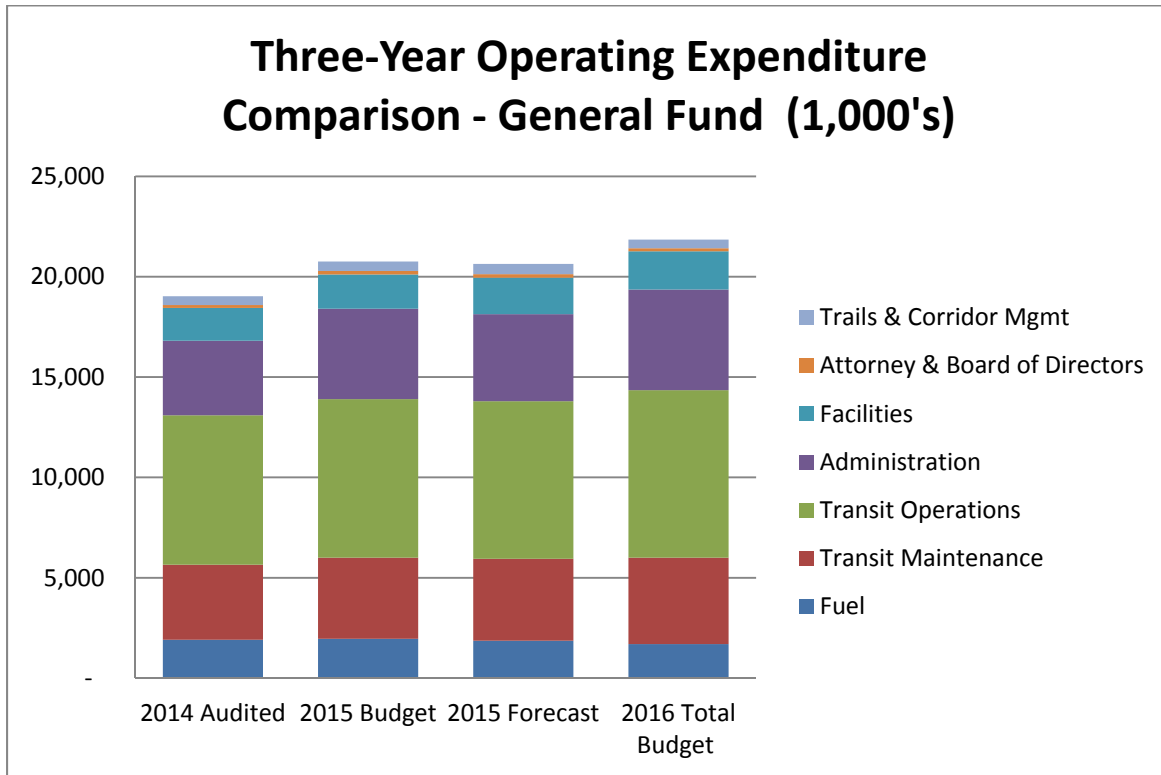
Three Year Financial Summary Information continued...

| Expenditures (in thousands) | 2014 Audited | 2015 Budget as of 11/30/15 | 2015 Forecast as of 10/31/2015 | 2016 Total Budget | \$ Dif | % Dif |
|--|---------------------|-----------------------------------|---------------------------------------|--------------------------|------------------|--------------|
| Fuel | 1,914 | 1,958 | 1,868 | 1,698 | (259) | -13.2% |
| Transit Maintenance | 3,737 | 4,044 | 4,082 | 4,305 | 261 | 6.5% |
| Transit Operations | 7,447 | 7,896 | 7,848 | 8,344 | 449 | 5.7% |
| Administration | 3,711 | 4,504 | 4,340 | 5,017 | 513 | 11.4% |
| Facilities | 1,632 | 1,708 | 1,816 | 1,900 | 191 | 11.2% |
| Attorney & Board of Directors | 151 | 176 | 176 | 150 | (27) | -15.1% |
| Trails & Corridor Mgmt | 438 | 469 | 508 | 437 | (32) | -6.7% |
| Total GF Operating Expenditures | \$19,030 | \$ 20,755 | \$ 20,638 | \$ 21,851 | \$ 1,096 | 5.3% |
| SRF - Service Contracts | 9,167 | 9,271 | 9,204 | 9,840 | 569 | 6.1% |
| SRF - Bus Shelter / PNR | 582 | 687 | 580 | 627 | (61) | -8.8% |
| SRF - Mid Valley Trails | 19 | 55 | 45 | 66 | 11 | 20.1% |
| Total GF & SRF Operating Expenditures | \$28,797 | \$ 30,768 | \$ 30,467 | \$ 32,384 | \$ 1,615 | 5.2% |
| GF - Capital Outlay | 2,170 | 14,682 | 14,463 | 7,050 | (7,632) | -52.0% |
| Capital Projects Fund | 2,212 | 4,566 | 4,566 | 6,691 | 2,125 | 46.5% |
| Total Capital | 4,383 | 19,248 | 19,029 | 13,741 | (5,507) | -28.6% |
| GF - Debt Service | 2,276 | 2,339 | 2,339 | 2,319 | (20) | -0.9% |
| Debt Service Fund | 2,878 | 2,948 | 2,948 | 3,500 | 552 | 18.7% |
| Total Debt Service | 5,154 | 5,288 | 5,288 | 5,819 | 531 | 10.0% |
| Total Expenditures - all funds | \$38,334 | \$ 55,304 | \$ 54,783 | \$ 51,944 | \$(3,360) | -6.1% |

2015/2016 budgetary expenditure trends:

- Increase in total General Fund operating costs primarily due to higher labor costs and additional positions.
 - Decrease in fuel due to securing a fixed-forward price contract resulting in an 18% decrease in the weighted average cost per diesel gallon.
 - Increase in Transit Maintenance primarily due to higher labor costs and additional positions;
 - Increase in Transit Operations due to higher labor costs as a result of the Collective Bargaining Agreement;
 - Increase in Administration primarily due to a new position in the CEO department, development of a Regional Integrated Transportation Service Plan, development of a long-term capital replacement financing plan, increase in insurance premiums.
 - Increase in Facilities primarily due to additional preventative maintenance costs;
 - Decrease in Attorney & Board of Directors due to the anticipated amount of legal counsel services;
 - Decrease in Trails and Corridor Management Program due to the timing of the trail and corridor comprehensive plan.
- Increase in total General Fund and Special Revenue Funds operating costs reflects a more accurate representation of costs to support the complete operation of the Authority's services.

Three Year Financial Summary Information continued...





2016 Budget

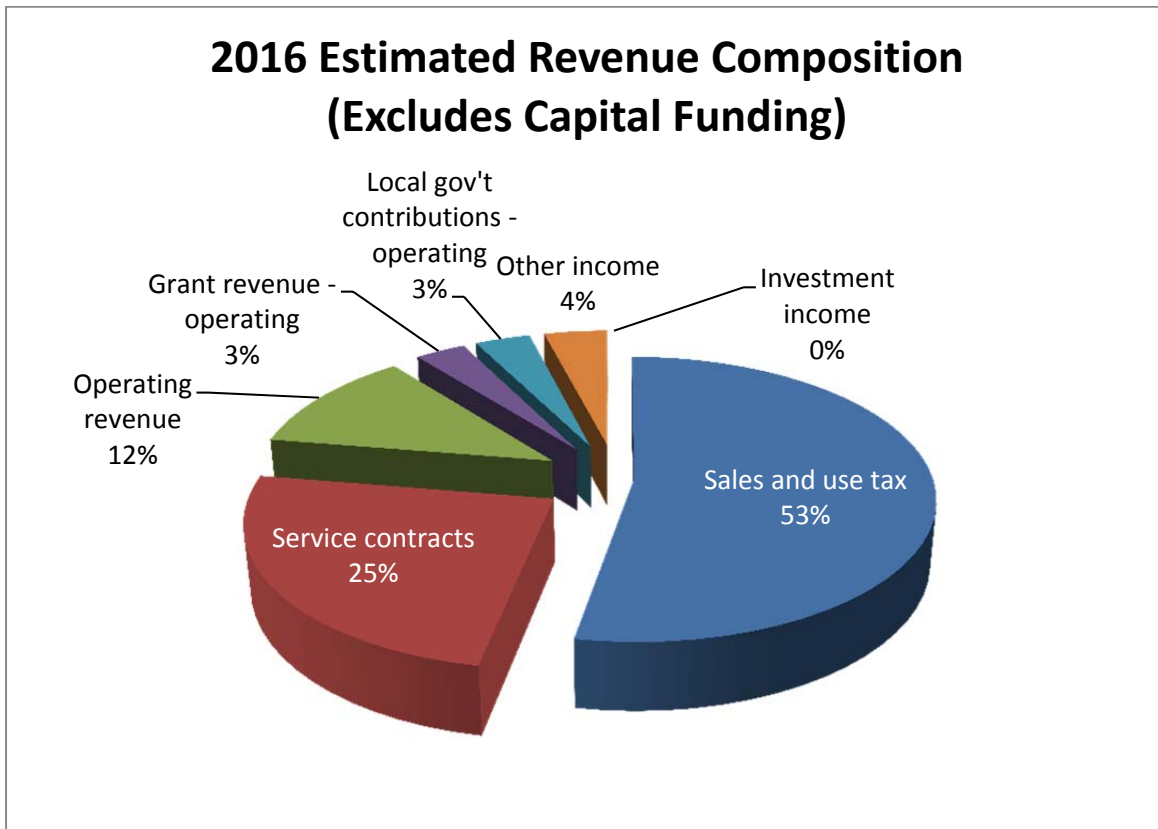
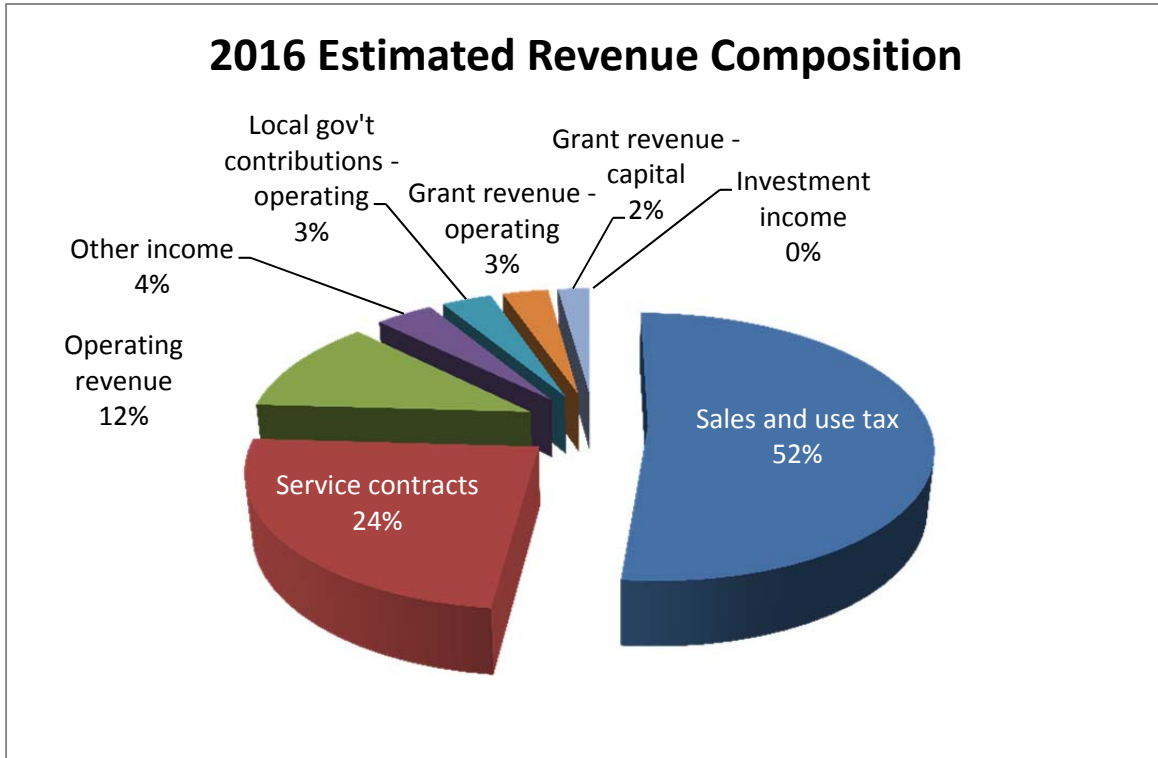
Major Revenue

| (1,000's) | General Fund | Service Contracts | Bus Stops/ PNR SRF | Mid Valley Trails SRF | Debt Service Fund | 2016 Total Budget | % |
|---------------------------------------|------------------|-------------------|-----------------------|--------------------------|-------------------|-------------------|-------------|
| Revenues: | | | | | | | |
| Sales and use tax | \$ 20,678 | \$ - | \$ - | \$ 50 | \$ - | \$ 20,728 | 52% |
| Service contracts | \$ - | \$ 9,671 | \$ - | \$ - | \$ - | \$ 9,671 | 24% |
| Operating revenue | \$ 4,594 | \$ - | \$ - | \$ - | \$ - | \$ 4,594 | 11% |
| Grant revenue - operating | \$ 1,215 | \$ 30 | \$ - | \$ - | \$ - | \$ 1,245 | 3% |
| Grant revenue - capital | \$ 859 | \$ - | \$ - | \$ - | \$ - | \$ 859 | 2% |
| Local gov't contributions - operating | \$ 1,364 | \$ - | \$ - | \$ - | \$ - | \$ 1,364 | 3% |
| Other income | \$ 435 | \$ - | \$ 461 | \$ - | \$ 672 | \$ 1,568 | 4% |
| Investment income | \$ 14 | \$ - | \$ - | \$ - | \$ - | \$ 14 | 0% |
| Total revenue | \$ 29,159 | \$ 9,701 | \$ 461 | \$ 50 | \$ 672 | \$ 40,043 | 100% |

Revenue composition:

- Sales and Use tax revenues are dedicated taxes collected from member governments based on intergovernmental agreements, see the Authority history section, member governments;
- Service contracts are for contracted transit services, billed monthly based on miles and hours by route; see Transit Services section for description of services and Contract formula methodology section for billing (cost allocation) methodology. The Authority has service contracts with the Aspen Skiing Company, City of Aspen, City of Glenwood Springs and Garfield County (Travelers Program);
- Operating revenues reflect transit fares collected primarily on regional service routes in the Roaring Fork Valley and on the I-70 Corridor as well as fares collected on the Maroon Bells service; see Transit Services section for description of services;
- The Authority primarily receives operating and capital grants from the Federal Transit Administration and the Colorado Department of Transportation;
- Local governmental contributions are received to primarily help fund transit programs; for detail of these revenues see the line item budget;
- Other income primarily consists of employee housing rental revenue in the General Fund, vehicle registration fees in the Bus Stop/Park & Ride Special Revenue Fund, and credits from the Federal Government representing a reimbursement on a portion of the interest paid on the Series 2009B Build America Bonds and Series 2012A and 2013B Qualified Energy Conservation Bonds in the Debt Service Fund.

Major Revenue continued...



Revenue assumptions

Sales Tax Revenues

- The Authority consulted with member jurisdictions’ Finance Departments to obtain their sales tax estimate for 2016. The Authority relies on each member jurisdictions’ assumptions and trend analysis for estimate preparation. The budget reflects a 4% increase based on the estimates below:

| Member Jurisdictions | 2016 % Increase |
|----------------------|-----------------|
| Aspen | 4.0% |
| Basalt | 4.0% |
| Carbondale | 4.0% |
| Glenwood Springs | 2.0% |
| Eagle County | 3.0% |
| New Castle | 2.0% |
| Pitkin County | 4.5% |
| Snowmass Village | 3.0% |

Service contract revenues

- The Authority estimated hours and miles by route for each service contract agreement and calculated costs in accordance with each service contract agreement.

Operating revenues

- 2% increase in transit fares collected primarily as a result of anticipated increase in regional ridership. There is no upward fare adjustment planned for 2016.

Below is a table of the change in ridership and fare collection comparison for a ten year period:

| Year | Change in Ridership | % change | Change in Fare Collection | % change |
|----------------|---------------------|----------|---------------------------|----------|
| 2014/2015 Oct. | 48,714 | 2.1% | \$ (138,060) | -4.5% |
| 2013/2014 | 585,459 | 26.8% | \$ 414,741 | 11.0% |
| 2012/2013 | 197,372 | 9.9% | \$ 204,243 | 5.7% |
| 2011/2012 | 52,045 | 2.7% | \$ (17,224) | -0.5% |
| 2010/2011 | 137,952 | 7.7% | \$ 148,202 | 4.3% |
| 2009/2010 | (229,951) | -11.3% | \$ 18,452 | 0.5% |
| 2008/2009 | (316,973) | -13.5% | \$ (784,892) | -18.7% |
| 2007/2008 | 259,865 | 12.4% | \$ 410,196 | 10.8% |
| 2006/2007 | 291,695 | 7.1% | \$ 380,780 | 11.2% |
| 2005/2006 | 133,147 | 9.4% | \$ 427,388 | 14.5% |
| 2004/2005 | 94,789 | 7.20% | \$ 295,698 | 11.20% |

Grant revenues

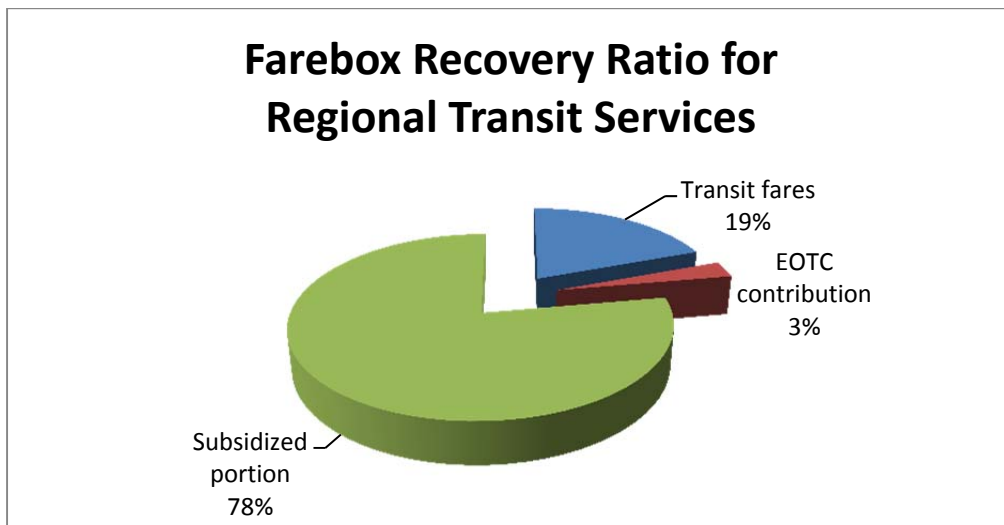
- \$1.014 million from the FTA Section 5311 operating grant;
- \$200,000 from CDOT FASTER operating grant;
- \$859,000 of various capital grants for the New Castle Park and Ride project, Facilities & Office Master Plan, and transit equipment;

Local governmental contributions

- The Elected Official Transportation Committee (EOTC) will provide funding of approximately \$621,658 for the no-fare Aspen/Snowmass regional transit service.
- Garfield County’s contribution for the Grand Hogback bus service increased by 5% to \$682,500.
- The Town of Rifle’s contribution for the Grand Hogback bus service remains at \$20,000.

Other income

- Assumes employee housing rental revenue and vehicle registration fees will remain the same.
- Credits related to Build America Bonds and Qualified Energy Conservation Bonds assume a sequestration reduction rate of 7.3%.



Farebox Recovery Ratio is the percentage of total operating revenues that passengers pay through fares. The Authority’s farebox recovery ratio for regional transit services is estimated to be 24% and takes into consideration the EOTC’s fare subsidy for the regional transit service between Aspen and Snowmass Village. If this subsidy did not occur, then the Authority’s farebox recovery ratio would increase due to additional fares collected on the regional transit service between Aspen and Snowmass Village.

2016 Budget

Fund Balance – all Funds

| | General | Service | Bus | Mid | Capital | Debt | |
|---|-------------|------------|---------------|------------------|---------------------|-----------------|-------------|
| (1,000's) | Fund | Contracts | Stops/ PNR | Valley Trails | Projects Fund(1) | Service Fund | Total |
| Beginning fund balance (budget) | \$ 16,648 | \$ - | \$ 80 | \$ 116 | \$ 0 | \$ 2,499 | \$ 19,343 |
| Revenues | \$ 29,159 | \$ 9,701 | \$ 461 | \$ 50 | \$ - | \$ 672 | \$ 40,043 |
| Expenditures | \$ (31,220) | \$ (9,840) | \$ (627) | \$ (66) | \$ (6,833) | \$ (3,358) | \$ (51,944) |
| Other financing source/(use) | \$ 1,957 | \$ 138 | \$ 166 | \$ - | \$ 7,058 | \$ 2,958 | \$ 12,277 |
| Change in net assets | \$ (105) | \$ 0 | \$ 0 | \$ (16) | \$ 225 | \$ 272 | \$ 376 |
| Ending fund balance | \$ 16,543 | \$ 0 | \$ 80 | \$ 100 | \$ 225 | \$ 2,771 | \$ 19,719 |
| Ending fund balance composition: | | | | | | | |
| Non-spendable fund balance | \$ 750 | | | | | | \$ 750 |
| Restricted fund balance | \$ 875 | \$ - | \$ 80 | \$ 100 | \$ 225 | \$ 2,771 | \$ 4,051 |
| Committed fund balance: | | | | | | | |
| Operating reserves | \$ 6,244 | | | | | | \$ 6,244 |
| Facilities capital reserves | \$ 775 | | | | | | \$ 775 |
| Transit capital reserves | \$ 535 | | | | | | \$ 535 |
| Trails capital reserves | \$ 675 | | | | | | \$ 675 |
| Unassigned fund balance | \$ 6,689 | | | | | | \$ 6,689 |
| Ending fund balance | \$ 16,543 | \$ - | \$ 80 | \$ 100 | \$ 225 | \$ 2,771 | \$ 19,719 |

Fund balance definition

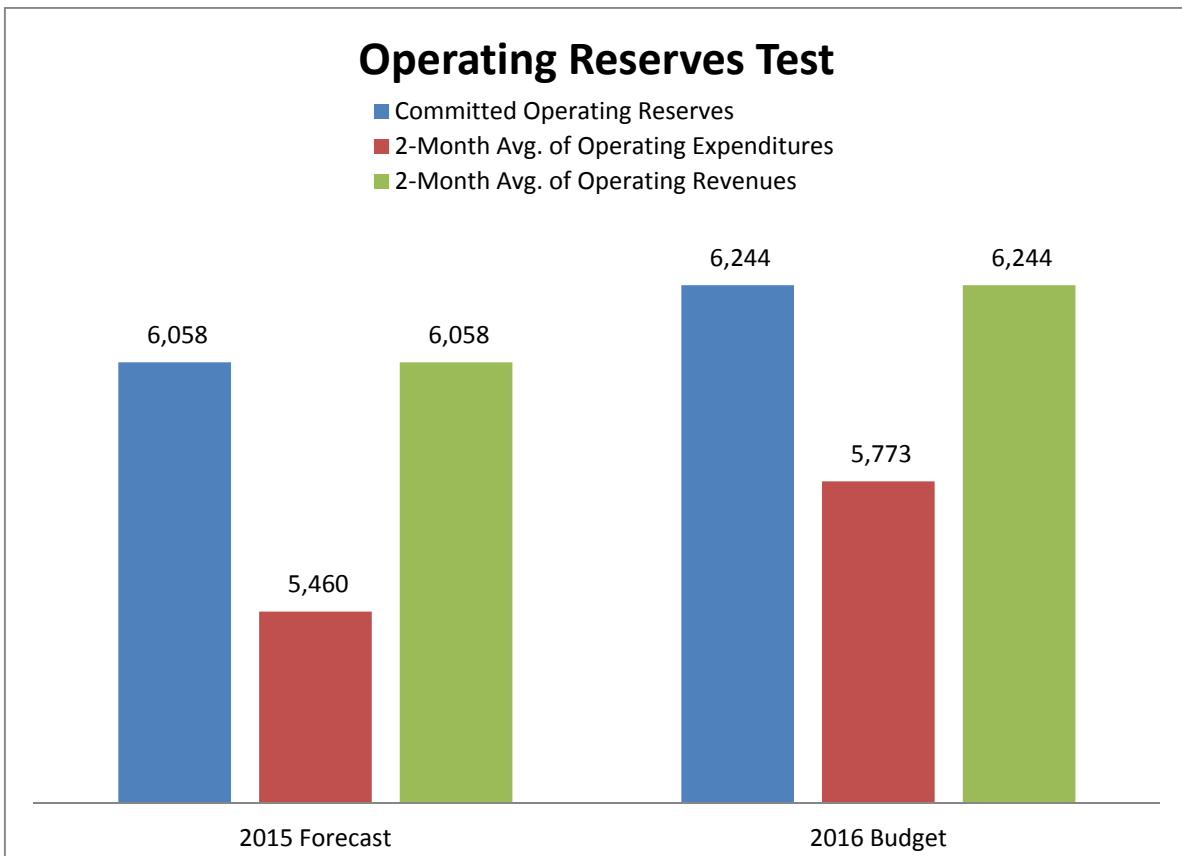
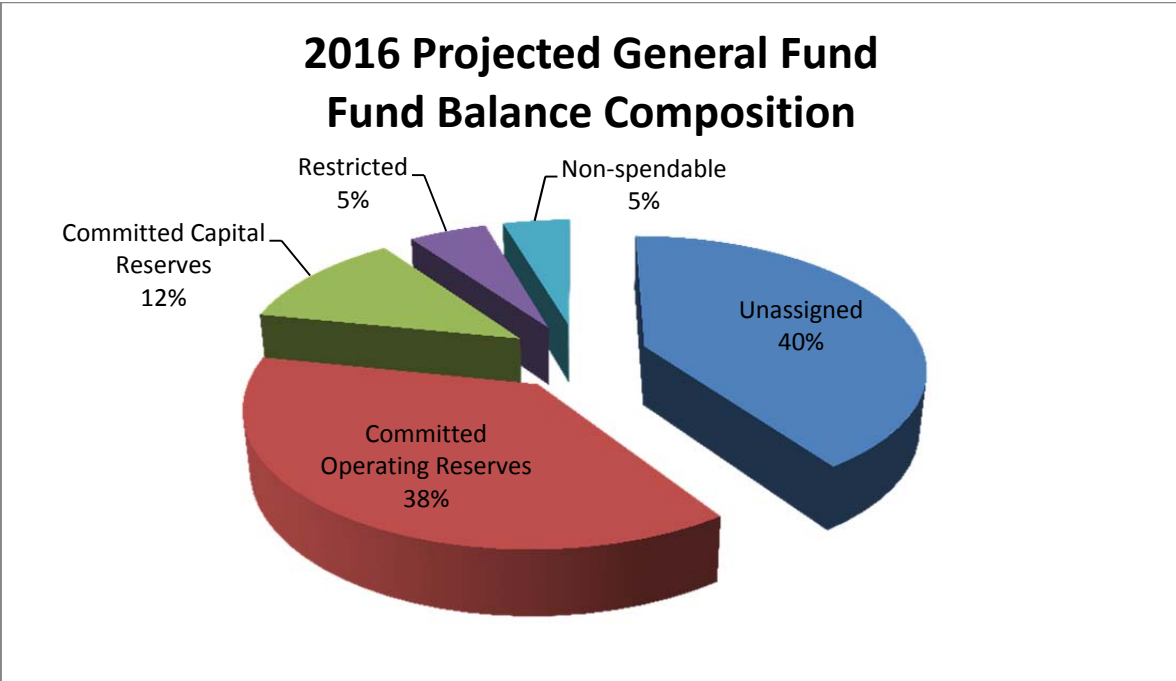
Fund balance is the difference between assets and liabilities and is divided between Non-spendable and Spendable. **Non-spendable** fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. **Spendable** fund balance is comprised of Restricted, Committed and Unassigned fund balance:

- **Restricted** fund balance includes amounts that are constrained for specific purposes that are externally imposed by providers.
- **Committed** fund balance includes amounts that are constrained for specific purposes that are internally imposed by the Board.
- **Unassigned** fund balance includes residual amounts that have not been classified within the previously mentioned categories and is a measure of current available financial resources.

(1) Supplemental Schedule for Capital Project Funds:

| (1,000's) | VSS BRT CPF | AMF CPF | Series 2013A CPF | Series 2016A CPF | 2016 Total CPF |
|--|----------------|------------|------------------------|------------------------|-------------------|
| Beginning fund balance (budget) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Revenues | \$ - | \$ - | \$ - | \$ - | \$ - |
| Expenditures | \$ - | \$ - | \$ - | \$ (6,833) | \$ (6,833) |
| Other financing source/(use) | \$ - | \$ 225 | \$ - | \$ 6,833 | \$ 7,058 |
| Change in net assets | \$ - | \$ 225 | \$ - | \$ - | \$ 225 |
| Ending fund balance | \$ - | \$ 225 | \$ - | \$ - | \$ 225 |

(2) After the end of the 2015 year, any unexpended budget in the VSS BRT CPF, AMF CPF, and Series 2013A CPF will need to be re-budgeted in 2016



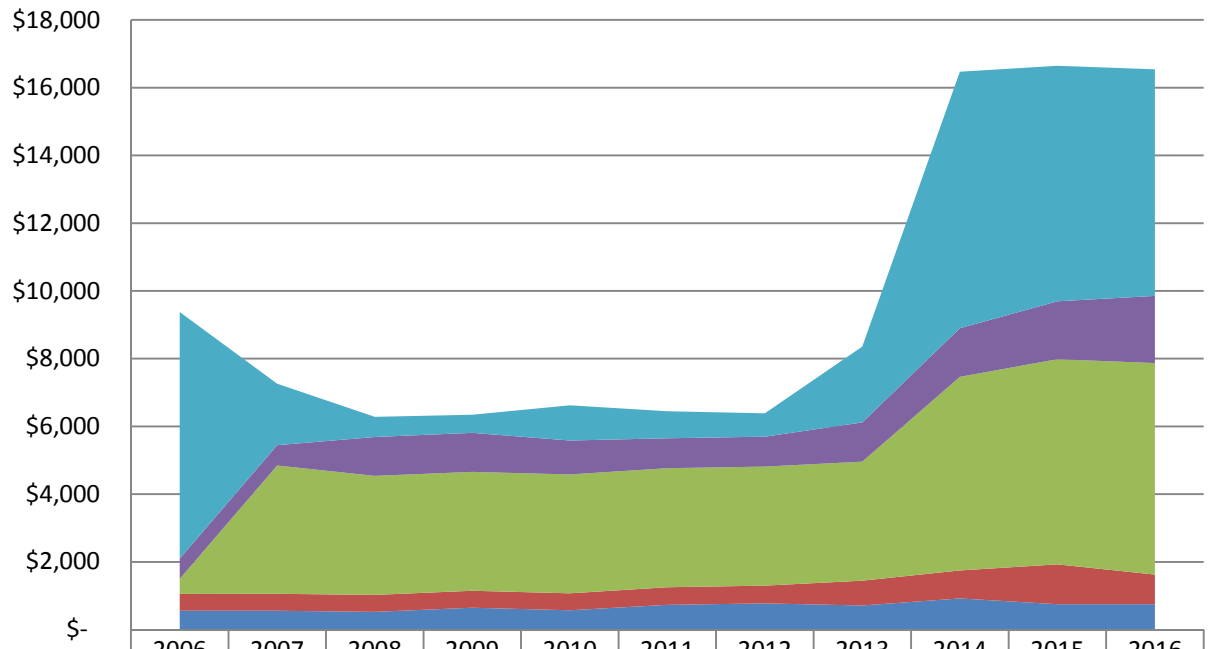
General Fund comparative Fund Balance

| | All funds | | | General fund only | | | | | | | |
|--------------------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| | Final | Final | Final | Final | Final | Final | Final | Final | Final | Budget | Budget |
| Beginning fund balance | \$ 7,558 | \$ 9,376 | \$ 7,421 | \$ 6,280 | \$ 6,346 | \$ 6,620 | \$ 6,449 | \$ 6,385 | \$ 8,355 | \$ 14,702 | \$ 14,702 |
| Revenues | \$ 28,747 | \$ 35,869 | \$ 29,011 | \$ 21,056 | \$ 15,982 | \$ 17,288 | \$ 17,474 | \$ 24,449 | \$ 27,535 | \$ 39,214 | \$ 29,159 |
| Operating expenditures | \$ (17,172) | \$ (22,428) | \$ (22,859) | \$ (13,177) | \$ (12,877) | \$ (13,623) | \$ (13,780) | \$ (14,139) | \$ (19,030) | \$ (20,755) | \$ (21,851) |
| Capital outlay | \$ (7,660) | \$ (13,581) | \$ (8,065) | \$ (5,426) | \$ (454) | \$ (1,826) | \$ (2,922) | \$ (7,593) | \$ (2,170) | \$ (14,682) | \$ (7,050) |
| Debt service | \$ (1,667) | \$ (1,541) | \$ (2,622) | \$ (2,657) | \$ (2,730) | \$ (2,347) | \$ (2,222) | \$ (2,265) | \$ (2,276) | \$ (2,339) | \$ (2,319) |
| Other financing sources/(uses) | \$ - | \$ - | \$ 3,586 | \$ 271 | \$ 354 | \$ 336 | \$ 1,387 | \$ 1,517 | \$ 4,057 | \$ (1,260) | \$ 1,957 |
| Reserves contribution | \$ (430) | \$ (275) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Change in net assets | \$ 1,818 | \$ (1,955) | \$ (948) | \$ 66 | \$ 275 | \$ (172) | \$ (63) | \$ 1,969 | \$ 8,116 | \$ 177 | \$ (105) |
| Fund Balance: | | | | | | | | | | | |
| SRF - designated | | \$ 161 | \$ 193 | | | | | | | | |
| Non-spendable | \$ 556 | \$ 559 | \$ 526 | \$ 649 | \$ 573 | \$ 734 | \$ 775 | \$ 711 | \$ 921 | \$ 750 | \$ 750 |
| Restricted | \$ 498 | \$ 498 | \$ 498 | \$ 498 | \$ 498 | \$ 519 | \$ 524 | \$ 733 | \$ 826 | \$ 1,176 | \$ 875 |
| Committed for: | | | | | | | | | | | |
| Operating reserves | \$ 444 | \$ 3,788 | \$ 3,513 | \$ 3,513 | \$ 3,513 | \$ 3,513 | \$ 3,513 | \$ 3,513 | \$ 5,717 | \$ 6,058 | \$ 6,244 |
| Facilities capital | \$ 225 | \$ 225 | \$ 425 | \$ 425 | \$ 275 | \$ 375 | \$ 375 | \$ 475 | \$ 575 | \$ 675 | \$ 775 |
| Transit capital | \$ 150 | \$ 150 | \$ 425 | \$ 425 | \$ 425 | \$ 135 | \$ 135 | \$ 235 | \$ 335 | \$ 435 | \$ 535 |
| Trails capital | \$ 225 | \$ 225 | \$ 300 | \$ 300 | \$ 300 | \$ 375 | \$ 375 | \$ 450 | \$ 525 | \$ 600 | \$ 675 |
| Unassigned | \$ 7,278 | \$ 1,816 | \$ 593 | \$ 537 | \$ 1,037 | \$ 798 | \$ 688 | \$ 2,237 | \$ 7,572 | \$ 6,953 | \$ 6,689 |
| Ending Fund Balance | \$ 9,376 | \$ 7,421 | \$ 6,473 | \$ 6,346 | \$ 6,620 | \$ 6,449 | \$ 6,385 | \$ 8,355 | \$ 16,470 | \$ 16,648 | \$ 16,543 |

Significant changes in Fund balance are as follows:

- 2006/2007 use of \$1.9 million timing difference between purchasing and financing of an employee housing property and change in operating reserve policy, \$3.2 million;
- 2007/2008 timing difference between purchasing and grant reimbursement of buses, \$1.2 million;
- 2008/2009 due to economic down turn, operating expenditures were approximately \$240,000 more than revenue;
- 2009/2010 Staff requested use of capital reserves of \$275,000 to continue multi-year capital projects that are in progress;
- 2010/2011 Staff requested use of capital reserves of \$735,000 to upgrade transit bus radios, repair trail damage, and improve facilities at the GMF and Parker House housing complex; currently, \$50,000 of unexpended trail repairs may replenish capital reserves;
- 2011/2012 no significant changes noted;
- 2012/2013 increase in unassigned due to an increase in sales tax revenues; incremental operating costs associated with the BRT transit service are funded by a transfer from the BRT Special Revenue Fund;
- 2013/2015 increase in unassigned primarily due to the remaining fund balance of \$6.2 million transferred from the BRT Special Revenue Fund;
- 2014/2015 no significant changes noted; and
- 2015/2016 Staff requested use of the reserve funds which were set aside in fund balance at the issuance of the 2005 Certificates of Participation with the purpose to pay the final debt service payment in 2016;

General Fund's Fund Balance History (1,000's)



| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| ■ Unassigned | \$7,278 | \$1,816 | \$593 | \$537 | \$1,037 | \$798 | \$688 | \$2,237 | \$7,572 | \$6,953 | \$6,689 |
| ■ Committed Capital Reserves | \$600 | \$600 | \$1,150 | \$1,150 | \$1,000 | \$885 | \$885 | \$1,160 | \$1,435 | \$1,710 | \$1,985 |
| ■ Committed Operating Reserves | \$444 | \$3,788 | \$3,513 | \$3,513 | \$3,513 | \$3,513 | \$3,513 | \$3,513 | \$5,717 | \$6,058 | \$6,244 |
| ■ Restricted | \$498 | \$498 | \$498 | \$498 | \$498 | \$519 | \$524 | \$733 | \$826 | \$1,176 | \$875 |
| ■ Non-spendable | \$556 | \$559 | \$526 | \$649 | \$573 | \$734 | \$775 | \$711 | \$921 | \$750 | \$750 |



2016 Budget

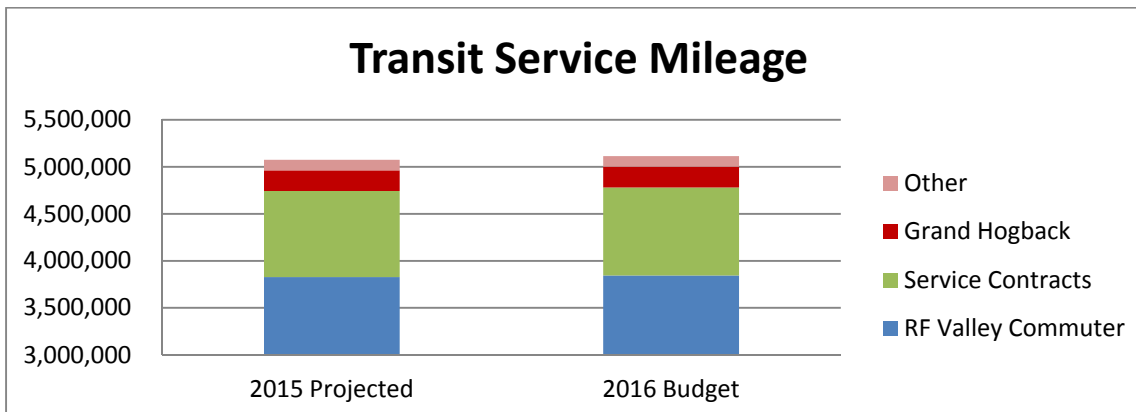
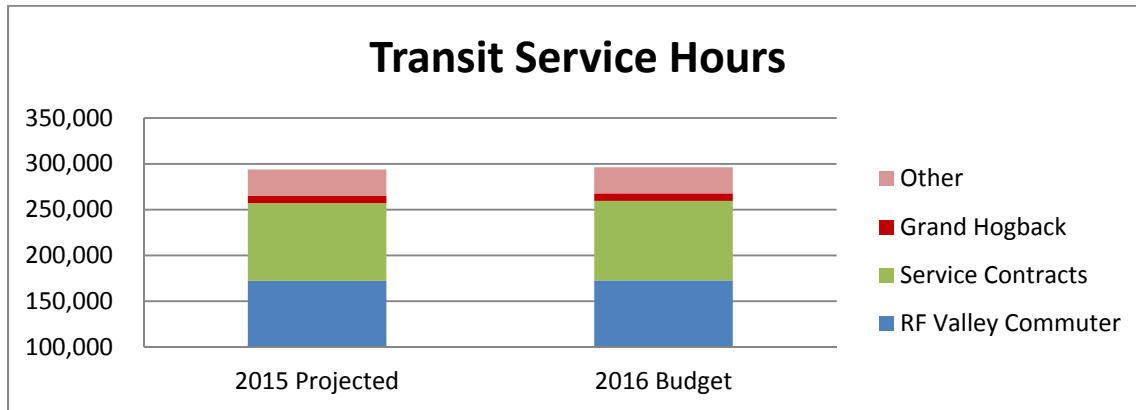
Expenditures

Operating expenditure summary by Department with Fuel

| Department (1,000's) | General Fund | Service Contracts | Bus Stops/ PNR SRF | Mid Valley Trails SRF | 2016 Total Department Budget | % |
|------------------------|------------------|-------------------|-----------------------|--------------------------|------------------------------------|-------------|
| Fuel | \$ 1,698 | \$ 745 | \$ - | \$ - | \$ 2,443 | 8% |
| Transit Maintenance | \$ 4,305 | \$ 1,848 | \$ - | \$ - | \$ 6,153 | 19% |
| Transit Operations | \$ 8,344 | \$ 4,239 | \$ - | \$ - | \$ 12,583 | 39% |
| CEO | \$ 920 | \$ 392 | \$ - | \$ - | \$ 1,312 | 4% |
| Finance | \$ 952 | \$ 405 | \$ - | \$ - | \$ 1,357 | 4% |
| Planning | \$ 432 | \$ 184 | \$ - | \$ - | \$ 616 | 2% |
| HR & Risk Mgmt | \$ 1,591 | \$ 677 | \$ - | \$ - | \$ 2,268 | 7% |
| Information Technology | \$ 1,122 | \$ 478 | \$ - | \$ - | \$ 1,600 | 5% |
| Facilities | \$ 1,900 | \$ 809 | \$ 627 | \$ - | \$ 3,335 | 10% |
| BOD & General Counsel | \$ 150 | \$ 64 | \$ - | \$ - | \$ 213 | 1% |
| Trails & Corridor Mgmt | \$ 437 | \$ - | \$ - | \$ 66 | \$ 503 | 2% |
| Total | \$ 21,851 | \$ 9,840 | \$ 627 | \$ 66 | \$ 32,384 | 100% |

Assumptions used in preparing the budget are as follows:

- No significant changes to the transit service plan:

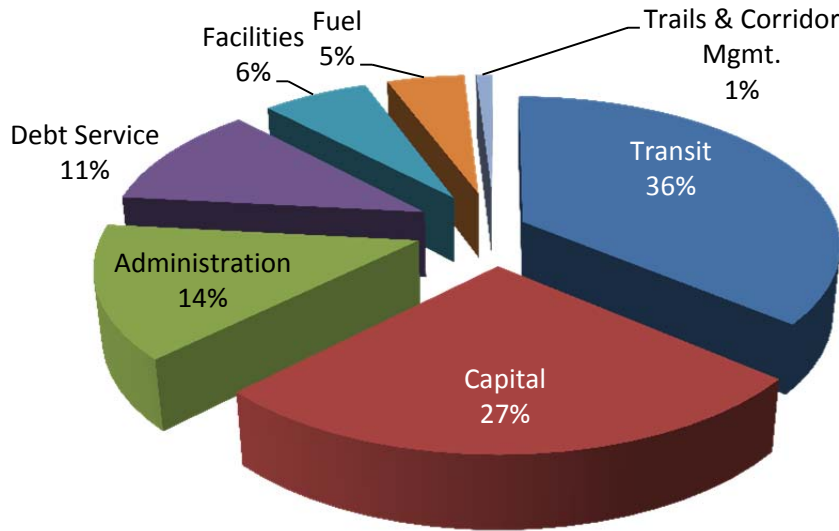




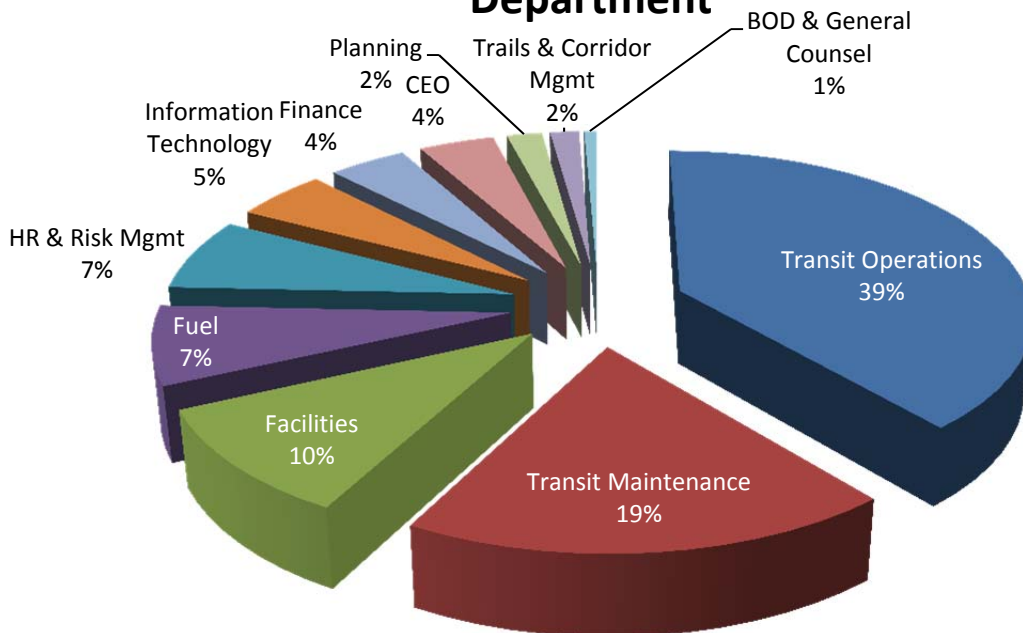
2016 Budget

- Diesel fuel assumes a Winter Blend between December and April and a Biodiesel Blend for the remainder of the year. The weighted average cost is approximately 18% less per gallon based on a fixed forward pricing contract. CNG fuel assumes current pricing from our existing vendor. The budgeted CNG cost is approximately \$1.79 per Diesel Gallon Equivalent.
- Based on the recent market survey, the budget incorporates (1) that employees whose pay falls under the new minimums will be brought up accordingly at the beginning of the year, (2) market and grade change adjustments between 1-3% will be applied accordingly at the beginning of the year, (3) merit increase of up to 4% effective at each employee's next performance review date. For members of the Collective Bargaining Unit, the budget incorporates the wage scale as described in the Agreement.
- The Authority received the Request for Funding Application Forms from three organizations which have been approved by the Board and are reflected in the budget:
 - \$25,000 from WE-cycle, a 501(c)(3) non-profit organization in Aspen to support night and weekend bike sharing operations;
 - \$25,000 from Garfield Clean Energy to support three key program areas and projects: (1) Energy Efficiency for Governments – for energy consulting services for RFTA, (2) Active Transportation – for helping to expand and promote multi-modal transportation, and (3) Alternative fuels – for building knowledge and demand for CNG and electric vehicles and fueling infrastructure..
 - \$4,000 from Northwest Colorado Council of Governments to help fund the match for their Section 5310 Mobility Management grant from CDOT.
- Certain expenditures will be added into the budget through supplemental budget appropriation resolutions during the budget year when funding is available.

2016 Budgeted Expenditures by Function



2016 Budgeted Operating Expenditures by Department



Capital Expenditures

| Description (1,000's) | General Fund | Capital Project Funds | Total Capital |
|----------------------------------|-----------------|-----------------------|------------------|
| Transit | | | |
| GMF Phase I | | \$ 6,691 | \$ 6,691 |
| Rolling stock (6 CNG buses) | \$ 5,000 | | \$ 5,000 |
| New Castle PNR | \$ 800 | | \$ 800 |
| Facilities Improvements | \$ 250 | | \$ 250 |
| Basalt Pedestrian Underpass | \$ 250 | | \$ 250 |
| Bus engine/transmission rebuilds | \$ 200 | | \$ 200 |
| Support vehicles | \$ 172 | | \$ 172 |
| WE-Cycle Kiosk | \$ 50 | | \$ 50 |
| Other Transit | \$ 143 | | \$ 143 |
| Facilities Master Plan | \$ 65 | | \$ 65 |
| Subtotal Transit | \$ 6,930 | \$ 6,691 | \$ 13,621 |
| Trails | | | |
| Asphalt Repair | \$ 100 | | \$ 100 |
| Support vehicles | \$ 20 | | \$ 20 |
| Subtotal Trails | \$ 120 | \$ - | \$ 120 |
| Total | \$ 7,050 | \$ 6,691 | \$ 13,741 |

Capital assets are defined as assets with an initial cost of \$5,000, a useful life of in excess of 3 years; funding for capital expenditures is obtained primarily through sales tax, fares and grants.

The major Authority fixed assets are as follows:

Transit Program

- Aspen Maintenance Facility; two Carbondale Administrative Offices; Glenwood Springs Maintenance Facility and Administrative Offices and two employee housing complexes;
- Rolling stock or buses carrying approximately 40 passengers are used to provide the majority of the public commuter transit services;
- The Authority fleet primarily consists of diesel and hybrid buses that each cost approximately \$350,000 and \$500,000, respectively;
- The Authority considers the average life of a bus to be 12 years and 500,000 miles;
- Most bus replacements are funded through various Federal, State and local grants;
- Maintenance for the fleet is provided primarily through the Authority’s Bus Maintenance Department within the Transit Program;
- Various bus stop and park n ride properties.

Trails Program

- Carbondale Trails Shop and Administrative Offices; the Rio Grande Trail and Corridor.

Capital Expenditures – General Fund

Capital Maintenance Program

- The purpose of Phase I of the GMF renovation and expansion project is to provide storage, maintenance and operations support for our regional transit services, including BRT, and also the storage of additional buses needed for the anticipated transit mitigation during the CDOT Grand Avenue Bridge replacement.
- Rolling Stock will replace six over-the-road coach buses as identified during the initial State of Good Repair inspection.
- The New Castle Park and Ride project, which is grant funded, is to plan, design, and construct a new park and ride to support regional services along the I-70 corridor.
- Finally, all other capital maintenance projects are identified on a case by case basis.

Impact of capital improvement on the Operating Budget

- Management reviewed the \$13.7 million of capital projects and determined that \$11.7 million will be financed through a combination of bond issuance and capital lease financing. The impact on the operating budget for 2016 will be limited to the new debt service resulting from the new financing.
- Engine and transmission rebuilds are planned reoccurring projects requiring no extra maintenance resources; all transmission rebuilds are performed by third party vendors.

Significant Non-routine Capital Expenditures

The Authority considers building and park & ride repairs and maintenance routine.





2016 Budget

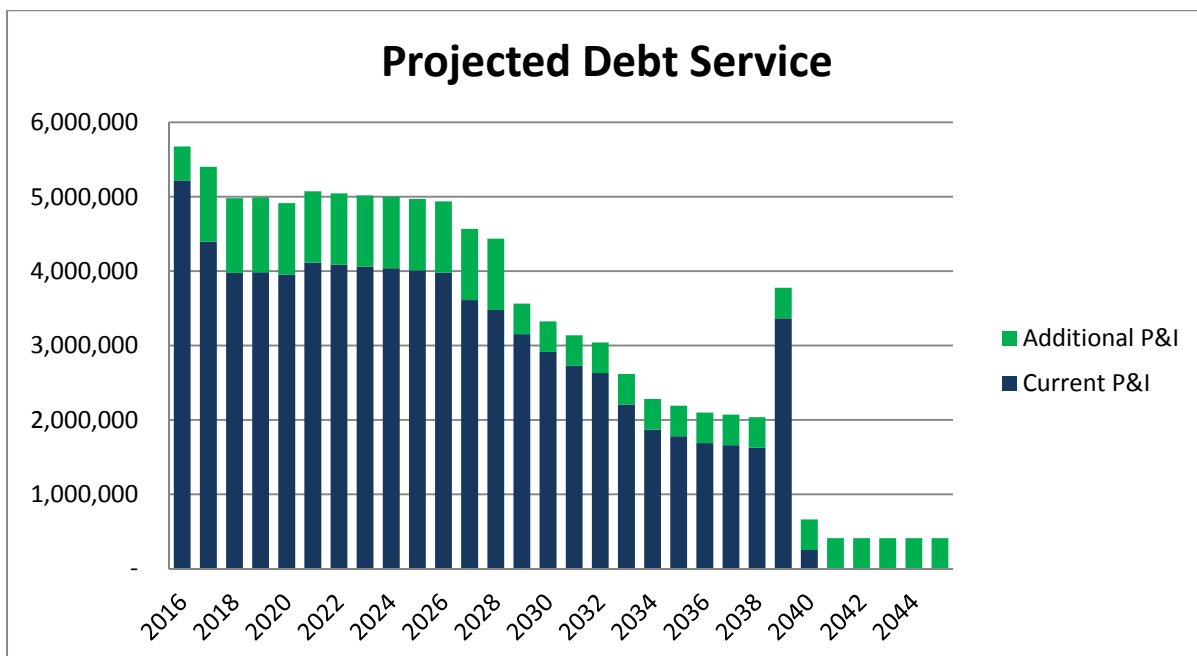
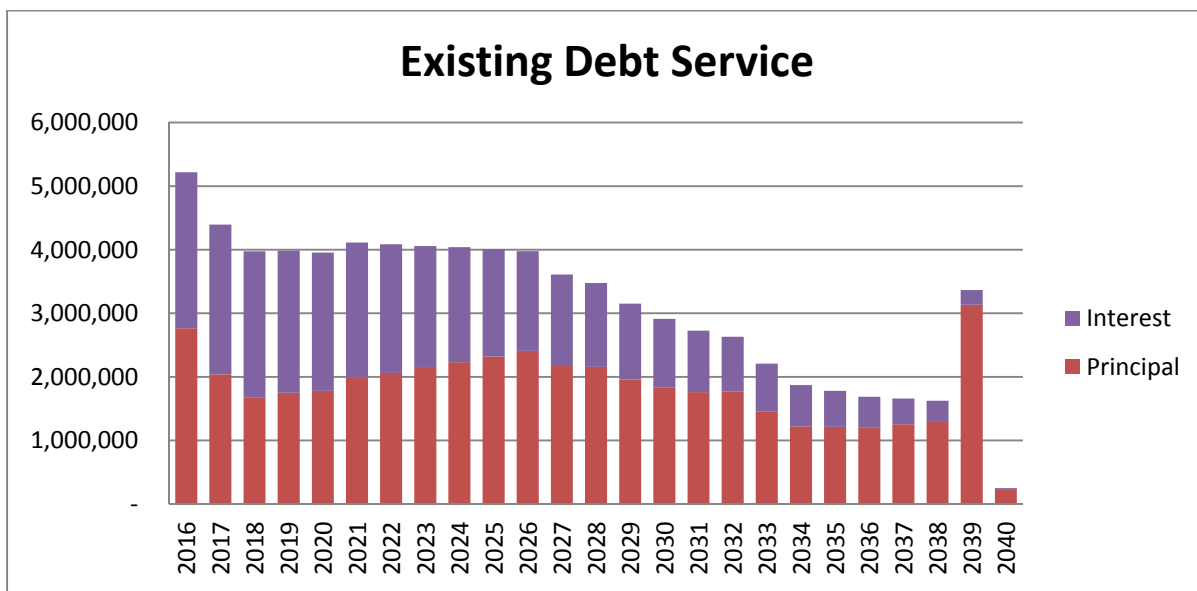
Operating Line Item Expenditures greater than \$50,000 (excluding personnel compensation)

| Description | 2016 Budget | Description | 2016 Budget |
|--------------------------------------|--------------------|---|--------------------|
| Medical Insurance(CHP) | \$ 2,750,000 | H S A Employer Match (HDHP) | \$ 93,500 |
| Transit Diesel Fuel | \$ 1,699,000 | Building Repair and Maintenance | \$ 85,000 |
| Bus Parts | \$ 1,000,000 | Natural Gas | \$ 75,150 |
| Pinnacol Premiums | \$ 548,000 | Accident Third Party Repairs | \$ 75,000 |
| Corporate Insurance Package | \$ 493,000 | Security / Loss Prevention | \$ 75,000 |
| Transit Compressed Natural Gas | \$ 380,000 | HRA Deductable Reimb(CS-PPO) | \$ 75,000 |
| TOSV Regional Service Contract | \$ 313,425 | Building Repair and Maintenance | \$ 75,000 |
| Bus Tire & Tubes | \$ 287,400 | Electric | \$ 71,550 |
| CCMSI Gen Liability Claims | \$ 225,000 | Scheduling Software Support | \$ 70,000 |
| Alt Fica (Life Insurance, AD&D, LTD) | \$ 220,000 | Dues, Memberships, & Subscriptions | \$ 67,000 |
| Trillium O&M | \$ 198,000 | Electric | \$ 66,100 |
| Bus Third Party Repairs | \$ 194,700 | CCMSI Workers' Comp Claims | \$ 65,000 |
| AVL/CAD Software Support | \$ 192,654 | Janitorial Service | \$ 62,450 |
| Rent Expense | \$ 185,750 | Ballot pre-work | \$ 60,000 |
| Professional / Legal Services | \$ 160,000 | Pinnacol Claims | \$ 60,000 |
| Janitorial Service | \$ 152,700 | Data Processing Supplies | \$ 60,000 |
| Materials & Supplies | \$ 150,400 | Other Business Insurance | \$ 55,000 |
| ROW Land Schedule & GIS graphics | \$ 150,000 | Printing - Schedules / Maroon Bells Tickets | \$ 51,000 |
| Oil, Lubricants, Antifreeze | \$ 136,000 | Natural Gas | \$ 50,200 |
| Snow Plowing | \$ 125,000 | Office Equipment Rental/Repair | \$ 50,000 |
| Transit Unleaded Fuel | \$ 102,000 | Legislative Contract | \$ 50,000 |
| Janitorial Service | \$ 101,400 | Software Renewal for modems and other | \$ 50,000 |
| Intergrated Transportation Plan | \$ 100,000 | HAZMAT Disposal | \$ 50,000 |
| | | Repair and Maintenance | \$ 50,000 |

Debt, Long term Commitments and Obligations

The Authority is not subject to legal debt limits.

Entering the 2016 year, the existing annual debt service is approximately \$5.2 million. The 2005 Certificates of Participation and the 2008 Capital Lease for buses are set to mature in 2016. The 2007 Capital Lease for buses will mature in 2017. As a result of the upcoming final payments on these three particular debts over the next two years, the Authority will have the capacity to pay the additional estimated debt service from an anticipated bond issuance in 2016 and capital lease financing for the six bus replacements in 2017:



Debt, Long term Commitments and Obligations continued...

The following represents the Authority’s list of debt, long term commitments and obligations reported in the General Fund:

- 2007 Capital lease, 4.28%, purpose – bus purchase;
- 2008 Capital leases include: 4.39%, purpose – employee housing purchase; 3.18%, purpose – bus purchase;
- Series 2010A Build America Bonds, 6.689-6.939%, purpose – Aspen Maintenance Facility Re-commissioning capital assets;
- Series 2010B Tax Exempt Bonds, 2.0-4.25%, purpose – Aspen Maintenance Facility, Carbondale Maintenance Facility, Carbondale Main Street Employee Housing, Glenwood Maintenance Facility and buses (refunding of 1998 & 2001 Bonds)
- 2011 Capital lease, 4.5%, purpose – office;
- 2012 Equipment, 4.57-5.78%, purpose – equipment
- 2013 Vehicles, 5.7%, purpose – automobile purchases;
- 2013 Equipment, 7.58%, purpose – equipment;
- 2014 Vehicles, 5.95%, purpose – automobile purchase;
- 2015 Capital lease, 5.5%, purpose – solar array purchase;
- Anticipated 2016 Vehicles, est. 5.95%, purpose – automobile purchase.
- Anticipated 2017 Capital lease, est. 4.5%, purpose – bus replacement

Principal and interest amounts by issuance to be paid during the Budget year are as follows:

| Issuance | Principal | Interest | Issuance Total |
|--|---------------------|-------------------|-----------------------|
| 2005 Certificates of Participation | \$ 395,000 | \$ 17,775 | \$ 412,775 |
| 2007 Capital lease | \$ 619,049 | \$ 30,432 | \$ 649,481 |
| 2008 Employee housing | \$ 102,435 | \$ 70,542 | \$ 172,977 |
| 2008 Buses | \$ 78,724 | \$ 1,252 | \$ 79,976 |
| Series 2010A Taxable Build America Bonds | - | \$ 173,032 | \$ 173,032 |
| Series 2010B Tax Exempt Bonds | \$ 330,000 | \$ 150,931 | \$ 480,931 |
| 2011 Office | \$ 38,070 | \$ 38,306 | \$ 76,376 |
| 2012 Equipment | \$ 9,954 | \$ 455 | \$ 10,409 |
| 2013 Automobiles | \$ 38,961 | \$ 2,221 | \$ 41,182 |
| 2013 Equipment | \$ 16,812 | \$ 641 | \$ 17,453 |
| 2014 Automobiles | \$ 33,254 | \$ 4,075 | \$ 37,329 |
| 2015 Capital lease - Solar Array | \$ 40,865 | \$ 79,194 | \$ 120,059 |
| 2016 Automobiles (est.) | \$ 46,797 | \$ - | \$ 46,797 |
| Total General Fund | \$ 1,749,921 | \$ 568,856 | \$ 2,318,777 |

Debt, Long term Commitments and Obligations continued...

The following represents the Authority’s list of debt, long term commitments and obligations reported in the Debt Service Fund:

- Series 2009A Tax-Exempt Bonds, 3.6%, purpose – BRT Project capital assets;
- Series 2009B Build America Bonds, 6.7%, purpose – BRT Project capital assets;
- Series 2012A Qualified Energy Conservation Bonds, 1.07%, purpose – CNG Project capital assets
- Series 2013A Tax-Exempt Loan, 3.48% - Bus Stop/Park & Ride and facility capital assets;
- Series 2013B Qualified Energy Conservation Bonds, est. 1.8% – AMF Recommissioning Project capital assets;
- Anticipated 2016A Bonds, est. 4%, purpose – GMF Phase I Project capital assets.

Principal and interest amounts by issuance to be paid during the Budget year are as follows:

| Issuance | Principal | Interest | Issuance Total |
|--|---------------------|---------------------|-----------------------|
| Series 2009A Tax Exempt Bonds | \$ 570,000 | \$ 118,875 | \$ 688,875 |
| Series 2009B Taxable Build America Bonds | - | \$ 1,429,186 | \$ 1,429,186 |
| Series 2012A Qualified Energy Conservation Bonds | \$ 340,000 | \$ 213,030 | \$ 553,030 |
| Series 2013A Tax Exempt Loan | \$ 100,000 | \$ 65,250 | \$ 165,250 |
| Series 2013B Qualified Energy Conservation Bonds | \$ 50,000 | \$ 60,760 | \$ 110,760 |
| Series 2016A (est.) | \$ 126,683 | \$ 284,200 | \$ 410,883 |
| Total Debt Service Funds | \$ 1,186,683 | \$ 2,171,301 | \$ 3,357,984 |

Operations Guide

Description of Programs

- *Transit Program* provides commuter bus service throughout the Roaring Fork Valley and into the I-70 Corridor in Colorado.
- *Trails Program* maintains a multi-purpose pedestrian, bike and equestrian trail on the Authority owned, Rio Grande Rail Corridor.

Description of Functions and Departments

- *Transit Function* provides commuter transit services, maintains the fleet of transit commuter vehicles (buses):
 - Maintenance – Activities include maintenance, repair and cleaning of commuter buses and administrative vehicles, purchases bus parts and transit fuel, personnel recruitment and bus procurement.
 - Operations – Activities include personnel recruitment, management of the commuter bus service and customer service center for the Transit Program.
- *Trails & Corridor Function* is responsible for maintaining the multi-purpose pedestrian, bike and equestrian trail and managing the Rio Grande Rail Corridor:
 - The Trails and Corridor – Activities include maintenance and repair of the Authority owned trail, trails grant application and management.
- *Administrative Function* is responsible for all administrative activities:
 - General Counsel – Activities include Board governance policy support, contract, personnel and rail corridor legal support.
 - CEO – Activities include the overall management of the Authority, maintaining the official records of the Authority, procurement and maintenance of contracts, and safety and training.
 - Facilities - Activities include the maintenance and repairs of the buildings, grounds, bus stops and park n rides used by the Programs and management of capital projects.
 - Finance – Activities include maintaining the financial records of the Authority, budget, all accounting functions, debt service, cash management, and financial and grant reporting. Also, responsible for management of the Authority employee social security replacement 401(a) Plan.
 - Human Resources/ Risk Management – Activities include hiring of administrative personnel, procuring and maintaining employee benefits, procuring and management of all aspects of insurance.
 - Information Technology– Activities include maintaining the facilities and bus security systems, administrative computer hardware and software, printers, voice over internet protocol telephone system, the electronic fare box system and Intelligent Transportation Software. Also responsible for the marketing and communication of Authority transit and trails programs.
 - Planning – Activities include developing and submitting proposals for federal and state grants, managing strategic planning efforts, and collaborating with regional planners on transit-oriented developments.

Authority Organization Chart by Department/Unit

Public as Owners (Voters and Tax Payers)

Regional RFTA Member Jurisdictions

City of Aspen

Town of Basalt

Town of Carbondale

Eagle County

City of
Glenwood Springs

Town of New Castle

Pitkin County

Town of
Snowmass Village

RFTA Board of Directors and Alternates

Steve Skadron
Ann Mullins

Jacque Whitsitt
Dr. Herschel Ross

Stacey Bernot, Chair
John Hoffmann

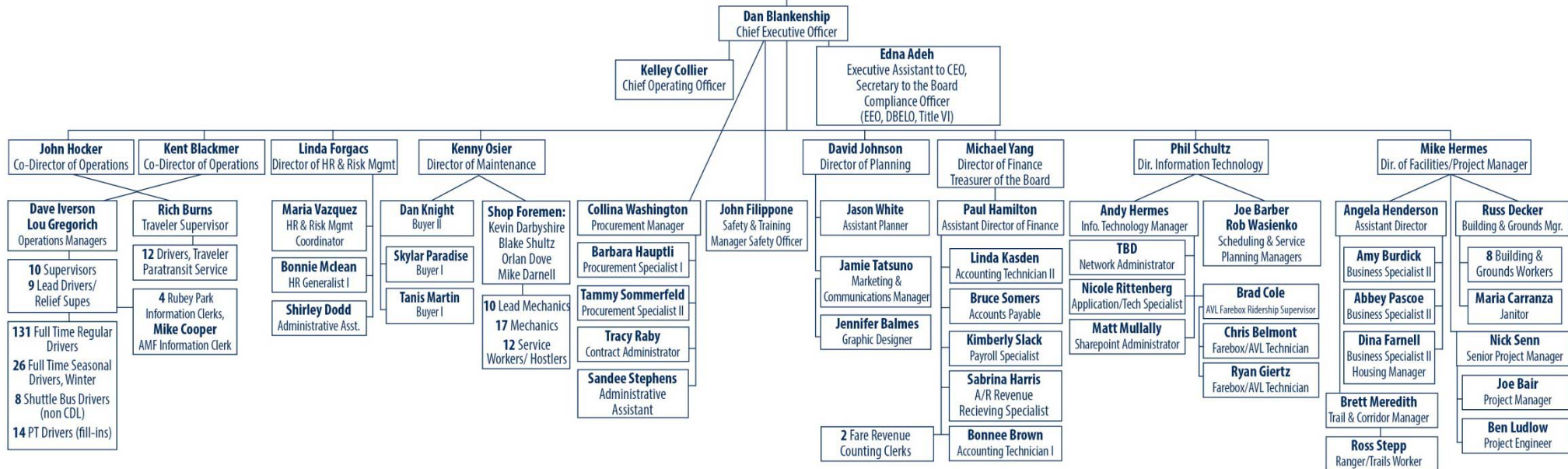
Kathy Chandler-Henry, Vice Chair
Jeanne McQueeney

Michael Gamba
Kathryn Trauger

Bob Gordon
Patrick Stuckey

Michael Owsley
George Newman

Markey Butler
Alyssa Shenk



Public as Customers - Resident and Visitor Transit and Trail Users

Performance Measurement

Organization-wide

In 2012, organization-wide objectives were identified and related strategies and measures of success were developed:

Objective 1: Safety

Measures of Success:

1. Maintain or lower current accident and workers compensation levels.
2. Accident and workers compensation levels compare favorably with internal and industry standards.
3. Develop and implement an annual safety training and awareness program for each department.
4. All internal and external safety complaints are reviewed and tracked in a timely manner.

Objective 2: Human Capital

Measures of Success:

1. Annual voluntary permanent (year-round) staff turnover rates remain less than 5%.
2. Annual return rates for preferred seasonal employees increase each year.
3. Develop a formal employee performance evaluation program.
4. All employees receive a formal annual performance evaluation within 30 days of their employment anniversary date.
5. All job descriptions have been updated and approved.
6. Every job function has at least two employees who are sufficiently trained and capable of performing the duties and critical tasks associated with the function.
7. Formalize a development and training plan for all employees.
8. All Directors/Managers have a succession plan.

Objective 3: Sustainability/Existence Planning

Measures of Success:

1. The long-term financial forecast has been updated annually and reviewed with the CEO and RFTA Board of Directors and/or subcommittee.
2. The monthly forecast has been updated and reviewed with the CEO.
3. The rate of increase of the General Fund's budgeted operating expenditures does not exceed the estimated rate of growth for operating revenues on an annual basis (post-BRT implementation).

Objective 4: Customer Service

Measures of Success:

1. Biennial customer service survey results show a steady improvement.
2. Quarterly analysis of complaint database results in a decline in the number of complaints.
3. Performance for safety, reliability, cost and comfort meets or exceeds customer expectations, RFTA standards and transportation industry standards.
4. Perception of RFTA performance as reported in the media is positive.

Performance Measurement continued...

Objective 5: Environmental Sustainability Planning

Measures of Success:

1. Monitor existing resources to verify optimum operational efficiency.
2. Create baseline measurements for comprehensive fleet and facility energy usage.
3. By 2017, renewable energy production projects will offset at least 50% of total annual energy usage at facilities contingent upon the cost effectiveness of secured capital and long-term financing that warrants infrastructure or operational improvements superior to existing resources.
4. By 2020, transit fleet will be powered with at least 30% alternative fuels and/or innovative renewable technologies that continue to decrease dependence on foreign, non-renewable resources contingent upon the cost effectiveness of secured capital and long-term financing that warrants infrastructure or operational improvements superior to existing resources.
5. VelociRFTA BRT will contribute to the reduction of regional greenhouse gas emissions by offering a travel time of less than one hour from Glenwood Springs to Aspen, competitive to personal automobile travel.
6. Implement a strategy to procure ecologically-friendly goods and services within federal, state and local guidelines.
7. Staff will continue to market RFTA as a viable alternative transportation choice and educate the public about transit benefits.

Objective 6: Communication

Measures of Success:

1. Monthly increase in social media hits.
2. Monthly increase in visitors to website.
3. Positive SharePoint user feedback.
4. Internal and external issues are clearly and completely resolved.
5. Bi-lingual communication tools.
6. Public and internal surveys result in an accurate awareness of RFTA information.

Department Accomplishments

The following represents a list of goals that departments achieved during 2015 where each goal ties to one or more of the six Organizational Objectives:

CEO/ COO/Procurement/Safety & Training

- In accordance with the Organizational Structure Review recommendations, the Marketing function was moved under the Planning Department and a new Chief Operating Officer was added (Sustainability/Existence);
- Updated Board Governing Policies (Sustainability/Existence Planning);
- Updated 5-year Strategic Plan (Sustainability/Existence Planning);
- Updated 15-year financial forecast (Sustainability/Existence Planning);

Department Accomplishments continued...

CEO/ COO/Procurement/Safety & Training (continued)

- Completed Grand Avenue Bridge Transit Mitigation Plan in cooperation with Glenwood Springs and CDOT (Customer Service);
- Started work on the Transit Service Optimization Plan (Sustainability/Existence);
- Collaborated with the Colorado Association of Transit Agencies to seek amendments to Regional Transit Authority (RTA) law for the purpose of extending property tax authority and to obtain Eminent Domain Power for all RTA's (Sustainability/Existence).

Facilities/Trails Department

- Completed design and significant construction of Rubey Park Transit Center and Aspen Maintenance Facility (AMF) Phase III (Safety; Customer Service; Environmental);
- Park and ride projects: completed design on New Castle and West Glenwood, and completed significant construction on Carbondale (Customer Service);
- Started Housing and Office Space Master Plan (Sustainability/Existence);
- Started implementation of Asset Management software (Sustainability/Existence);
- Continued Comprehensive Plan for transit and rail corridor (Sustainability/Existence).

Finance Department

- Updated Long Range Financial Forecast (Sustainability/Existence);
- Secured financing for RFTA's investment in a community solar array (Sustainability/Existence);
- Completed the Standard & Poors annual review of the 2005 Certificates of Participation resulting in a ratings upgrade from "A-" to "A" (Sustainability/Existence);
- Provided financial analysis to help reach an agreement with the Collective Bargaining Unit in a timely manner (Sustainability/Existence);
- Assisted with a fixed-forward pricing contract for fuel resulting in an 18% decrease in the weighted average cost per diesel gallon (Sustainability/Existence).

Human Resources & Risk Management

- Completed the update to Personnel Guidelines (Human Capital);
- Conducted employee survey regarding benefits (Human Capital);
- Completed market survey on all job descriptions (Human Capital);
- Developed a pre-hire fit for duty evaluation process for bus operators (Human Capital);
- Expanded online training opportunities for employees (Human Capital);
- Assisted with improving Safety and Risk Newsletters to increase education (Human Capital).

Information Technology Department

- Started creation of Virtual Desktop systems (Communication);
- Completed installation of Wi-Fi capability on entire bus fleet (Customer Service);
- Collaborated with Comcast to install a new 30MB fiber optic line from Glenwood Springs to Aspen (Communication, Customer Service);

Department Accomplishments continued...

Information Technology Department (continued)

- Continue development of mobile applications for passengers (Sustainability/Existence);
- Installed third metro Ethernet line (Communication);
- Installed two additional ticket vending machines at BRT stations (Customer Service).

Maintenance Department

- Completed initial State of Good Repair analysis on fleet and updated the replacement schedule (Sustainability/Existence);
- Assisted in the development of a multi-year vehicle purchasing procurement process (Sustainability/Existence);
- Continue to train new employees and managers to address impacts of BRT (Human Capital);
- Assisted in the development of a bus overflow parking plan (Sustainability/Existence).

Operations Department

- Implemented schedule changes to improve efficiency and on-time performance of regional service (Customer Service);
- Hired and retained the full complement of bus operators needed (Human Capital);
- Maintained continuity of transit service during the Rubey Park Transit Center Renovation Project (Customer Service);
- Contributed to the Grand Avenue Bridge Replacement Transit Mitigation Plan (Customer Service);
- Improved creative recruiting programs to hire and retain competent bus operators (Human Capital).

Planning and Marketing Department

- Provided quarterly updates of RFTA's 5-year Strategic Plan (Sustainability/Existence);
- Completed the Regional Travel Patterns Study update (Sustainability/Existence);
- Completed the Regional Bicycle, Pedestrian & Transit Access Plan (Sustainability/Existence);
- Re-instituted the Regional Planners Roundtable meetings (Sustainability/Existence);
- Assisted with the Community Solar Array investment (Environmental Sustainability);
- Re-designed and launched new RFTA website at www.rfta.com (Customer Service, Communication);
- Created a new detailed system-wide regional map for Aspen and Glenwood Springs (Communication);
- Expanded existing passenger email database to 1,500 contacts (Communication).

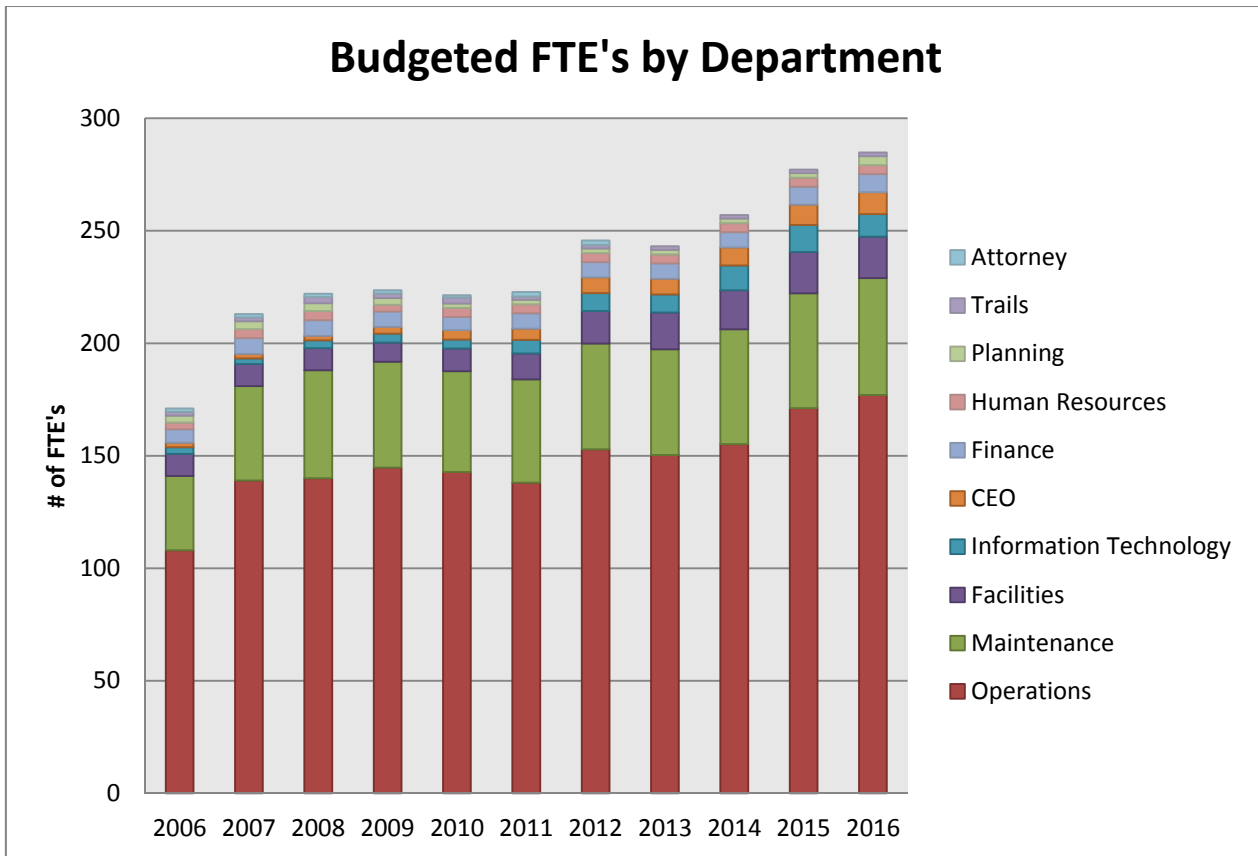
Summary Position Information

| Department FTE | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------------------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|
| Attorney | 1.5 | 1.5 | 1.5 | 1.5 | 1 | 2 | 2 | 0 | 0 | 0 | 0 |
| CEO | 2 | 2 | 2 | 3 | 4.2 | 5 | 7 | 7 | 8 | 9 | 9.8 * |
| Facilities | 9.8 | 9.8 | 9.8 | 8.5 | 10.1 | 11.5 | 14.4 | 16.4 | 17.4 | 18.4 | 18.4 |
| Finance | 6 | 7 | 7 | 6.8 | 5.8 | 6.8 | 6.8 | 6.8 | 6.8 | 8 | 8 |
| Human Resources | 3 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Information Technology | 3 | 2.5 | 3.5 | 4 | 4 | 6 | 8 | 8 | 11 | 12 | 10 ** |
| Maintenance | 33 | 42 | 48 | 47 | 44.8 | 46 | 47 | 47 | 51 | 51 | 52 * |
| Operations | 108 | 139 | 140 | 144.8 | 142.8 | 138 | 152.9 | 150.3 | 155.2 | 171.2 | 177 *** |
| Planning | 3 | 3.5 | 3.5 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 4 ** |
| Trails | 1.7 | 1.7 | 2.7 | 2 | 2.7 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Grand Total | 171 | 213 | 222 | 223.6 | 221.4 | 222.8 | 245.7 | 243.1 | 257 | 277.2 | 284.8 |

**New administrative position budgeted*

*** Two administrative positions transferred departments*

**** Bus Operators added in order to maintain existing service levels*





2016 Budget

Other Planning processes

- Annual Board Retreat
 - During the first half of each year the Authority Board conducts a retreat to review strategic plans on an entity wide basis;
- Capital Financial Planning
 - The Authority has engaged consultants to review all major facilities and determine the needed capital maintenance and provide a capital maintenance program to ensure that these facilities will continue to function in an efficient and effective capacity.
 - An outside firm has been engaged to provide real estate and programming consulting services to define the Authority's existing office space and housing requirements and to define and forecast the organizations needs for the next 20 years of anticipated growth. The goal will be to obtain a comprehensive analysis of the organization's current and future housing and office needs and develop a high level strategic plan for meeting those needs.

Budget process

The Authority is a Special District Governmental Entity for State Budget reporting purposes and is subject to Colorado Local Government Budget Law, Section 29-1-101. The budgetary level of control is on a fund basis. Starting in July of each year the appointed Budget Officer and CEO prepare the budget in the following steps:

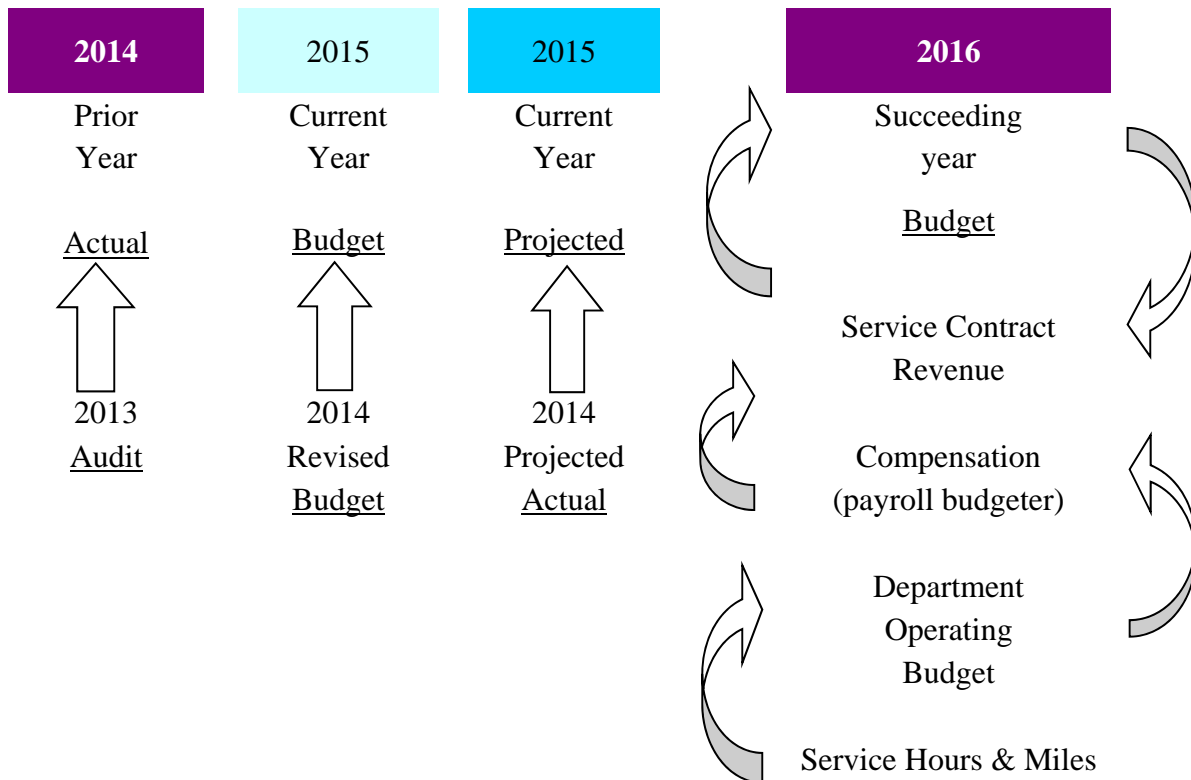
- Month of July
 - Revenue projections based on information obtained from participating governments;
 - Total personnel costs based on position compensation, taxes and benefit costs and additional service levels;
 - Fuel costs;
 - Obtain operating and capital appropriation requests from each department on a line item basis;
 - Obtain capital purchase requirements to maintain required service levels - bus purchases, etc;
- Month of August
 - Service contract revenue based on operating costs and capital costs obtained in July;
 - Incorporate estimated operating changes, such as increased transit services;
 - Review condition of budget;
 - Request prioritization of previously received departmental capital appropriation requests if budget adjustment is necessary;



2016 Budget

Budget process continued...

- Month of September
 - Review budget priorities with the Board;
 - Adjust budget based on Board approved priority revisions to prepare a balanced budget;
- Month of October
 - Present draft budget to Board for comment revising budget as necessary;
 - Final review of estimates such as benefits, insurance, etc. adjusting budget as necessary;
- Month of November
 - Presentation and Adoption of the Budget – the governing body must publish public notice of a public hearing on the budget indicating the date and time of the meeting, information about the availability for inspection of the proposed resolution, and a statement that electors may file objections to the proposed budget at any time prior to the adoption of the budget.





2016 Budget

Amending the budget

Local governments must follow statutory procedures to authorize any spending in excess of the “appropriation” or spending authority of the budget. The appropriation must be made by fund within the budget and may be made by spending agency (a department, unit, commission, etc.) and the amounts appropriated shall not exceed the expenditures specified in the budget. The appropriation determines whether the budget must be amended in the statutory manner.

Transfer Appropriated Money: If the appropriation is by fund, that is, for the total amount of all the listed expenditures as originally budgeted... moneys may be transferred from one line item to another.. to one spending agency to another... within the fund without having to do a statutory budgetary amendment. However, if moneys are to be transferred between appropriated funds or between appropriated spending agencies within a fund, the budget must be amended in the statutory manner.

Supplemental Budget and Appropriation: If the local government receives revenues unanticipated or not assured at the time of the adoption of the budget from any source other than its property tax mill levy, the expenditure of such revenues requires the adoption of a supplemental budget and appropriation to authorize spending the “new” money above the initially appropriated amount.

Revised Appropriation: If revenues are lower than anticipated in the adopted budget, the governing board may adopt a revised (downward) appropriation resolution and so reduce spending to less than what was originally budgeted.

Steps to Amend the Budget: The steps to amend the budget for a budgetary transfer or a supplemental budget and appropriation are: publish, or if permitted post, the notice of meeting to amend the budget; conduct the hearing; adopt the budget amendment by formal action; and file a copy of the adopted resolution amending the budget with the Division of Local Government. The notice of budget amendment must indicate the same information contained in the notice of budget for the adoption of the budget.

Timing: Spending in excess of the appropriation is not permitted. Therefore, the statutory amendment of the budget must occur before spending in excess of the original appropriation. Local governments may wish to consult with legal counsel and their auditor on this matter.



Summary of Colorado Local Government Budget Calendar

The following are excerpts from the calendar, prepared by the (Colorado) Department of Local Affairs and is a listing of the applicable deadlines for the budget process.

| DATE | EVENT/ACTIVITY |
|-------------------------------|--|
| October 15 | Budget officer must submit proposed budget to the governing body. (C.R.S. 29-1-105) Governing body must publish “Notice of Budget” upon receiving proposed budget. (C.R.S. 29-1-106(1)) |
| December 31 | Local governments not levying a property tax must adopt the budget on or before this date; governing body must enact a resolution or ordinance to appropriate funds for the ensuing fiscal year. If the budget is not adopted by certification deadline, then 90 percent of the amounts appropriated in the current year for operations and maintenance expenses shall be deemed re-appropriated for the budget year. (C.R.S 29-1-108(4)) |
| January 31 (plus one year) | A certified copy of the adopted budget must be filed with the Division. (C.R.S 29-1-113(1)). |

Relationship between functional units (departments) and Financial Structure

| Program Type | Department | Fund |
|-----------------------|---------------------------------------|------------------|
| Transit | Service | |
| | All Departments | General |
| Transit | Service contracts | |
| | All Departments | Special Revenue |
| Transit | Bus stops & Park in Ride | |
| | Facilities | Special Revenue |
| Transit | Capital Projects | |
| | Finance, Facilities | Capital Projects |
| | Finance | Debt Service |
| Trails | Trails and Corridor Management | |
| | Trails | General |
| | Trails/ Mid Valley Trails Committee | Special Revenue |
| Administration | | |
| | Attorney, CEO, Finance | General |
| | Human Resources/ Risk Management | General |
| | Information Technology, Planning | General |

Statistical and Supplemental Information

History

The Roaring Fork Transit Agency (RFTA) was formed by an intergovernmental agreement between the City of Aspen and Pitkin County in 1983. At that time, the City and Pitkin County services were merged to achieve economies of scale. The purpose of RFTA was to:

- Own, operate, and administer a public transportation system, both within and without the corporate limits of the City and County;
- Provide a level of service that was based on funding, ridership, convenience, and a mass transit incentive;
- Establish an organization framework through which public transportation could be provided to citizens and visitors as an alternative to the private automobile, and to assist in carrying out environmental and conservation policies.

Originally there was a 5-member board appointed by the City and County. Pitkin County was responsible for issuing the debt for RFTA and handled all the accounting functions. In addition, RFTA employees were considered employees of Pitkin County and both the City of Aspen and Pitkin County had to adopt RFTA's budget. Prior to the formation of RFTA, the City of Aspen operated city routes and skier shuttles and Pitkin County provided commuter services between Aspen and El Jebel.

In 2000, it became apparent the demand for transit services was growing much faster than could be met with the current organizational structure. At that time, approximately 50% of all trips that started down valley stayed down valley and down valley was the area of most rapid and consistent ridership growth.

In November of 2000, the voters of the Roaring Fork Valley approved the establishment of the Roaring Fork Transportation Authority (RFTA). At that time, the authority encompassed five towns and two counties that include the City of Glenwood Springs, Town of Carbondale, Town of Basalt, Town of Snowmass, City of Aspen, Pitkin County, and Eagle County. The purpose of the new RFTA was to maintain and improve the regional transit services; provide funding to build and maintain the regional trail; conduct regional transportation planning; leverage grant monies from federal, state, and local sources; provide funds to maintain the Corridor right of way; contract with local governments and private companies to provide transit services.

As part of the formation of RFTA, the existing Roaring Fork Transit Agency and the Roaring Fork Holding Authority were merged into one entity, the Roaring Fork Transportation Authority.

In November 2004, the Town of New Castle joined the Authority.

In November 2008, Authority Electorate passed a 0.4% sales tax increase for the construction and implementation of a Bus Rapid Transit (BRT) system to enhance regional service. The BRT service known as VelociRFTA was implemented in September 2013 making it the nation's first rural bus rapid transit system.

Economic and Demographic Information

The following information is provided to provide general information concerning selected economic and demographic conditions existing in the area within which RFTA serves. The statistics presented below have been obtained from the referenced sources.

Population. The following table sets forth permanent population statistics for the City of Glenwood Springs, the Towns of Basalt and Carbondale, and Eagle, Garfield and Pitkin Counties.

| Year | Population | | | | | |
|------|------------------|------------|--------|-----------------|--------------|---------------|
| | Glenwood Springs | Carbondale | Basalt | Garfield County | Eagle County | Pitkin County |
| 1970 | 4,106 | 726 | 416 | 14,821 | 7,498 | 6,185 |
| 1980 | 4,637 | 2,084 | 529 | 22,514 | 13,320 | 10,338 |
| 1990 | 6,375 | 3,004 | 1,128 | 29,974 | 21,928 | 12,661 |
| 2000 | 7,736 | 5,196 | 2,681 | 43,791 | 41,659 | 14,872 |
| 2010 | 9,614 | 6,427 | 3,857 | 56,389 | 52,197 | 17,148 |

Source: U.S. Department of Commerce, Bureau of the Census; State of Colorado, Division of Local Government, Demographic Section

Major Employers. The following table sets forth selected major employers in the area.

| 2014 Major Employers in the Area | | | |
|----------------------------------|--|---------------------------|---------------------|
| | Employer | Type of Business | Number of Employees |
| 1 | Aspen Skiing Company/Little Nell Hotel | Ski resorts | 3,800 |
| 2 | Valley View Hospital | Healthcare | 984 |
| 3 | Roaring Fork School District No. RE-1 | Schools | 862 |
| 4 | Garfield School District No. RE-2 | Schools | 660 |
| 5 | Alpine Bank | Bank | 573 |
| 6 | Colorado Mountain College | College | 527 |
| 7 | Garfield County | Government | 486 |
| 8 | Grand River Medical Center/Hospital | Medical | 426 |
| 9 | Wal-Mart | Retail | 381 |
| 10 | City Market | Retail | 363 |
| 11 | Aspen Valley Hospital | Healthcare | 330 |
| 12 | St. Regis Aspen Resort | Resort | 325 |
| 13 | Roaring Fork Transportation Authority | Government/Transportation | 317 |
| 14 | Aspen (City of) | Government | 315 |
| 15 | City of Glenwood Springs | Government | 313 |

Source: Pitkin County and Garfield County



History of Retail Sales within RFTA Member Jurisdictions. The following table sets forth taxable retail sales figures with respect to each of the current member jurisdictions of RFTA for the past five calendar years, as reported by the Colorado Department of Revenue (except as otherwise noted). RFTA did not impose the Sales and Use Tax at its present level or, in some cases, at all within such member jurisdictions during such period. Such data is provided solely for the purpose of demonstrating retail sales trends in such areas.

Historical Taxable Retail Sales

| Year | Carbondale | Glenwood Springs | New Castle | Basalt | Aspen |
|-------------|-------------------|-------------------------|-------------------|---------------|---------------|
| 2007 | \$124,849,934 | \$571,432,704 | \$32,472,106 | \$128,321,419 | \$471,542,391 |
| 2008 | 133,400,429 | 554,745,242 | 41,724,651 | 122,584,681 | 471,217,397 |
| 2009 | 89,172,813 | 429,046,343 | 31,886,683 | 93,151,138 | 396,028,040 |
| 2010 | 82,524,183 | 416,944,767 | 30,483,665 | 91,872,499 | 398,101,811 |
| 2011 | 80,665,678 | 419,179,376 | 35,735,067 | 93,206,803 | 441,912,946 |
| 2012 | 85,356,096 | 442,612,871 | 29,264,750 | 93,548,212 | 468,136,317 |
| 2013 | 90,827,921 | 473,001,110 | 27,032,686 | 105,063,266 | 498,642,820 |
| 2014 | 97,694,628 | 528,017,258 | 27,358,528 | 115,936,304 | 553,061,909 |

| Year | Snowmass Village | Unincorporated Pitkin County | Unincorporated Eagle County¹ |
|-------------|-------------------------|-------------------------------------|--|
| 2007 | \$100,691,258 | \$99,408,299 | \$17,104,500 |
| 2008 | 99,043,140 | 98,709,978 | 19,351,000 |
| 2009 | 87,958,026 | 68,360,489 | 11,629,000 |
| 2010 | 89,099,917 | 82,982,617 | 12,608,000 |
| 2011 | 98,539,322 | 98,611,309 | 13,244,000 |
| 2012 | 93,027,416 | 94,509,112 | 14,471,500 |
| 2013 | 117,370,724 | 98,725,806 | 15,300,500 |
| 2014 | 127,608,553 | 110,287,701 | 14,788,000 |

¹ Taxable retail sales data for Unincorporated Eagle County (including election precincts 7, 8, 24 and 25 only) was derived by RFTA based upon amounts received in connection with RFTA’s imposition of a Sales and Use Tax in such areas, which was first imposed effective January 1, 2005. Such amounts are unaudited.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2007-2014

Tourism. Year round tourism and skiing related businesses account for a significant portion of the employment and earned income of area residents. The area provides a variety of winter activities including skiing, ice fishing, camping, Nordic skiing, ice skating snowmobiling, and snowshoeing. Summer activities include golfing, bicycling, boating, fishing, rafting and kayaking, horseback riding, camping, hiking, and cultural activities. Major tourist attractions within the area include: the Hot Springs Lodge and Pool located in the City of Glenwood Springs, open year round, which is one of the largest naturally heated outdoor mineral pools in the world; the Colorado and Roaring Fork Rivers, which provide for white water rafting and fishing; and the two million acre White River National Forest which offers hiking, camping, hunting, snowmobiling, and downhill and cross country skiing.

Pitkin County Ski Industry. The ski industry in Pitkin County has expanded from a one-mountain operation in 1946 to four mountains today. The ski area operator is the Aspen Skiing Company. Its operation includes Aspen Mountain, Buttermilk, Snowmass and Aspen Highlands. The following table summarizes skier visits to the four ski areas in Pitkin County for the 2007-2008 through the 2013-2014 ski seasons.

Annual Pitkin County Skier Visits 2007-2008 through 2012-2014¹

| Ski Season | Aspen Highlands | Aspen Mountain | Buttermilk | Snowmass | Grand Total | Percentage Change |
|------------------------|-----------------|----------------|------------|----------|-------------|-------------------|
| 2007-2008 | 211,635 | 332,981 | 154,926 | 771,455 | 1,470,997 | -- |
| 2008-2009 | 183,710 | 284,781 | 120,084 | 694,773 | 1,283,348 | (12.8)% |
| 2009-2010 | 174,947 | 294,439 | 143,115 | 725,709 | 1,338,210 | 4.3 |
| 2010-2011 | 199,567 | 291,904 | 131,995 | 737,066 | 1,360,532 | 1.7 |
| 2011-2012 | 161,984 | 295,749 | 146,577 | 731,786 | 1,336,096 | (1.8) |
| 2012-2013 ² | N/A | N/A | N/A | N/A | 1,375,513 | 3.0 |
| 2013-2014 ³ | N/A | N/A | N/A | N/A | 1,348,003 | (2.0) |

¹ A skier day is a lift ticket issued to a child or adult for a full or half day of skiing.

² Skier days per mountain were not available.

³ Aspen Skiing Company only releases percentage increase from previous year.

Source: Pitkin County





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Communities served

The Roaring Fork Transportation Authority connects the Roaring Fork Valley and U.S. Interstate 70 communities as well as Aspen, Snowmass, Aspen Highlands and Buttermilk ski areas and the Maroon Bells Peak hiking area by commuter transit services. Additionally, the Authority owns and maintains a multi-purpose pedestrian, equestrian and bike trail located in the Roaring Fork Valley.

Aspen and the Maroon Bells Peak

Downhill skiing, hiking, rafting, biking, outdoor concerts, water sports and cultural pursuits. Thanks to Aspen's modern founders, Walter and Elizabeth Paepcke, the Aspen Idea of nurturing mind, body and spirit is firmly established in the community. Local calendars are packed with music and dance performances, lectures and art exhibits, offered by some of the most celebrated names in the world as well as remarkable, homegrown talent. Every summer the Aspen Music Festival brings classical music to the concert halls and the streets of town.

Aspen, Snowmass, Aspen Highland and Buttermilk Ski areas

Seasonally, the Authority provides commuter bus service to the four mountains owned by the Aspen Ski Company. These four mountains combine to provide over 5,300 acres of terrain and boundless dining and nightlife for visitors and locals.

Basalt

Located at the gate of the Frying Pan Valley along the Gold Medal waters of the Roaring Fork and Frying Pan Rivers in the White River National Forest at an elevation of 6,610 feet. Outdoor enthusiasts enjoy camping, boating, fishing, hiking, golfing, biking, snow shoeing and cross-country and downhill skiing, all within a 15 mile radius and Ruedi Reservoir offers the most beautiful setting for windsurfing, sailing and skiing. Galleries showcase local and international artists, and shopping abounds with boutique shops offering great keepsakes and specialty items.

Carbondale

At an altitude of 6,181 feet, and resting in the magnificent shadow of 12,953-foot Mount Sopris, the Carbondale area is characterized by an average of 295 days of sunshine, low humidity, cold but mild winters and comfortable summers. Carbondale is a great base camp for recreation enthusiasts. There is plenty to do including hiking, biking, golfing, kayaking, and world-class fly fishing. In winter, experience excellent cross-country skiing.

Glenwood Springs

Home of the world's largest hot springs swimming pool, and our setting at the confluence of the Roaring Fork River and the Colorado River make us a natural fit for year-round fun. Our local ski area caters to all abilities—as do our raft guides.

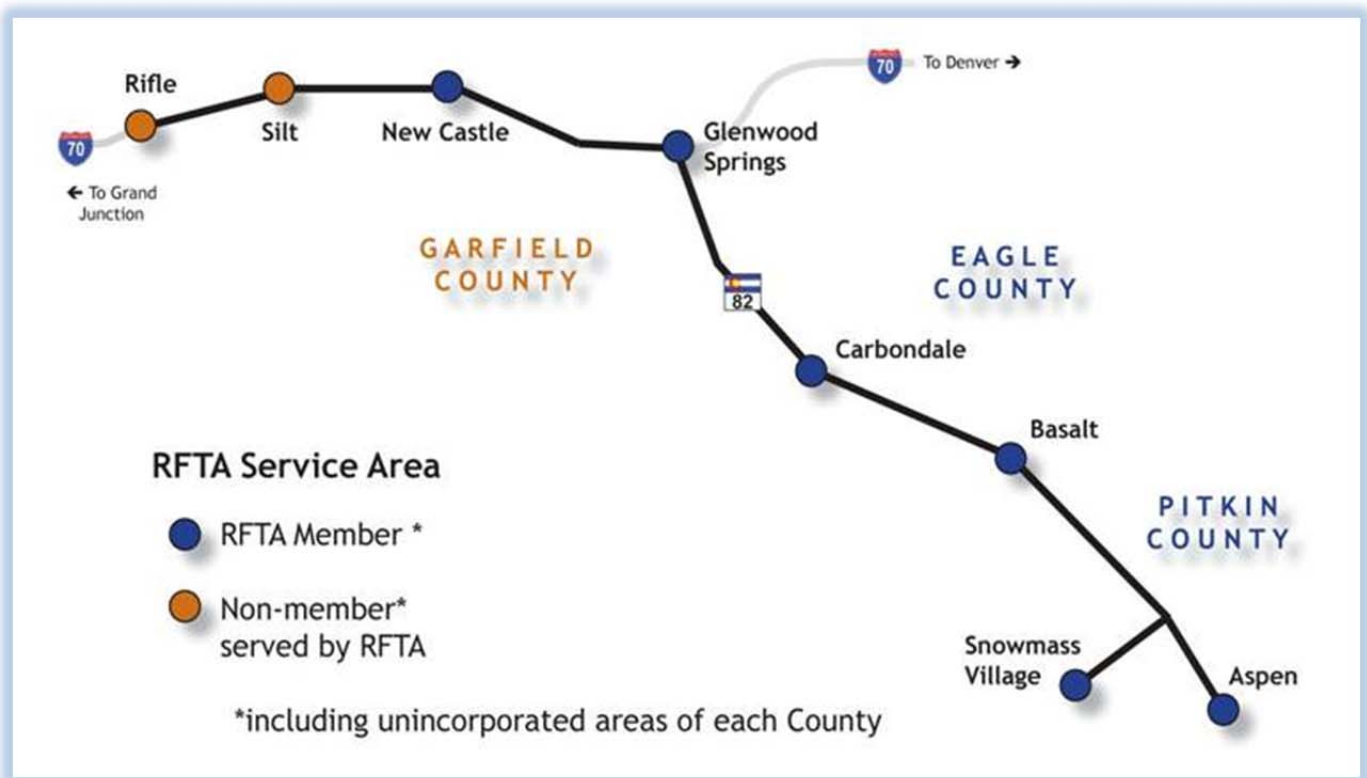
New Castle

The only member community located on U.S. Interstate 70, New Castle is minutes away from hiking, biking, fishing and golfing and less than an hour from world-class skiing, snowmobiling, cross-country skiing, climbing and beautiful high-mountain scenery.

Board of Directors

| Member Jurisdiction | Board Member | Alternate Board Member |
|--------------------------|----------------------|------------------------|
| City of Aspen | Steve Skadron | Ann Mullins |
| City of Glenwood Springs | Michael Gamba | Kathryn Trauger |
| Eagle County | Kathy Chandler-Henry | Jeanne McQueeney |
| Pitkin County | Michael Owsley | George Newman |
| Town of Basalt | Jacque Whitsitt | Dr. Herschel Ross |
| Town of Carbondale | Stacey Bernot | John Hoffman |
| Town of New Castle | Bob Gordon | Patrick Stuckey |
| Town of Snowmass Village | Markey Butler | Alyssa Shenk |

Transit service area map:





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Transit Services

Valley Services

- Highway 82 Corridor: RFTA operates a commuter bus system serving Glenwood Springs, Carbondale, El Jebel, Basalt, Snowmass Village and Aspen. Bus Rapid Transit Service between Glenwood Springs and Aspen is available every 10 minutes during normal commuting times (4:50 am - 9:00 am and 2:00 pm - 6:00 pm), every 15 minutes outside of normal commuting times, and every hour after 7:15 pm – 12:45pm. Local service between Glenwood Springs and Aspen is available every 30 minutes between 4:00 am – 2:15am.

Grand Hogback

- RFTA operates the Grand Hogback commuter bus service in the I-70 corridor from 5:15 a.m. until 6:30 p.m., seven days per week. There are nine eastbound and seven westbound revenue service trips each day and five round trips on the weekend. This service was implemented in April of 2002.

Service Contracts

- Aspen Skiing Company Skier Shuttles: Skier shuttles connect all four ski mountains with buses running approximately every 15 minutes between the hours of 8:00 a.m. and 4:45 p.m. from Thanksgiving to Easter. These services are paid for by the Aspen Skiing Company and are free to the public. Beginning in 2008/2009 winter season, these services were integrated into the Aspen/Snowmass Direct service.
- Ride Glenwood Springs: RFTA operates buses. The service operates on half-hour frequencies most of the day between the Roaring Fork Market Place, West Glenwood Mall, and the Meadows commercial development. Hours of operation are from 5:53 a.m. until 9:53 p.m., daily.
- City of Aspen:
 - Fixed Routes: There are three fixed routes within the City of Aspen that are: Cemetery Lane, Castle Maroon, and Hunter Creek. These routes serve residential neighborhoods adjoining downtown Aspen. These services are paid for by the City of Aspen and are free to the user. These services operate from 6:30 a.m. until 2:00 a.m. during the winter and summer and from 7:00 a.m. until midnight during the spring and fall seasons.
 - Dial-A-Ride Services: The East End Dial-A-Ride provides service two times per hour, year-round. This service is free to those users who catch the bus along the fixed route. Those who call to be picked up at their door pay \$1.00. This service operates from 6:30 a.m. until 1:45 a.m. during the winter and summer and from 7:00 a.m. until 2:00 a.m. during the spring and fall seasons.
 - Maroon Creek Road Service: This service provides direct service between Rubey Park in downtown Aspen and the Highlands Base Village. This service operates in the winter and summer only and is paid for by the City of Aspen and is free to users.
 - Galena Street Shuttle: The Galena Street Shuttle connects Aspen Mountain, on the south side of Aspen, to the Rio Grande parking garage, Post Office, Hunter Creek and the Art Museum on the north side of town. Service typically begins at 8:15 a.m. and ends at 5:15 p.m. daily during the winter. This service is free to the public.

Planned RFTA Transit Services, City of Aspen continued...

- Cross Town Shuttle: The Cross Town Shuttle connects the West End and East End of Aspen, with half-hour service by a fixed route that travels from the Music Tent via 5th Street and Gillespie to 4th Street, 4th Street to Hallam Street, Hallam Street to Monarch Street, Monarch Street to Durant Avenue, Durant Avenue to Original Street, Original Street to Ute Avenue, and Ute Avenue to the Aspen Club. This service operates in the winter and summer seasons only. The general hours of operation are 8:00 a.m. until 9:00 p.m. during the winter and 7:30 a.m. to 11:00 p.m. during the summer. This service is free to the public.
- Aspen Music Festival Service: During the summer RFTA operates shuttle service for the Aspen Music Festival. Shuttle services to and from the Music School campus, the Music Tent, are provided. This service is free to the public.
- The Burlingame/Westside service was implemented in 2007 and it operates from 6:00 a.m. until 2:00 a.m. during the winter season, with half-hour service during peak commuting hours, and hourly service during the off-peak hours. The rest of the year, the service operates on half-hour frequencies from 6:00 a.m. until 9:00 a.m., and from 3:00 p.m. until 6:00 pm.
- The Garfield County Communities Service (GCCS) Van: This service is a vital link to the GCCS Programs, Meals-on-Wheels program, Information and Referral services, outreach services, doctor appointments, shopping and social outings. The Van operates from 8:00 a.m. until 4:30 p.m., Mondays through Fridays. The service is free; however, donations are accepted.

Miscellaneous Services:

- Burlingame Service: This summer shuttle service is funded by the Music Associates of Aspen and provides transportation for music students between Burlingame housing development, the Music School campus on Castle Creek Road, and the Music Tent in the West end of Aspen.
- Maroon Bells Bus Tour: From mid-June to the end of September each year, RFTA operates the Maroon Bells Bus Tour, which is staged from the Aspen Highlands Base Village. The Bells Tour is an award winning narrated tour of the Maroon Creek Valley, which delivers passengers to the Maroon Bells mountain formation and the Maroon Bells/ Snowmass Wilderness Area. RFTA cooperates with the U.S. Forest Service to close the road to other motorized traffic throughout the summer.
- The Senior Van: This service is a vital link to the Senior Nutrition Program, Meals-on-Wheels program, Information and Referral services, outreach services, doctor appointments, shopping and social outings. The Senior Van operates from 8:00 a.m. until 5:00 p.m., Mondays, Tuesdays, Wednesdays, and Fridays. The service is free.
- Americans with Disabilities Act (ADA) Service: Federally mandated ADA service is provided to disabled passengers within the City of Aspen, to the Airport, and the Maroon Bells. To reserve service, people must call RFTA during normal business hours the day before the service is desired. RFTA will dispatch a lift-equipped vehicle to transport ADA passengers, at no charge, within the City of Aspen and to the Airport. The cost for ADA service to the Maroon Bells is twice the normal fare. ADA service is also provided in conjunction with Ride Glenwood Springs! Service and the Glenwood Traveler.



Service Contract Formula Methodology

Contract information can be obtained in electronic format by contacting RFTA’s Finance Department at 970-384-4884.

Service contracts are progress billed monthly based on budgeted costs, actual mileage and hours. The Authority’s financial statements are audited and an adjustment billing is prepared based on audited, actual costs; no further adjustments to what previously has been billed is required unless the audited costs vary by more than 3% from the year-end adjusted costs.

Step 1: Total operating costs budgeted are categorized into a transit or trail cost.

| Program Type | Department | Contract Allocation | |
|------------------------|----------------------------------|---------------------|--------|
| | | Transit | Trails |
| Transit | Operations | 100% | |
| | Maintenance | 100% | |
| | Facilities | 96% | 4% |
| Trails | Trails/ Mid Valley Trails | | 100% |
| Administrative Support | Attorney | 50% | 50% |
| | Board | 92% | 8% |
| | CEO | 92% | 8% |
| | Finance | 98% | 2% |
| | Human Resources/ Risk Management | 98% | 2% |
| | Information Technology | 92% | 8% |

Step 2: Budgeted transit costs are categorized as a fixed cost, direct hourly or direct mileage cost.

Note: All costs are not treated the same for all contracts and not all costs are categorized.

Step 3: Total categorized costs are divided by RFTA’s projected annual mileage or hours to determine a fixed cost per hour, direct hour and direct mileage cost factor for each service contract.

Example of a calculation of cost factors:

| Cost Category | Budgeted cost | RFTA Est. Hours | RFTA Est. Miles | Direct Cost factor |
|----------------------------|---------------------|-----------------|-----------------|--------------------|
| Total Fixed Cost | \$12,154,631 | 296,311 | N/A | \$41.02 |
| Total Direct Hourly Costs | \$10,443,800 | 296,311 | N/A | \$35.25 |
| Total Direct Mileage Costs | \$8,117,646 | N/A | 5,113,703 | \$1.59 |
| Total | \$30,716,076 | | | |

Each service contract is charged based on following formula; (1) actual route mileage and route hours times the direct cost factors (miles or hours) plus (2) route hours times the fixed cost factor plus (3) training costs based on percentage of route hours to total RFTA hours and (4) capital cost based on percentage of route mileage to total RFTA mileage.



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Glossary of Financial, Budget and Transit Terms

Automatic Vehicle Location (AVL) – Is a means for automatically determining and transmitting geographic location of a vehicle using Global Positioning System (GPS) technology, cellular communications, street-level mapping, and an intuitive user interface, with the goal of improving fleet management and customer service.

Budget - A financial plan which estimates proposed expenditures for a given period and the proposed methods of financing them.

Bus Rapid Transit (BRT) - It's a significantly enhanced bus system that operates in bus lanes or mixed traffic. BRT combines the flexibility and cost savings of buses with the efficiency, speed, reliability, and amenities of rail. Because BRT vehicles use Compressed Natural Gas, the system will help reduce emissions as well as local dependence on foreign energy sources. Typical BRT elements include:

- exclusive travel lanes where possible, that help speed service during peak travel hours
- roadway enhancements to enable buses to circumvent congestion, such as signal priority and queue bypass lanes for buses at congested intersections.
- stations, park & rides, and improved bus stops
- easy-to-board, ADA-compliant vehicles
- AVL that tracks buses and provides real-time information to passengers waiting at bus stops

Capital Assets - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Colorado Department of Transportation (CDOT) – the agency of Colorado government that administers state government transportation responsibilities in the State of Colorado.

Computer-Aided Dispatch (CAD) – Is a method of dispatching mass transit vehicles assisted by computer where persons in a dispatch center are able to easily view and understand the status of all units being dispatched. .

Expenditures - Decrease in net financial resources other than through inter fund transfers.

Expenses - Outflows of assets or occurrences of liabilities from delivering or producing goods or rendering services.

Farebox Recovery Ratio – The percentage of total operating revenues that passengers pay through fares.

Federal Transit Administration (FTA) – is an agency within the U.S. Department of Transportation that provides financial and technical assistance to local public transit systems.



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Function – a group of related activities aimed at accomplishing a major service or regulatory responsibility

Fund - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance - The difference between assets and liabilities reported in a governmental fund. Fund balance is divided into reserved and unreserved portions.

Fund Classifications - One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.

Fund Type - One of 11 classifications into which all individual funds can be categorized. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. Proprietary funds types include enterprise funds and internal service funds. Fiduciary fund types include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Generally accepted accounting Principles (GAAP) – Conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements.

GFOA – Government Finance Officers Association. The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Governmental Fund – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects, and permanent funds.

Government-Wide Financial Statements - Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of activities. Both basic government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

Infrastructure - Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.



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Long-Term Budget - A budget prepared for a period longer than a fiscal year. Long-term budgets concerned with capital outlay and capital improvement programs are referred to as capital budgets.

Long-Term Debt - Debt with a maturity date of more than one year after the date of issuance.

Major Fund - A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government officials believe that fund is particularly important to financial statement users.

Modified Accrual Basis - A basis of accounting in which revenues should be recognized in the accounting period in which they become measurable and available. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable.

NACSLB – National Advisory Council on State and Local Budgeting. The NACSLB was formed in the spring of 1995. The Council was established with a three year mission to improve state and local government budgeting through identification and dissemination of good budget principles and practices. The Council subsequently prepared a document that outlined a framework for improved state and local government budgeting and recommended budget practices.

Net Assets - The difference between assets and liabilities accounts.

Other Financing Source - An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends.

Other Financing Use - A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends.

Park and Ride – facilities where car parks with connections to public transportation that allow commuters and other people headed to city centers to leave their vehicles and transfer to a bus for the remainder of their journey.

Program – include a group of activities, operations or organizational units directed at attaining specific purposes or objectives

Resolution - A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute; used by governing boards of counties and special districts as a means for taking formal action.

Short-Term Debt - Debt with a maturity of one year or less after the date of issuance.



2016 Budget

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