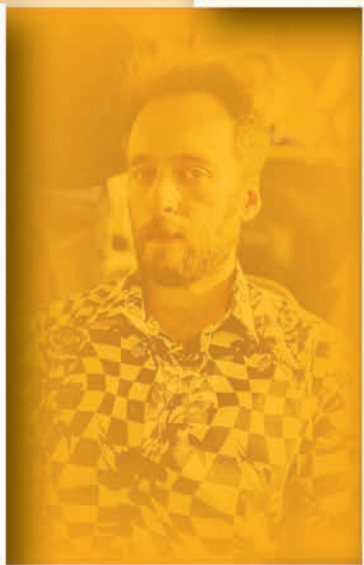


dart

# FY 2026 BUDGET



Enriching Lives,  
Connecting Communities,  
Expanding Opportunities

February 2025



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

## **FY 2026 BUDGET**

July 1, 2025, through June 30, 2026

### **DART Commission Members**

**Connie Boesen (Chairperson)**, City of Des Moines

**Bridget Montgomery (Vice-Chairperson)**, City of Urbandale

**Joseph Jones (Secretary/Treasurer)**, City of Windsor Heights

**Dean O'Connor (Exec Committee At Large)**, City of Altoona

**Todd Shafer (Exec Committee At Large)**, City of Ankeny

**Angela McKenzie**, City of Bondurant

**Srikant Mikkilineni**, City of Clive

**Paula Dierenfeld**, City of Johnston

**Ross Grooters**, City of Pleasant Hill

**Angela Connolly**, Polk County

**Russ Trimble**, City of West Des Moines



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

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# Des Moines Area Regional Transit Authority FY 2026 Budget

February 2025

Dear Greater Des Moines Community,

Thank you for taking time to review this year's Budget Book. It's one of the many ways we report on our financial stewardship of the community's public transit system, along with highlighting key accomplishments and future initiatives.

This past year was characterized by robust conversation on how much each community should contribute to DART's total local funding relative to services received. Despite differing viewpoints, I am pleased to share these discussions led to a crucial outcome – the unified commitment to Reimagine DART. This strategic initiative marks a once-in-a-generation opportunity to collaboratively design a new regional transit network that can support a strong workforce and economy.

In affirming this commitment, Des Moines Mayor Connie Boesen and West Des Moines Mayor Russ Trimble issued a joint statement that included: "We believe regional transit is important and critical to our collective success ... We are hopeful that our collective regional strength will result in a long-term solution and stability for our riders, DART staff and our region."

This year's budget reflects steps elected leaders and staff have taken to provide two years of financial stability as we focus on Reimagine DART. With costs for delivering service continuing to rise and state changes in property taxes limiting revenue, we have had to think creatively about how to maintain our current level of service within a growing region.



In addition to supporting critical funding discussions, DART staff remained focused on the day-to-day tasks of planning, innovating and providing services. Our Year in Review (page 5) highlights major milestones, but I want to call out a few key numbers:

- In our fiscal year that ended June 2024, DART had a 9% increase in ridership.
- We trained more than 3,000 residents on how to ride DART – the most ever in one year.
- Ridership increased 30% across our Unlimited Access partnerships that provide free access to DART for employees, residents and students.

A variety of partnerships were central to our efforts, including working with UZURV to control Paratransit costs while meeting demand, adding a new local route for a large manufacturing company, and bringing public art to our member communities through new art bus shelters.

## Des Moines Area Regional Transit Authority FY 2026 Budget



As I think about what lies ahead, I am hopeful because of two key points:

- Nearly 9 out of 10 trips on DART are for people to earn or spend money. We ensure residents can participate in our communities, while also helping drive the local economy.
- Regional public transit is the most cost-effective way to deliver service as it reflects how residents travel between communities. DART's operating cost per revenue miles is \$8.52, compared with the industry average of \$12.10, due to factors including less administrative staff, schedule efficiency and careful fleet management.

It's also important to note that public transit is a public service – just like fire, police, parks and libraries. We all benefit when residents can get to where they need to go, and businesses can attract the employees and customers they need to succeed. That's why 67% of our budget comes from local government funding, similar to nearly all other transit systems across the United States.

Our collective impact is only possible when there is shared commitment to our mission and the financial resources to make it possible. I hope you join in the public conversation we'll have over the next year to shape the vision for regional public transit. Your perspective is vital and valued, and we are committed to engaging as many people as possible in driving Greater Des Moines toward a more connected tomorrow.

Sincerely,

Amanda Wanke  
Chief Executive Officer



## MISSION

Enriching Lives,  
Connecting  
Communities,  
Expanding  
Opportunities

## VISION

Facilitate affordable  
seamless mobility  
options  
that support  
economic prosperity  
for all

## VALUES

Adaptability  
Teamwork  
Excellence  
Safety  
Accountability  
Innovation

**dart**



# Des Moines Area Regional Transit Authority FY 2026 Budget

## DART ORGANIZATIONAL OVERVIEW

### BACKGROUND

The Des Moines Area Regional Transit Authority (DART) is the transportation resource for the Greater Des Moines region, offering the largest network of buses in the State of Iowa as well as resources for those who vanpool, walk or bike. The Greater Des Moines region has changed dramatically in recent decades with a growing reputation and vision for competing on a global level. A significant part of our community's ability to compete is tied to workforce, infrastructure and economic vitality.

Transportation is a critical component of a region's competitiveness — vibrant, growing communities have strong public transit systems at the heart of their infrastructure to connect citizens with jobs, education, shopping and more. The DART Commission and staff have worked diligently to optimize the regional transit system since it was formed in 2006. In October 2017, DART's governance structure was reconstituted to establish a Board of Commissioners with one representative for each of its member governments. DART's current member governments include:

- Altoona
- Ankeny
- Bondurant
- Clive
- Des Moines
- Johnston
- Pleasant Hill
- Polk County
- Urbandale
- West Des Moines
- Windsor Heights

### DART FACTS



# 2024 YEAR IN REVIEW

DART delivered 3.5 million rides last year, connecting people to jobs, schools and services throughout our growing region. Nearly 9 out of 10 of these rides allowed people to earn or spend money – making public transit a driver of our local economy.

Staff also remained committed to providing efficient and innovative services within a two-year stability budget, while kicking off a major planning effort to determine the future of public transit in Greater Des Moines.

## IMPROVING SERVICE TO MEET DEMAND



Delivered a record 272,880 shuttle rides during the Iowa State Fair.



Made cost-neutral service changes to increase frequency on routes with higher ridership and to improve safety.



Trained more than 3,000 residents on how to ride DART, including trip planning, reading schedules and paying fares.



Provided daily service on the newly launched Route 2 through a partnership with Kemin Industries.

## ENHANCING OPERATIONS



Partnered with private company UZURV to provide some Paratransit trips when demand is higher than DART's capacity.



Consolidated five internal systems into one Human Resources system, aligning processes and improving efficiency.



Installed digital signs at DART Central Station to display real-time information and allow riders who are blind to hear information.



Reduced \$1 million in administrative expenses and ended the D-Line shuttle as part of a two-year budget stability plan.

## PLANNING FOR THE FUTURE



Secured commitment from 10 communities to remain in DART and work on a shared vision for public transit.



Launched Reimagine DART, a collaborative effort to redesign the transit network and hired a consulting team.



Started construction on a new operations and maintenance facility, which will include space for vehicle maintenance.



Negotiated a 3-year contract for union employees that aims to improve retention and allow new types of service.



# DART STRATEGIC PLAN, 2023-2026

The DART Commission approved a new, three-year strategic plan at its meeting in January 2023. The Strategic Plan represents how DART can best fulfill its vision to provide affordable, seamless mobility options that support economic prosperity for all. The Commission's goal is for DART to meet the needs of customers and staff on a day-to-day basis, while also innovating and continuously improving to meet the needs of an evolving region.

The underlying assumptions guiding the Strategic Plan include:

- DART has a direct impact on improving the lives of thousands of Central Iowa residents every day
- DART will be a mobility leader in Central Iowa, and use its expertise to influence policies that directly and indirectly impact transportation needs and services
- DART should partner with regional leaders and stakeholders to maximize its impact and value
- DART will test innovative service approaches to better understand how they can be used to address service needs and fiscal constraints
- The most cost-effective way to grow ridership is to retain existing customers and to attract new customers to existing services
- The most cost-effective way to serve a growing region is if growth is concentrated in areas with existing DART services, and DART will work with member communities to encourage job and housing growth in areas already well served by DART
- The next three years should be spent focusing on ensuring that DART's existing services are operating as efficiently and effectively as possible and preparing our infrastructure and workforce to respond to the challenges we face today and into the future
- There are gaps and barriers to transportation in our region, but most requests for service to new places would require additional funding unless corresponding efficiencies or service reductions could be identified



# STRATEGIC PLAN FOCUS AREAS

## Ensure Financial Stability

DART must ensure that its revenues are sustainable and that its services are as efficient and effective as possible.

- Generate sufficient revenue to maintain service levels and meet evolving regional needs while reducing reliance on property taxes
- Maximize efficiency and control costs through continuous improvement

## Deliver a Safe, High-Quality Customer Experience

Central Iowa deserves a transit system that ensures equitable access to jobs and essential services. DART will focus on providing safe and reliable service and strive to create an exceptional experience for its customers.

- Leverage technology and innovative transportation services to meet the evolving needs of the region
- Enable equitable access to employment and essential services by minimizing barriers to riding DART
- Provide an exceptional customer experience that leads DART customers to recommend our services to their family and friends
- Deliver reliable, safe service

## Modernize our Infrastructure

DART will meet the region's transportation needs today and into the future by maintaining a reliable fleet of vehicles and ensuring its technologies and facilities are working efficiently and effectively for its customers and staff.

- Maintain all infrastructure in a state of good repair so work can be carried out effectively
- Develop our facilities, fleet and technology to address current and future needs and challenges

## Foster an Engaged, Inclusive & Innovative Workforce

DART's employees are its greatest asset, and DART's ability to serve its customers relies heavily on its ability to recruit, retain and nurture an exceptional workforce.

- Ensure staffing levels and skills meet business needs
- Create a welcoming and empowering work environment
- Invest in our employees and provide pathways for growth and development

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**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2026 BUDGET OVERVIEW**

<u>FY 2026 Operating Budget</u>	
<b>Operating Revenue</b>	\$5,754,200
<b>Non-Operating Revenue</b>	\$39,119,050
<b>Total Revenue</b>	\$44,873,250
<b>Total Expenses</b>	\$45,000,000
<b>Surplus (Deficit) *</b>	<b>(\$126,750)</b>

<u>FY 2026 Federal Grant Funding for Capital</u>	
<b>Federal Grant Capital Funding</b>	\$8,967,160
<b>Local Match Funding</b>	\$1,950,000
<b>Total Grant Funding</b>	\$10,917,160
<b>Total Capital Expenditures</b>	\$10,917,160
<b>Surplus (Deficit)</b>	<b>\$0</b>

\* Paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2026 BUDGET OVERVIEW**

	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
Operating Revenue	\$5,438,281	\$5,709,391	\$5,655,465	\$5,754,200	1.37%
Non-Operating Revenue	43,747,637	38,383,428	36,892,770	39,119,050	6.03%
<b>Total Revenue</b>	<b>\$49,185,918</b>	<b>\$44,092,819</b>	<b>\$42,548,235</b>	<b>\$44,873,250</b>	<b>5.42%</b>
Salaries, Wages and Fringes	\$24,055,711	\$25,881,563	\$28,280,165	\$29,916,650	5.79%
Services	4,022,850	3,833,535	4,325,795	4,253,440	(1.69%)
Building and Grounds Materials	291,427	235,648	322,430	404,600	25.48%
Office Supplies	46,513	25,916	48,300	40,300	(16.56%)
Fuels and Lubricants	2,668,205	2,598,069	2,676,370	2,513,500	(6.09%)
Tires	181,603	213,280	211,880	211,300	(0.27%)
Equipment Repair Parts	1,640,775	1,671,863	1,948,590	1,968,000	1.00%
Supplies and Materials	305,007	261,856	287,300	278,950	(2.91%)
Utilities	627,698	581,179	641,920	601,170	(6.35%)
Insurance	1,348,609	1,331,854	1,967,500	2,044,700	3.92%
Purchased Transportation	210,074	319,684	200,450	322,000	60.64%
Miscellaneous Related Expenses	757,414	649,946	500,400	495,390	(1.00%)
Local Match	2,172,660	2,150,000	2,000,000	1,950,000	(2.50%)
<b>Total Expenses</b>	<b>\$38,328,545</b>	<b>\$39,754,391</b>	<b>\$43,411,100</b>	<b>\$45,000,000</b>	<b>3.66%</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$10,857,372</b>	<b>\$4,338,426</b>	<b>(\$862,865)</b>	<b>(\$126,750) *</b>	

\* Paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**BUDGET SUMMARY – OPERATING REVENUE**

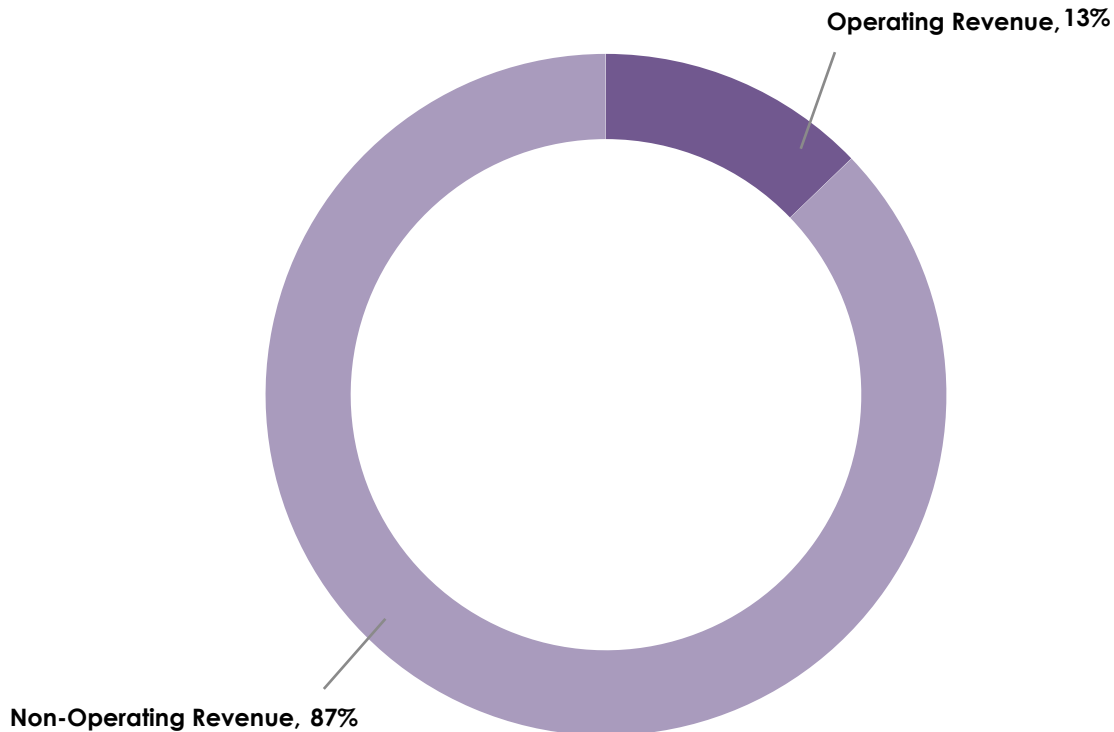
	<u>Actual</u> FY 2023	<u>Actual</u> FY 2024	<u>Adopted</u> FY 2025	<u>Budget</u> FY 2026	<u>% Change</u> FY2025/ FY2026
<b>OPERATING REVENUE</b>					
Cash and Fares	\$2,720,728	\$2,766,807	\$3,066,540	\$3,094,200	0.22%
Other Contracted Services	1,985,758	2,090,967	1,772,425	1,877,000	5.90%
Polk County Funding	373,000	427,415	366,500	433,000	18.14%
Advertising Income	358,795	424,202	450,000	350,000	(22.22%)
<b>TOTAL OPERATING REVENUE</b>	<b>\$5,438,281</b>	<b>\$5,709,391</b>	<b>\$5,655,465</b>	<b>\$5,754,200</b>	<b>1.37%</b>
<b>NON-OPERATING REVENUE</b>					
Interest Income (Expense)	\$250,902	\$1,502,287	\$428,300	\$198,000	(53.77%)
Sale Of Scrap	7,632	6,388	10,300	8,000	(22.33%)
DCS Rental Income	535	795	7,000	7,000	0.00%
Miscellaneous Income	82,655	106,271	166,500	125,500	(24.62%)
Property Tax Revenue	24,958,050	26,081,140	28,563,538	29,697,980	3.97%
State Operating Assistance	2,227,135	2,316,700	2,271,700	2,350,000	3.45%
State Fellowships	42,391	49,063	0	0	0.00%
State Property Tax Backfill	677,809	580,979	483,000	388,000	(19.67%)
State Special Projects	0	43,378	0	0	0.00%
MPO Grant Funds	0	0	990,432	2,609,570	163.48%
CMAQ Funds	0	0	0	0	100.00%
FEMA Revenue	0	77,533	0	0	0.00%
FTA ADA - 5307	475,000	475,000	475,000	475,000	0.00%
FTA Cabs - 5310	262,373	214,304	147,000	225,000	53.06%
FTA Operating Income	0	2,600,000	3,235,000	2,965,000	(8.35%)
FTA Operating Income - 5307 CARES	13,985,456	3,272,098	0	0	0.00%
FTA Planning Income	0	(90)	0	0	0.00%
FTA 5311 Rural	18,652	15,115	15,000	20,000	33.33%
FTA Lease Funds	675,427	655,000	0	0	0.00%
Local Match Revenue	83,620	387,467	100,000	50,000	(50.00%)
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$43,747,637</b>	<b>\$38,383,428</b>	<b>\$36,892,770</b>	<b>\$39,119,050</b>	<b>6.03%</b>
<b>TOTAL REVENUE</b>	<b>\$49,185,918</b>	<b>\$44,092,819</b>	<b>\$42,548,235</b>	<b>\$44,873,250</b>	<b>5.42%</b>



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**BUDGET SUMMARY — OPERATING REVENUE**

**FY 2026 Operating Revenue  
as a % of Total Revenue**



**Revenue Assumptions:**

- Residential rollback at 47.4316%, Commercial rollback at 90% for value exceeding \$150,000
- Multi-Residential rollback now matches Residential rollback.
- FY26 is second year of the Two-Year Stability Plan adopted by Commission detailed in Appendix B.
- Grant funding of \$2.6 million awarded by the MPO is being utilized in FY26 to lower property tax revenue needs.
- Property tax revenue growth is 3.97% resulting from MPO grant funding spread over FY25-FY26 allowing for less tax revenue needs.
- Year five of new property tax formula used to calculate DART levy rates. Rates are based 50% on old formula and 50% on new formula
- Loss of additional \$100,000 in property tax backfill due to new legislation (7-year phase out)
- \$513,060 in one-time funds will be used to reduce property tax requirements (\$365,000 in capital dollars converted to operating funds and \$148,060 from cash reserves)



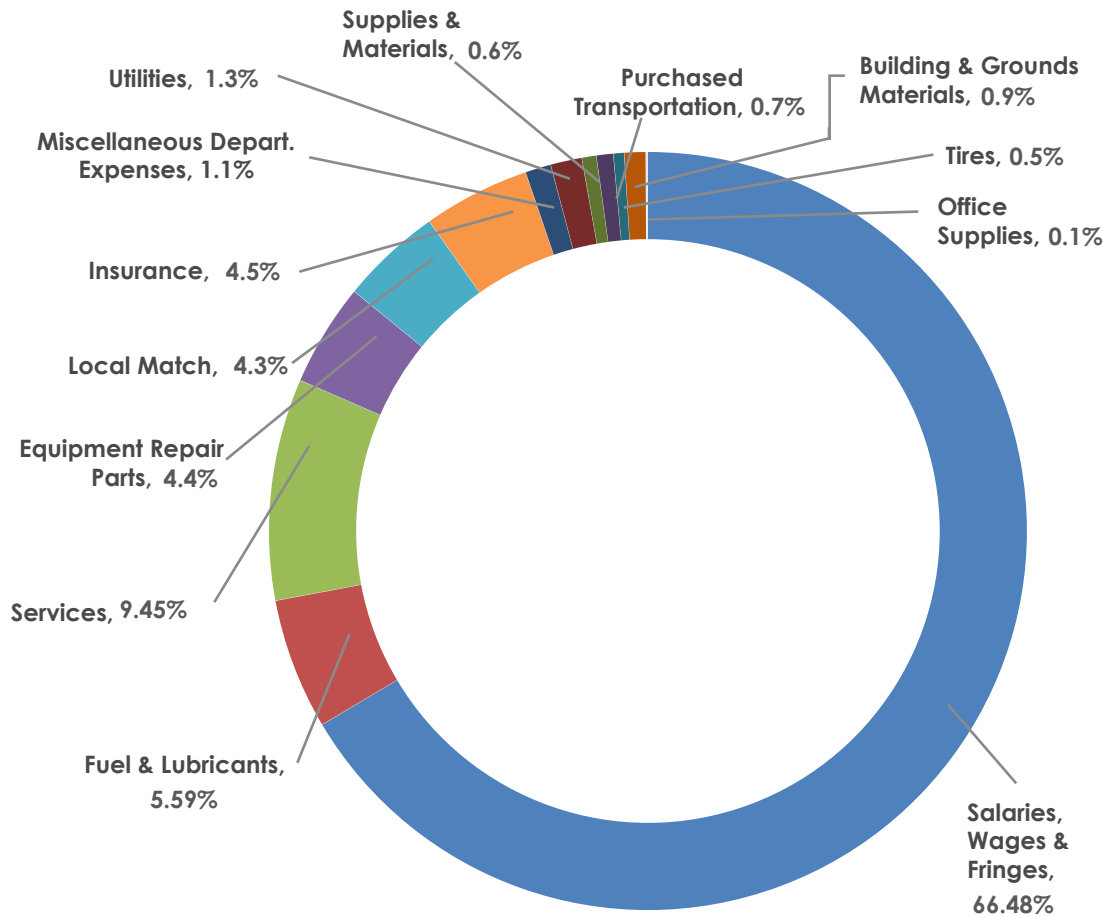
**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**BUDGET SUMMARY – OPERATING EXPENSES**

	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
Salaries, Wages and Fringes	\$24,055,711	\$25,881,563	\$28,280,165	\$29,916,650	5.79%
Services	4,022,850	3,833,535	4,325,795	4,253,440	(1.69%)
Building and Grounds Materials	291,427	235,648	322,430	404,600	25.48%
Office Supplies	46,513	25,916	48,300	40,300	(16.56%)
Fuels and Lubricants	2,668,205	2,598,069	2,676,370	2,513,500	(6.09%)
Tires	181,603	213,280	211,880	211,300	(0.27%)
Equipment Repair Parts	1,640,775	1,671,863	1,948,590	1,968,000	1.00%
Supplies and Materials	305,007	261,856	287,300	278,950	(2.91%)
Utilities	627,698	581,179	641,920	601,170	(6.35%)
Insurance	1,348,609	1,331,854	1,967,500	2,044,700	3.92%
Purchased Transportation	210,074	319,684	200,450	322,000	60.64%
Miscellaneous Related Expenses	757,414	649,946	500,400	495,390	(1.00%)
Local Match	2,172,660	2,150,000	2,000,000	1,950,000	(2.50%)
<b>TOTAL EXPENSES</b>	<b>\$38,328,545</b>	<b>\$39,754,391</b>	<b>\$43,411,100</b>	<b>\$45,000,000</b>	<b>3.66%</b>

**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**BUDGET SUMMARY – OPERATING EXPENSES**



**Expense Assumptions:**

- FY26 is second year of the Two-Year Stability Plan adopted by Commission detailed in Appendix B.
- Service levels are sustained at FY25 levels
- 20% premium increase in health insurance expense
- 10% premium increase in property & casualty insurance
- IPERS rates steady at FY25 levels
- Mobility Services/Paratransit will continue to see expense growth reflective of increasing Bus Plus demand
- A new contract for ATU transit employees (Bus Operators, Maintenance, Service, Building & Grounds) goes into effect in FY26





**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2026 FIXED ROUTE BUDGET OVERVIEW**

	<u>Actual</u> FY 2023	<u>Actual</u> FY 2024	<u>Adopted</u> FY 2025	<u>Budget</u> FY 2026	<u>% Change</u> FY2025/ FY2026
Operating Revenue	\$4,532,132	\$4,724,539	\$4,509,195	\$4,627,400	2.62%
Non-Operating Revenue	39,185,621	33,969,499	31,939,670	33,905,920	6.16%
<b>Total Revenue</b>	<b>\$43,717,753</b>	<b>\$38,694,037</b>	<b>\$36,448,865</b>	<b>\$38,533,320</b>	<b>5.72%</b>
Salaries, Wages and Fringes	\$22,256,432	\$22,482,650	\$24,502,555	\$26,000,300	6.11%
Services	3,850,661	3,767,640	4,132,995	4,134,580	0.02%
Building and Grounds Materials	291,427	235,648	322,430	404,600	25.48%
Office Supplies	46,399	25,814	47,550	39,550	(16.82%)
Fuels and Lubricants	2,085,607	2,054,348	2,059,630	1,901,500	(7.68%)
Tires	111,738	168,957	144,000	144,000	0.00%
Equipment Repair Parts	1,262,097	1,406,145	1,554,000	1,595,500	4.34%
Supplies and Materials	280,668	241,286	259,800	250,450	(3.60%)
Utilities	625,998	572,619	633,460	592,700	(6.43%)
Insurance	1,131,738	1,162,101	1,814,000	1,858,200	2.44%
Purchased Transportation	13,253	19,502	16,000	21,000	31.25%
Miscellaneous Related Expenses	32,858	202,460	47,910	(240,000)	(600.94%)
Local Match	2,083,320	1,927,400	1,777,400	1,723,000	(3.06%)
<b>Total Expenses</b>	<b>\$34,072,197</b>	<b>\$34,266,571</b>	<b>\$37,311,730</b>	<b>\$38,425,380</b>	<b>2.98%</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$9,645,555</b>	<b>\$4,427,467</b>	<b>(\$862,865)</b>	<b>\$107,940 *</b>	

\* Agency-wide deficit of \$126,750 is a combination of this surplus and a deficit in the Caravan division. Deficit will be paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2026 MOBILITY SERVICES BUDGET OVERVIEW**

	<u>Actual</u> FY 2023	<u>Actual</u> FY 2024	<u>Adopted</u> FY 2025	<u>Budget</u> FY 2026	<u>% Change</u> FY2025/ FY2026
Cash Fares	\$84,543	\$105,745	\$97,530	\$99,000	1.51%
Mobile Ticketing	24,889	28,259	25,340	27,000	6.55%
DART On Demand	7,451	7,716	20,000	13,800	(31.00%)
Other Contracted Services	156,707	154,401	157,630	140,000	(11.18%)
Cab & TNC Fares	0	0	0	21,000	N/A
Polk County Funding	373,000	427,415	366,500	433,000	18.14%
Property Tax Revenue	1,909,500	2,003,740	4,136,200	4,458,130	7.78%
FTA Cabs - 5310	262,373	214,304	147,000	225,000	53.06%
FTA ADA - 5307	475,000	475,000	475,000	475,000	0.00%
FTA Operating Income - 5307 CARES	1,396,260	1,593,360	0	0	N/A
FTA 5311 Rural	18,652	15,115	15,000	20,000	33.33%
<b>Total Revenue</b>	<b>\$4,708,375</b>	<b>\$5,025,055</b>	<b>\$5,440,200</b>	<b>\$5,911,930</b>	<b>8.67%</b>
Salaries, Wages and Fringes	\$2,858,239	\$3,240,694	\$3,596,900	\$3,725,150	3.57%
Services	162,576	63,388	88,800	50,220	(43.45%)
Office Supplies	90	—	500	500	0.00%
Supplies and Materials	24,339	20,570	27,500	28,500	3.64%
Fuels and Lubricants	440,780	417,629	410,000	412,000	0.49%
Tires	52,000	29,487	45,000	45,000	0.00%
Equipment Repair Parts	294,947	200,536	292,000	292,000	0.00%
Utilities	—	6,859	6,760	6,760	0.00%
Insurance	141,248	141,157	121,000	154,000	27.27%
Purchased Transportation	196,628	299,609	183,750	300,000	63.27%
Miscellaneous Related Expenses	447,881	444,960	445,390	670,800	50.61%
Local Match	89,340	222,600	222,600	227,000	1.98%
<b>Total Expenses</b>	<b>\$4,708,067</b>	<b>\$5,087,488</b>	<b>\$5,440,200</b>	<b>\$5,911,930</b>	<b>8.67%</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$308</b>	<b>(\$62,433)</b>	<b>\$0</b>	<b>\$0</b>	



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2026 CARAVAN BUDGET OVERVIEW**

	<u>Actual</u> <u>FY 2023</u>	<u>Actual</u> <u>FY 2024</u>	<u>Adopted</u> <u>FY 2025</u>	<u>Budget</u> <u>FY 2026</u>	<u>% Change</u> <u>FY2025/ FY2026</u>
Cash Fares	\$260,715	\$261,317	\$479,270	\$393,000	(18.00%)
Miscellaneous Income	131	0	76,000	35,000	(53.95%)
Property Tax Revenue	0	0	103,900	0	(100.00%)
FTA Operating Income - 5307 CARES	500,100	112,410	0	0	N/A
<b>Total Revenue</b>	<b>\$760,946</b>	<b>\$373,727</b>	<b>\$659,170</b>	<b>\$428,000</b>	<b>(35.07%)</b>
Salaries, Wages and Fringes	\$153,810	\$158,219	\$180,710	\$191,200	5.80%
Services	9,453	2,506	104,000	68,640	(34.00%)
Office Supplies	24	101	250	250	0.00%
Fuels and Lubricants	141,818	126,091	206,740	200,000	(3.26%)
Tires	17,865	14,837	22,880	22,300	(2.53%)
Equipment Repair Parts	83,731	65,182	102,590	80,500	(21.53%)
Utilities	1,700	1,701	1,700	1,710	0.59%
Insurance	75,623	28,596	32,500	32,500	0.00%
Purchased Transportation	193	574	700	1,000	42.86%
Miscellaneous Related Expenses	276,675	2,526	7,100	64,590	809.72%
Local Match	0	0	0	0	0.00%
<b>Total Expenses</b>	<b>\$760,892</b>	<b>\$400,332</b>	<b>\$659,170</b>	<b>\$662,690</b>	<b>0.53%</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$54</b>	<b>(\$26,606)</b>	<b>\$0</b>	<b>(\$234,690) *</b>	

\* Agency-wide deficit of \$126,750 is a combination of this deficit and a surplus in the Fixed Route division. Deficit will be paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FEDERAL FUNDING & CAPITAL PROGRAM**

FEDERAL FUNDING SOURCE	TOTAL	OPERATING	CAPITAL
FTA Section 5307 Funds	\$9,949,080	\$3,575,000	\$6,374,080
FTA Section 5310 Funds	766,530	460,000	306,530
FTA Section 5311 Funds	24,300	24,300	0
FTA Section 5339 Funds	859,554	0	859,554
Surface Transportation Funds <i>(MPO designated)</i>	1,427,000	0	1,427,000
<b>TOTAL FEDERAL GRANT FUNDING</b>	<b>\$13,026,464</b>	<b>\$4,059,300</b>	<b>\$8,967,164</b>
DART Local Match <i>(DART Operating Budget)</i>			\$1,950,000
<b>TOTAL LOCAL MATCH OBLIGATIONS</b>			<b>\$1,950,000</b>
		<b>TOTAL CAPITAL FUNDING</b>	<b>\$10,917,164</b>
		<b>CAPITAL EXPENDITURE ALLOCATIONS</b>	<b>TOTAL</b>
<b>Fleet</b> - 9 Heavy Duty Buses, 5 Paratransit Light Duty Buses, Bus Lease Payment			\$8,104,664
<b>Facilities</b> - DART Operations and Maintenance Facility, DART Central Station maintenance projects			937,500
<b>Support Equipment</b> - Shop and support equipment			625,000
<b>Technology</b> - ERP software replacement, IT hardware			1,250,000
		<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$10,917,164</b>

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**Appendix A: Budgets by Department**



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**OPERATIONS DEPARTMENT  
Fixed Route, Vehicle Maintenance, Building & Grounds, and  
DART Central Station Budgets**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$16,698,672	\$16,682,437	\$17,819,180	\$18,872,630	5.91%
<b>Services</b>	941,117	998,707	1,076,015	1,134,220	5.32%
<b>Building &amp; Grounds Materials</b>	291,427	235,648	322,430	404,600	25.48%
<b>Office Supplies</b>	26,176	11,701	26,300	23,300	(11.41%)
<b>Supplies and Materials</b>	163,874	186,231	190,800	181,450	(4.90%)
<b>Fuels and Lubricants</b>	2,085,607	2,054,348	2,059,630	1,901,500	(7.68%)
<b>Tires</b>	111,738	168,957	144,000	144,000	0.00%
<b>Equipment Repair Parts</b>	1,262,097	1,406,145	1,554,000	1,595,500	2.67%
<b>Utilities</b>	260,273	237,707	356,150	315,180	(11.50%)
<b>Miscellaneous Related Expenses</b>	53,459	74,319	75,600	60,640	(19.79%)
<b>Total</b>	<b>\$21,894,440</b>	<b>\$22,056,201</b>	<b>\$23,624,105</b>	<b>\$24,633,020</b>	<b>4.27%</b>





**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FINANCE DEPARTMENT  
Finance, Procurement and Information Technology Budgets**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$1,946,278	\$2,064,708	\$2,597,095	\$2,826,520	8.83%
<b>Services</b>	1,964,885	1,936,658	2,104,460	2,101,370	(0.15%)
<b>Office Supplies</b>	2,267	1,727	5,250	5,250	0.00%
<b>Supplies and Materials</b>	9,295	7,179	4,000	4,000	0.00%
<b>Utilities</b>	356,537	328,997	265,010	267,720	1.02%
<b>Insurance</b>	1,131,738	1,162,101	1,814,000	1,858,200	2.44%
<b>Miscellaneous Related Expenses</b>	(460,470)	(201,388)	(385,390)	(670,790)	74.05%
<b>Local Match</b>	2,083,320	1,927,400	1,777,400	1,723,000	(3.06%)
<b>Total</b>	<b>\$7,033,849</b>	<b>\$7,227,381</b>	<b>\$8,181,825</b>	<b>\$8,115,270</b>	<b>(0.81%)</b>

**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**HUMAN RESOURCES DEPARTMENT  
Human Resources, Safety, Training and Customer  
Experience Budgets**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$1,429,572	\$1,548,530	\$1,561,760	\$1,744,080	11.67%
<b>Services</b>	209,724	157,505	182,920	110,190	(39.76%)
<b>Office Supplies</b>	2,712	1,652	8,000	3,000	(62.50%)
<b>Supplies and Materials</b>	84,084	23,177	45,000	45,000	0.00%
<b>Utilities</b>	4,813	2,961	3,170	2,370	(25.24%)
<b>Purchased Transportation</b>	649	1,186	1,000	1,000	0.00%
<b>Miscellaneous Related Expenses</b>	211,089	182,911	186,500	182,800	(1.98%)
<b>Total</b>	<b>\$1,942,643</b>	<b>\$1,917,923</b>	<b>\$1,988,350</b>	<b>\$2,088,440</b>	<b>5.03%</b>

**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**EXTERNAL AFFAIRS DEPARTMENT  
Advertising, Marketing and Business Partnerships Budgets**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$966,080	\$920,693	\$1,197,920	\$1,209,350	0.95%
<b>Services</b>	240,315	171,794	204,600	208,800	2.05%
<b>Office Supplies</b>	549	0	0	0	0.00%
<b>Supplies and Materials</b>	23,416	24,699	20,000	20,000	0.00%
<b>Utilities</b>	5,543	3,960	4,890	4,230	(13.50%)
<b>Miscellaneous Related Expenses</b>	51,803	28,566	27,000	26,250	(2.78%)
<b>Total</b>	<b>\$1,287,707</b>	<b>\$1,149,713</b>	<b>\$1,454,410</b>	<b>\$1,468,630</b>	<b>0.98%</b>

**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**PLANNING DEPARTMENT  
Planning, Capital Planning and MOD Budgets**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$690,754	\$723,329	\$699,580	\$691,060	(1.22%)
<b>Services</b>	77,503	131,948	100,000	100,000	0.00%
<b>Utilities</b>	3,567	2,663	2,450	2,200	(10.20%)
<b>Purchased Transportation</b>	12,604	18,316	15,000	20,000	33.33%
<b>Miscellaneous Related Expenses</b>	13,339	11,915	7,700	7,100	(7.79%)
<b>Total</b>	<b>\$797,766</b>	<b>\$888,170</b>	<b>\$824,730</b>	<b>\$820,360</b>	<b>(0.53%)</b>



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**GENERAL ADMINISTRATION DEPARTMENT BUDGET**

<u>Expense Item</u>	<u>Actual FY 2023</u>	<u>Actual FY 2024</u>	<u>Adopted FY 2025</u>	<u>Budget FY 2026</u>	<u>% Change FY2025/ FY2026</u>
<b>Salaries, Wages and Fringes</b>	\$525,076	\$542,952	\$627,020	\$656,660	4.73%
<b>Services</b>	417,117	371,029	465,000	480,000	3.23%
<b>Office Supplies</b>	14,695	10,735	8,000	8,000	0.00%
<b>Utilities</b>	(4,736)	(3,669)	1,790	1,000	(44.13%)
<b>Miscellaneous Related Expenses</b>	163,639	106,138	136,500	154,000	12.82%
<b>Total</b>	<b>\$1,115,792</b>	<b>\$1,027,184</b>	<b>\$1,238,310</b>	<b>\$1,299,660</b>	<b>4.95%</b>

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**Appendix B: FY 2025-26 Two-Year Budget  
Stability Plan**

## Des Moines Area Regional Transit Authority FY 2026 Budget

### FY 2025-26 Two-Year Budget Stability Plan

Preparing for the FY 2025 Budget commenced the fall 2023, knowing the process would be a challenging endeavor for a multitude of reasons:

- One-time COVID-19 relief funds that were used to balance DART's budget for several years have been fully drawn down, leaving a structural deficit.
- Operating revenue has not kept pace with expenses, creating an even greater gap between revenue and expenses.
- Costs to provide service continue to increase due to inflation, supply chain shortages, and pandemic recovery, while revenue has decreased due to legislative changes to property tax funding as well as Medicaid funding changes.
- The property tax funding formula for DART member communities is being phased in over eight years. This formula increases The City of Des Moines' contribution year over year and exceeds the maximum property tax rate DART can levy in Des Moines.

The DART Commission approved the following items as part of a two-year stability plan while DART Commission and staff embark on an 18-month planning effort to Reimagine DART:

- DART will utilize up to \$2,612,865 in one-time funds over the course of two years, as dictated in the chart on the next page, to reduce the impact on property taxes as DART member communities fund the original structural deficit that was funded with COVID-19 relief dollars.
  - Of the \$865,000 one-time funds allocated in Fiscal Year 2026's budget, \$365,000 is capital dollars converted to operating funds.
  - This plan allowed for \$500,000 in reserve funds, but after further budget reductions, only \$147,750 in reserve dollars is needed.
- The City of Des Moines has committed to paying DART \$1.5 M in FY25 and \$2M in FY26, in addition to what DART can levy in property taxes.
- DART staff reduced administrative expenses by more than \$400,000 in the initial budget preparation. Expense reductions included:
  - Eliminating the Business and Community Partnerships Coordinator position
  - Reducing several other expense areas:
    - Advertising and sponsorships
    - Professional services and dues
    - Recruitment and employee advertising and new employee physicals
    - Tuition reimbursement
    - Staff training and instructor wages
- Administrative expenses were further reduced by \$500,000 in the final budget from the following areas:
  - Elimination of two additional administrative positions and combining one IT and one maintenance position totaling a reduction of 3 FTEs
  - Reduction in customer service hours
  - Elimination of Wi-Fi on buses
  - Reduction of memberships and professional development
  - Discontinuation of the D-Line that took effect in November 2024
- DART will flex \$3.6M capital dollars to its operating budget from the MPO award of Carbon Reduction Plan (CRP) funds. The \$3.6M helps fund the following gaps over two budget years:
  - \$678,152 funds the new structural deficit due to rising costs.
  - \$2,917,945 funds the City of Des Moines' remaining allocation of the property tax formula.



**Des Moines Area Regional Transit Authority  
FY 2026 Budget**

**FY 2025-26 Two-Year Budget Stability Funding Plan**

	FY 2025	FY 2026, Amended	Total
<b>DART General Fund Reserves *</b>	\$250,000	\$126,750	\$376,750
<b>DART Stabilization Reserves</b>	\$612,865	\$0	\$612,865
<b>DART Capital Funds Converted to Operating</b>	\$635,000	\$365,000	\$1,000,000
<b>City of Des Moines Funding</b>	\$1,500,000	\$2,000,000	\$3,500,000
<b>MPO Funding</b>	\$990,432	\$2,605,665	\$3,596,097
<b>Administrative Cost Reductions</b>	\$500,000	\$500,000	\$1,000,000
<b>Total</b>	<b>\$4,488,297</b>	<b>\$5,597,415</b>	<b>\$10,085,712</b>

\*Two-Year Stability Plan allowed for use of \$500,000 from DART General Fund Reserve in FY26 but due to further budget reductions required only \$126,750.

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**Appendix C: One-Time Reserve Fund Usage**

## Des Moines Area Regional Transit Authority FY 2026 Budget

### One-Time Reserve Fund Usage

Due to higher levels of sustained interest rates, DART's interest income exceeded budget expectations in FY 2024 (\$1.59M) and will again in FY2025 (estimated at \$1.6M). This income is not typically generated at this level and therefore is not a sustainable revenue source to be placed within the operating budget. However, interest income has assisted in providing healthy operating and capital reserve levels to be utilized for unforeseen events and/or one-time expenses.

DART Staff has identified the opportunity to utilize these funds for one-time use purposes in the following areas in FY 2026:

- Implementation expenses related to Reimagine DART system redesign and possible new service models
  - Total request not to exceed \$750,000
  - Unspent funds will remain in reserve accounts
- Temporary investments in efficiency efforts looking to improve processes and minimize future growth in expenses
  - Total request not to exceed \$200,000
  - Unspent funds will remain in reserve accounts

These funds are to be utilized for one-time expenses that will not have ongoing budget expense impacts. Expenses will be paid for through the use of reserve dollars generated from higher interest earnings. Projects will include but are not limited to the following:

- Reimagine DART Service Change Expenses:
  - Printing, design, translation, and other communication about system changes, including maps and schedules
  - On Demand software expansion
  - MyDART App updates to integrate new system updates
  - Bus Stop Sign replacements and redeployment
  - Testing possible new shuttle services
- Process Improvement Expenses:
  - Robotic Process Automation (RPA) for repetitive tasks
  - Accounts Payable automation and streamlining
  - Yard Management improvements
  - Document Management
  - Organization-wide process mapping