



FY 2025 BUDGET

Enriching Lives,
Connecting Communities,
Expanding Opportunities

dart

June 2024

OUR STEP

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 BUDGET

July 1, 2024, through June 30, 2025

DART Commission Members

Russ Trimble (Chairperson), City of West Des Moines

Ross Grooters (Vice-Chairperson), City of Pleasant Hill

Bridget Montgomery (Secretary/Treasurer), City of Urbandale

Connie Boesen (Exec Committee At Large), City of Des Moines

Joseph Jones (Exec Committee At Large), City of Windsor Heights

Dean O'Connor, City of Altoona

Todd Shafer, City of Ankeny

Tara Cox, City of Bondurant

Srikant Mikkilineni, City of Clive

Andrew Borcharding, City of Grimes

Paula Dierenfeld, City of Johnston

Angela Connolly, Polk County



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

TABLE OF CONTENTS

- 1. **Budget Transmittal - Letter from Chief Executive Officer**..... 1
- 2. **DART Organizational Overview**..... 5
- 3. **DART Strategic Plan**..... 7
- 4. **Budget Summary and Overview**..... 11
- 5. **Division-Level Budgets**..... 17
- 6. **Federal Funding and Capital Program**..... 20
- 7. **Appendix A - Departmental Budgets**..... 22
 - 7.1 **Operations Department**..... 23
 - 7.2 **Finance Department**..... 25
 - 7.3 **Human Resources Department**..... 27
 - 7.4 **External Affairs Department**..... 29
 - 7.5 **Planning Department**..... 31
 - 7.6 **General Administration Department**..... 33
- 8. **Appendix B - FY 2025-26 Two-Year Budget Stability Plan**..... 36

Des Moines Area Regional Transit Authority FY 2025 Budget

June 2024

Dear Greater Des Moines Community,

Since becoming CEO in September, the one constant has been change. Whether planning for anticipated funding, maximizing service delivery, or aligning our team for today's environment, our organization is in a period of tremendous transition.

While there certainly have been some bumps and turns along the way, I continue to see the investment our elected leaders, community partners, staff, riders and residents are making in support of our public transit system. Together we are delivering an essential service that helps foster a healthy, thriving region.

This year's budget reflects two major challenges we are working to address:



- **Funding Gap:** Like many public entities, DART is experiencing a shortfall as revenues are not keeping pace with costs. We are receiving less revenue due to state changes in Medicaid and property taxes and no longer having one-time COVID-19 relief dollars. We also have double-digit price increases for fuel, insurance, bus parts, and more. This year's budget includes cutting nearly \$1 million in administrative expenses to help offset increased costs and to maintain as much service as possible. We continue to seek opportunities to generate new revenue – like a partnership with Kemin Industries that launched Route 2.
- **Funding Formula:** A new funding formula that aligns member communities' contributions with the level of services received has resulted in the City of Des Moines' contribution exceeding what DART can collect through property taxes per state law. Agreement on if and how to fund this increase has led to difficult conversations that must be resolved for DART to maintain service.

A \$3.6 million grant from the Metropolitan Planning Organization's Carbon Reduction Program, which we received in April 2024, will allow DART to shift some federal funds toward addressing both funding challenges. This funding means we can maintain service for two years, providing short-term stability for our riders, staff and member communities.

While this funding gives a short sigh of relief, it also means we have a lot of work to do in the months ahead. By fiscal year 2027, we will have a nearly \$4.7 million shortfall due to the funding formula implementation and a \$2 million budget gap based on current service levels and property tax commitments. The DART Commission and staff are preparing for an 18-month effort aiming to find consensus on funding and service levels for all member communities.

Des Moines Area Regional Transit Authority FY 2025 Budget

As we plan for our future, this book also highlights an impressive list of achievements over the past year. These achievements speak to our team's dedication to delivering an efficient and effective service for our region each day and the steps we are taking toward a sustainable future.

Key milestones include:

Public Support for Transit: A robust public transit system requires commitment from all of us. As I have dedicated my time to meeting with many people in our member communities to listen and learn what they value and want from DART, I have heard broad support for public transit as a lifeline service. Through public input efforts, we also heard from many riders and residents that they desire greater investment in public transit. This kind of feedback is helpful as we determine the types of services we can provide with the funding we receive.

A regional vision: Through these conversations, another theme became clear: We need a collective vision for what an effective regional transit system looks like and how we fund it. As the pandemic has shifted how people travel, new technologies change how we can deliver service, and costs continue to rise faster than revenue, now is the time to relook at our entire structure. We have been preparing for the launch of Reimagine DART – a planning effort that will help chart a path forward for our region. This 18-month process will include looking at our entire service network and options based on funding for how we deliver public transit and provide stability for the future.



New Operations & Maintenance Facility: The DART Commission unanimously approved building a new operations and maintenance facility to support more efficient and effective bus service long-term. DART has secured 38-acres in Des Moines and will break ground on constructing a maintenance garage this fall. The overall project will continue to move forward as competitive federal grants are secured. The entire project will cost local taxpayers less than repairing our existing facility, which is in poor condition and landlocked in a residential area.

Des Moines Area Regional Transit Authority FY 2025 Budget

Innovation: We continue to pilot new service options to meet riders' needs. We added weekend service on Route 5, better serving the Merle Hay corridor. We also tested two new DART On Demand zones. These efforts are allowing us to learn what works and how we deliver our service to best meet rider and community needs in the future. We are also preparing to update our platform signage to a new digital technology that will make riding our fixed bus routes more accessible for all riders.

Internal Culture: Working at a place where every person feels heard, seen and valued is essential to providing a quality service. Listening to employees throughout the organization has informed steps we are now taking to improve employee support and engagement. Our recently hired Chief People Officer is leading this effort with a focus on diversity, equity, inclusion and belonging.

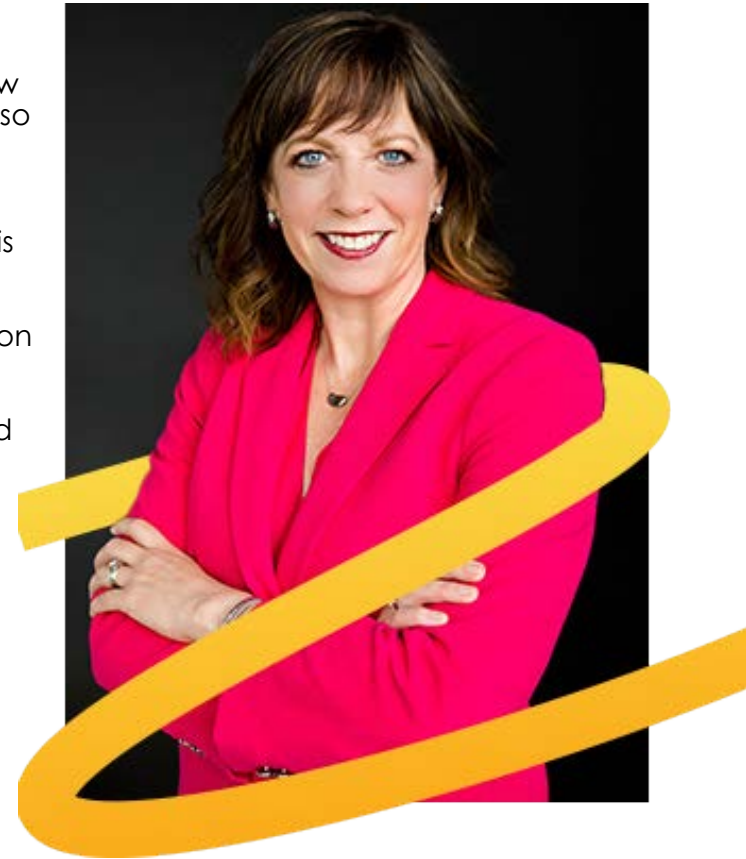
As we prepare for what's ahead, I remain committed to the goal I set when I accepted this role: To win hearts and minds on the idea that public transit is an investment that boosts our economy, improves quality of life and enhances regional growth. I am confident the steps we take today will prepare us for an exciting road ahead.

Thank you for believing in our mission of enriching lives, connecting communities, and expanding opportunity.

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 2025 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.

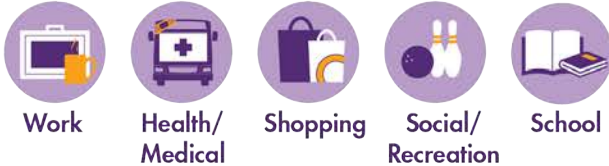
Transportation is a critical component of a region's competitiveness — vibrant, growing communities have strong public transit systems at the heart of their infrastructure to connect citizens with jobs, education, shopping and more. The DART Commission and staff have worked diligently to improve the 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
- Des Moines
- Polk County
- Ankeny
- Grimes
- Urbandale
- Bondurant
- Johnston
- West Des Moines
- Clive
- Pleasant Hill
- Windsor Heights

DART FACTS



Top 5 reasons people ride DART



2023 YEAR IN REVIEW

DART delivered 3.2 million rides last year – a 24% increase – as an essential way for people to get to work, access services and fully participate in communities.

Over the past year, DART continued to evolve how the organization delivers efficient and effective public transit to Greater Des Moines. Innovative services and improved infrastructure are meeting riders' needs today and maximizing resources for the future.

INNOVATING TO IMPROVE ACCESS



Increased service to meet DART On Demand Ankeny growth of 2,000 monthly rides; piloted two other On Demand zones.



Increased ridership by 30% along Merle Hay with weekend service on Route 5, funded by Principal Foundation.



Offered Bus Plus customers the ability to ride fixed route service for free to control expense growth of Paratransit.



Improved transit access for 900+ low-income individuals through the Ride to Thrive half-fare program.

ENHANCING OPERATIONS



Welcomed Amanda Wanke as CEO of DART.



Trained new bus operators on behaviors that can lead to accidents, reducing incidents by 45%.



Launched phase one of constructing a new operations and maintenance facility, including land purchase and building design.



Educated state lawmakers on the need for sustainable funding tools; City of Des Moines received franchise fee option.

PARTNERING WITH COMMUNITIES



Partnered with Kemin Industries to launch Route 2 and supported 25% ridership growth among all Unlimited Access members.



Engaged more than 1,100 riders and residents in discussions on funding and possible service cuts.



Installed 12 art bus shelters by end of 2023 and launched a program to add benches, improving rider and resident experiences.



Helped boost school attendance by providing an average of 2,500 rides to DMPS students each weekday.

Des Moines Area Regional Transit Authority FY 2025 Budget

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

dart

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

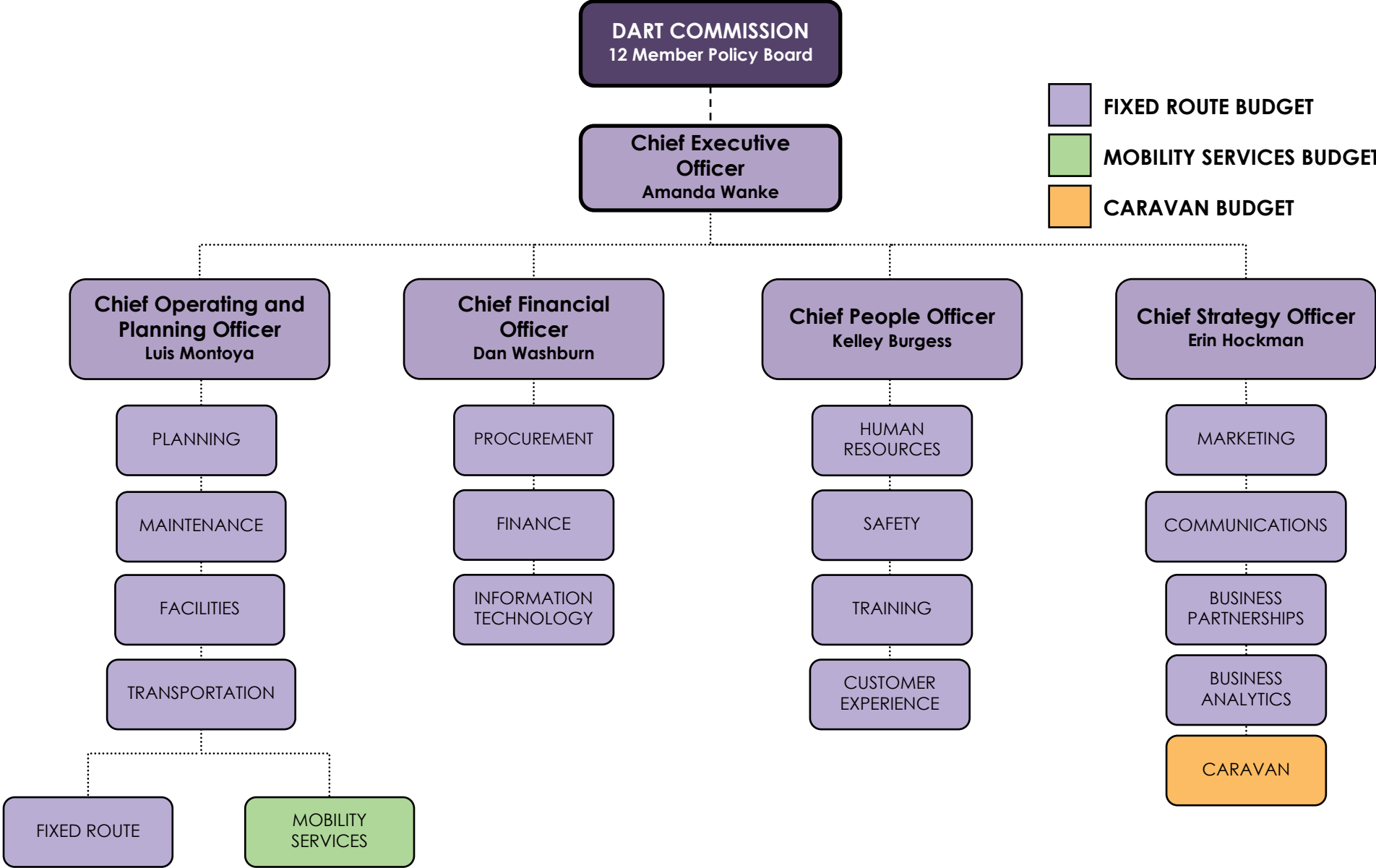
Foster an Engaged, Inclusive & Innovative Workforce

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

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

DART ORGANIZATIONAL STRUCTURE



THIS PAGE IS INTENTIONALLY LEFT BLANK

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 BUDGET OVERVIEW

<u>FY 2025 Operating Budget</u>	
Operating Revenue	\$5,655,465
Non-Operating Revenue	\$36,892,770
Total Revenue	\$42,548,235
Total Expenses	\$43,411,100
Surplus (Deficit) *	(\$862,865)

<u>FY 2025 Federal Grant Funding for Capital</u>	
Federal Grant Capital Funding	\$7,735,500
Local Match Funding	\$2,000,000
Total Grant Funding	\$9,735,500
Total Capital Expenditures	\$9,735,500
Surplus (Deficit)	\$0

* Paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 BUDGET OVERVIEW

	<u>Actual</u> <u>FY 2022</u>	<u>Actual</u> <u>FY 2023</u>	<u>Adopted</u> <u>FY 2024</u>	<u>Budget</u> <u>FY 2025</u>	<u>% Change</u> <u>FY2024/ FY2025</u>
Operating Revenue	\$5,001,115	\$5,430,830	\$5,863,250	\$5,655,465	(3.54%)
Non-Operating Revenue	38,913,518	43,747,637	36,332,080	36,892,770	1.54%
Total Revenue	\$43,914,633	\$49,178,467	\$42,195,330	\$42,548,235	0.84%
Salaries, Wages and Fringes	\$21,747,233	\$25,268,481	\$27,588,980	\$28,280,165	2.51%
Services	3,989,367	4,022,690	4,307,640	4,325,795	0.42%
Building and Grounds Materials	152,436	291,427	294,500	322,430	9.48%
Office Supplies	45,620	46,513	49,850	48,300	(3.11%)
Fuels and Lubricants	1,918,989	2,668,205	2,610,200	2,676,370	2.54%
Tires	219,192	181,603	183,200	211,880	15.66%
Equipment Repair Parts	1,319,391	1,640,775	1,697,500	1,948,590	14.79%
Supplies and Materials	198,088	305,007	295,800	287,300	(2.87%)
Utilities	682,701	627,698	727,460	641,920	(11.76%)
Insurance	1,245,710	1,348,609	1,577,180	1,967,500	24.75%
Purchased Transportation	94,926	210,074	122,450	200,450	63.70%
Miscellaneous Related Expenses	603,171	756,403	590,570	500,400	(15.27%)
Local Match	1,638,949	2,172,660	2,150,000	2,000,000	(6.98%)
Total Expenses	\$33,855,773	\$39,540,145	\$42,195,330	\$43,411,100	2.88%
SURPLUS (DEFICIT)	\$10,058,860	\$9,638,322	\$0	(\$862,865) *	

* Paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

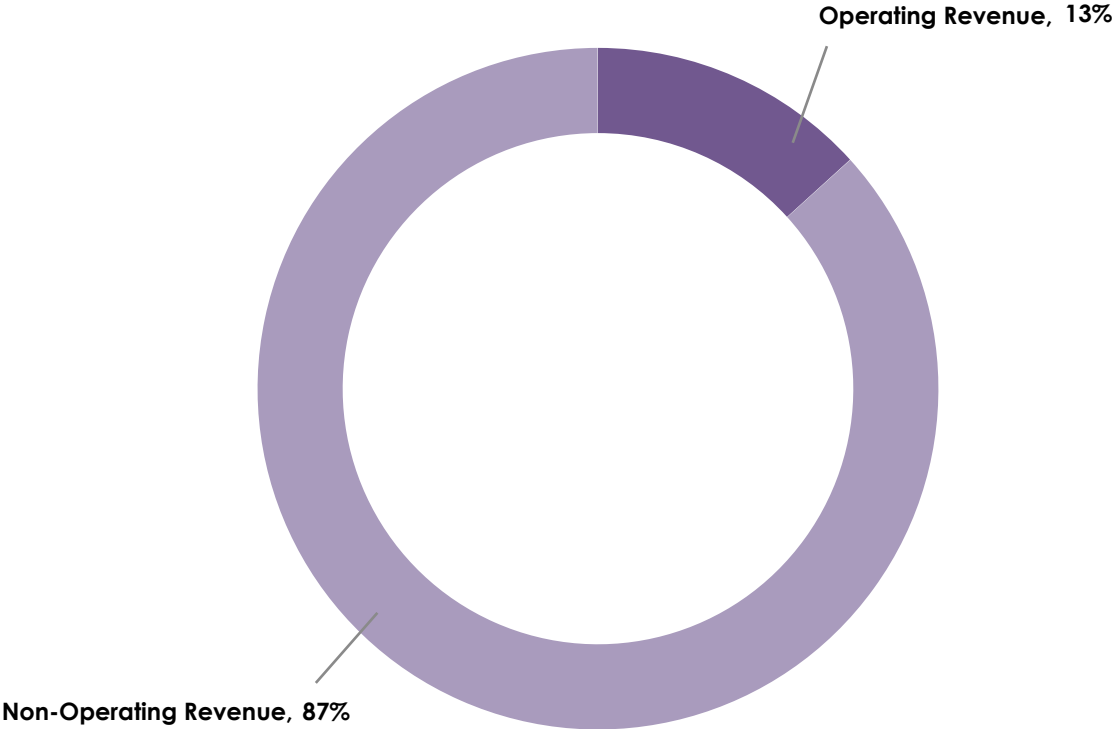
BUDGET SUMMARY - OPERATING REVENUE

	<u>Actual</u> FY 2022	<u>Actual</u> FY 2023	<u>Adopted</u> FY 2024	<u>Budget</u> FY 2025	<u>% Change</u> FY2024/ FY2025
OPERATING REVENUE					
Cash and Fares	\$2,498,890	\$2,713,277	\$3,021,105	\$3,066,540	1.50%
Other Contracted Services	1,707,542	1,985,758	2,036,280	1,772,425	(12.96%)
Polk County Funding	322,193	373,000	355,865	366,500	2.99%
Advertising Income	472,490	358,795	450,000	450,000	0.00%
TOTAL OPERATING REVENUE	\$5,001,115	\$5,430,830	\$5,863,250	\$5,655,465	(3.54%)
NON-OPERATING REVENUE					
Interest Income (Expense)	(\$121,347)	\$250,902	(\$72,000)	\$428,300	(694.86%)
Sale Of Scrap	1,050	7,632	10,000	10,300	3.00%
DCS Rental Income	889	535	1,000	7,000	600.00%
Miscellaneous Income	68,804	82,655	66,700	166,500	149.63%
Property Tax Revenue	23,470,428	24,958,050	26,081,140	28,563,538	9.52%
State Operating Assistance	2,142,699	2,227,135	2,064,240	2,271,700	10.05%
State Fellowships	55,762	42,391	0	0	0.00%
State Property Tax Backfill	774,358	677,809	583,000	483,000	(17.15%)
State Special Projects	0	0	0	0	0.00%
MPO Grant Funds	0	0	0	990,432	0.00%
CMAQ Funds	98,022	0	93,000	0	(100.00%)
FEMA Revenue	0	0	0	0	0.00%
FTA ADA - 5307	0	475,000	475,000	475,000	0.00%
FTA Cabs - 5310	36,554	262,373	45,000	147,000	226.67%
FTA Operating Income	0	0	2,600,000	3,235,000	24.42%
FTA Operating Income - 5307 CARES	11,759,409	13,985,456	4,100,000	0	(100.00%)
FTA Planning Income	0	0	0	0	0.00%
FTA 5311 Rural	28,989	18,652	10,000	15,000	50.00%
FTA Lease Funds	582,859	675,427	0	0	0.00%
Local Match Revenue	15,042	83,620	275,000	100,000	(63.64%)
TOTAL NON-OPERATING REVENUE	\$38,913,518	\$43,747,637	\$36,332,080	\$36,892,770	1.54%
TOTAL REVENUE	\$43,914,633	\$49,178,467	\$42,195,330	\$42,548,235	0.84%

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

BUDGET SUMMARY - OPERATING REVENUE

**FY 2025 Operating Revenue
as a % of Total Revenue**



Revenue Assumptions:

- Residential rollback at 46.3428%, Commercial rollback at 90% for value exceeding \$150,000
- Multi-Residential rollback now matches Residential rollback. Impact of more than \$2.5M cumulatively.
- DART on Demand fare change increase
- In this scenario, property tax revenue growth exceeds 4.5% to fund the original structural deficit.
- Year four of new property tax formula used to calculate DART levy rates. Rates are based 60% on old formula and 40% on new formula.
- Loss of additional \$100,000 in property tax backfill due to new legislation (7-year phase out)
- \$1,497,865 in one-time funds will be used to reduce property tax requirements (\$635,000 in capital dollars converted to operating funds and \$862,865 from cash reserves).



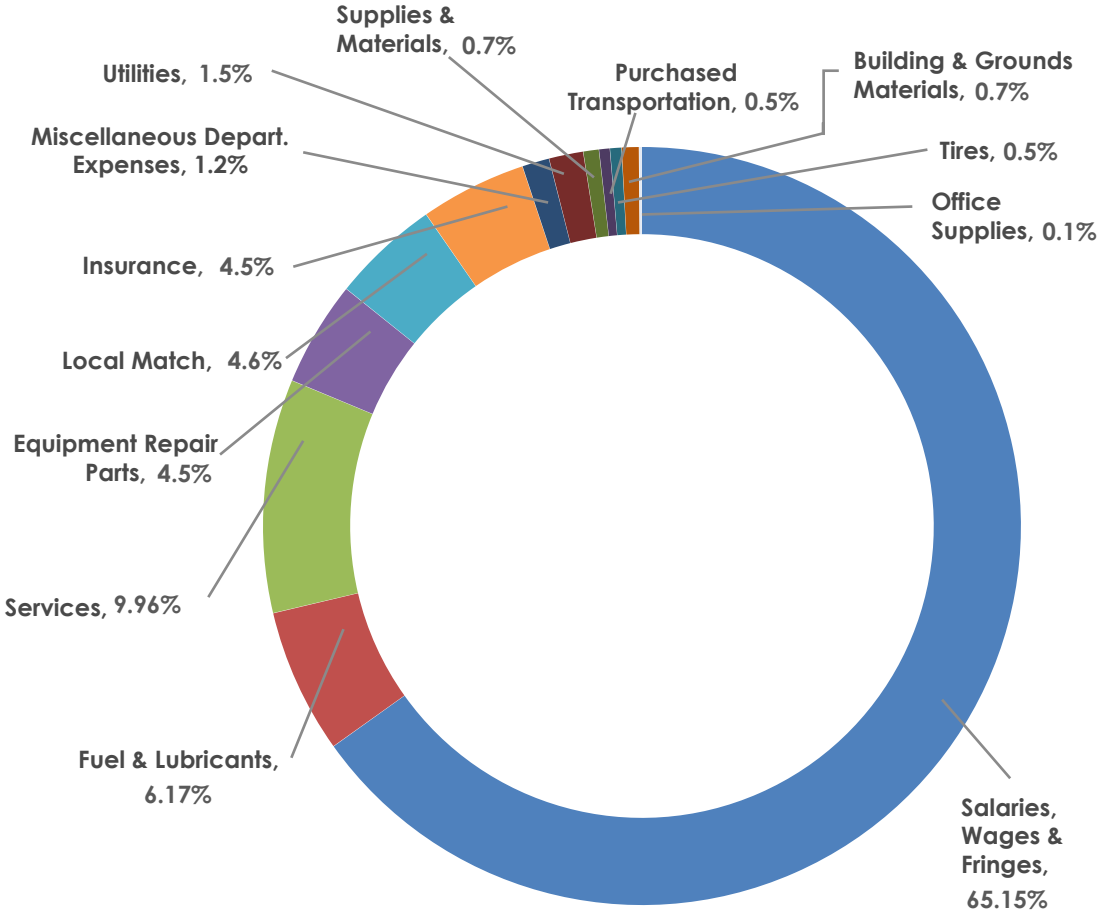
**Des Moines Area Regional Transit Authority
FY 2025 Budget**

BUDGET SUMMARY - OPERATING EXPENSES

	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$21,747,233	\$25,268,481	\$27,588,980	\$28,280,165	2.51%
Services	3,989,367	4,022,690	4,307,640	4,325,795	0.42%
Building and Grounds Materials	152,436	291,427	294,500	322,430	9.48%
Office Supplies	45,620	46,513	49,850	48,300	(3.11%)
Fuels and Lubricants	1,918,989	2,668,205	2,610,200	2,676,370	2.54%
Tires	219,192	181,603	183,200	211,880	15.66%
Equipment Repair Parts	1,319,391	1,640,775	1,697,500	1,948,590	14.79%
Supplies and Materials	198,088	305,007	295,800	287,300	(2.87%)
Utilities	682,701	627,698	727,460	641,920	(11.76%)
Insurance	1,245,710	1,348,609	1,577,180	1,967,500	24.75%
Purchased Transportation	94,926	210,074	122,450	200,450	63.70%
Miscellaneous Related Expenses	603,171	756,403	590,570	500,400	(15.27%)
Local Match	1,638,949	2,172,660	2,150,000	2,000,000	(6.98%)
TOTAL EXPENSES	\$33,855,773	\$39,540,145	\$42,195,330	\$43,411,100	2.88%

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

BUDGET SUMMARY - OPERATING EXPENSES



Expense Assumptions:

- Service levels are sustained other than the elimination of the D-Line
- 8% premium increase in health insurance expense
- 30% premium increase in property & casualty insurance
- IPERS rates steady at FY24 levels
- Mobility Services/Paratransit will see operator growth reflective of increasing Bus Plus demand



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 FIXED ROUTE BUDGET OVERVIEW

	<u>Actual</u> FY 2022	<u>Actual</u> FY 2023	<u>Adopted</u> FY 2024	<u>Budget</u> FY 2025	<u>% Change</u> FY2024/ FY2025
Operating Revenue	\$4,132,242	\$4,532,132	\$4,826,600	\$4,509,195	(6.58%)
Non-Operating Revenue	35,921,342	39,185,621	32,091,370	31,953,320	(0.43%)
Total Revenue	\$40,053,584	\$43,717,753	\$36,917,970	\$36,462,515	(1.23%)
Salaries, Wages and Fringes	\$20,585,540	\$22,256,432	\$24,285,260	\$24,516,205	0.95%
Services	3,828,508	3,850,661	4,109,440	4,132,995	0.57%
Building and Grounds Materials	152,436	291,427	294,500	322,430	9.48%
Office Supplies	44,854	46,399	49,100	47,550	(3.16%)
Fuels and Lubricants	1,486,612	2,085,607	2,139,000	2,059,630	(3.71%)
Tires	166,069	111,738	142,000	144,000	1.41%
Equipment Repair Parts	994,405	1,262,097	1,383,500	1,554,000	4.34%
Supplies and Materials	175,105	280,668	269,300	259,800	(3.53%)
Utilities	680,442	625,998	719,090	633,460	(11.91%)
Insurance	1,147,053	1,131,738	1,444,400	1,814,000	25.59%
Purchased Transportation	8,203	13,253	17,000	16,000	(5.88%)
Miscellaneous Related Expenses	(197,651)	31,847	137,980	47,910	(65.28%)
Local Match	1,596,767	2,083,320	1,927,400	1,777,400	(7.78%)
Total Expenses	\$30,668,343	\$34,071,186	\$36,917,970	\$37,325,380	1.10%
SURPLUS (DEFICIT)	\$9,385,241	\$9,646,566	\$0	(\$862,865) *	

* Paid from reserves. See Appendix B.



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 MOBILITY SERVICES BUDGET OVERVIEW

	<u>Actual</u> FY 2022	<u>Actual</u> FY 2023	<u>Adopted</u> FY 2024	<u>Budget</u> FY 2025	<u>% Change</u> FY2024/ FY2025
Cash Fares	\$106,367	\$84,543	\$92,885	\$97,530	5.00%
Mobile Ticketing	18,708	24,889	24,120	25,340	5.06%
DART On Demand	1,962	7,451	10,000	20,000	100.00%
Other Contracted Services	127,762	156,707	153,780	157,630	2.50%
Polk County Funding	322,193	373,000	355,865	366,500	2.99%
Property Tax Revenue	1,761,500	1,909,500	2,003,740	4,128,600	106.04%
FTA Cabs - 5310	36,554	262,373	45,000	147,000	226.67%
FTA ADA - 5307	0	475,000	475,000	475,000	0.00%
FTA Operating Income - 5307 CARES	955,406	1,396,260	1,593,360	0	(100.00%)
FTA 5311 Rural	28,989	18,652	10,000	15,000	50.00%
Total Revenue	\$3,359,441	\$4,708,375	\$4,763,750	\$5,432,600	14.04%
Salaries, Wages and Fringes	\$2,231,247	\$2,858,239	\$3,138,120	\$3,589,300	14.38%
Services	159,324	162,576	134,000	88,800	(33.73%)
Office Supplies	365	90	500	500	0.00%
Supplies and Materials	22,983	24,339	26,500	27,500	3.77%
Fuels and Lubricants	276,727	440,780	301,200	410,000	36.12%
Tires	44,094	52,000	30,000	45,000	50.00%
Equipment Repair Parts	269,836	294,947	246,000	292,000	18.70%
Utilities	559	—	6,660	6,760	1.50%
Insurance	76,463	141,248	107,780	121,000	12.27%
Purchased Transportation	86,287	196,628	105,000	183,750	75.00%
Miscellaneous Related Expenses	512,686	447,881	445,390	445,390	0.00%
Local Match	42,182	89,340	222,600	222,600	0.00%
Total Expenses	\$3,722,752	\$4,708,067	\$4,763,750	\$5,432,600	14.04%
SURPLUS (DEFICIT)	(\$363,311)	\$308	\$0	\$0	



**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FY 2025 CARAVAN BUDGET OVERVIEW

	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Cash Fares	\$294,334	\$260,715	\$400,000	\$479,270	19.82%
Miscellaneous Income	828	131	1,200	76,000	6,233.33%
Property Tax Revenue	0	0	0	97,850	0.00%
FTA Operating Income - 5307 CARES	208,898	500,100	112,410	0	(100.00%)
Total Revenue	\$504,060	\$760,946	\$513,610	\$653,120	27.16%
Salaries, Wages and Fringes	\$143,218	\$153,810	\$165,600	\$174,660	5.47%
Services	1,375	9,453	64,200	104,000	61.99%
Office Supplies	400	24	250	250	0.00%
Fuels and Lubricants	155,650	141,818	170,000	206,740	21.61%
Tires	9,029	17,865	11,200	22,880	104.29%
Equipment Repair Parts	55,150	83,731	68,000	102,590	50.87%
Utilities	1,700	1,700	1,710	1,700	(0.58%)
Insurance	22,194	75,623	25,000	32,500	30.00%
Purchased Transportation	435	193	450	700	55.56%
Miscellaneous Related Expenses	288,136	276,675	7,200	7,100	(1.39%)
Local Match	0	0	0	0	0.00%
Total Expenses	\$677,288	\$760,892	\$513,610	\$653,120	27.16%
SURPLUS (DEFICIT)	(\$173,228)	\$54	\$0	\$0	

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FEDERAL FUNDING & CAPITAL PROGRAM

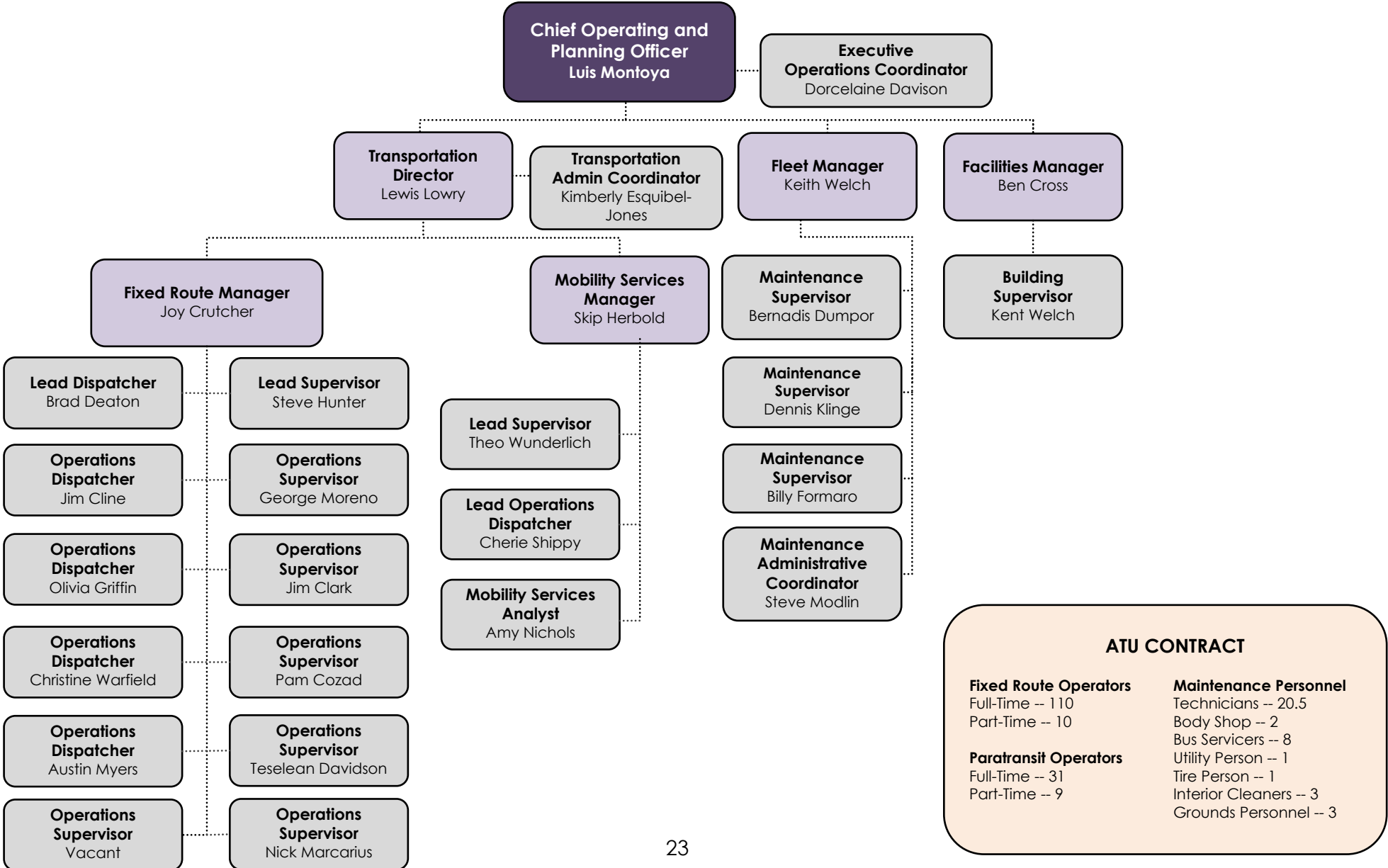
FEDERAL FUNDING SOURCE	TOTAL	OPERATING	CAPITAL
FTA Section 5307 Funds	\$9,400,000	\$7,700,000	\$1,700,000
FTA Section 5310 Funds	610,000	274,500	335,500
FTA Section 5311 Funds	24,000	24,000	0
FTA Section 5339 Funds	800,000	0	800,000
CRP Funds	3,600,000	0	3,600,000
Surface Transportation Funds (<i>MPO designated</i>)	1,300,000	0	1,300,000
TOTAL FEDERAL GRANT FUNDING	\$15,734,000	\$7,998,500	\$7,735,500
DART Local Match (<i>DART Operating Budget</i>)			\$2,000,000
TOTAL LOCAL MATCH OBLIGATIONS			\$2,000,000
		TOTAL CAPITAL FUNDING	\$9,735,500
CAPITAL EXPENDITURE ALLOCATIONS			TOTAL
Fleet - 7 40-FT Heavy Duty Buses, 5 Paratransit Light Duty Buses, Bus Lease Payment			\$7,600,000
Facilities - DART Operations and Maintenance Facility, DART Central Station maintenance projects			728,000
Support Equipment - Shop and support equipment			500,000
Technology - Software updates			200,000
Passenger Amenities and Misc - Bus benches and shelters			707,500
TOTAL CAPITAL EXPENDITURES			\$9,735,500

THIS PAGE IS INTENTIONALLY LEFT BLANK

Appendix A: Budgets by Department

Des Moines Area Regional Transit Authority FY 2025 Budget

OPERATIONS DEPARTMENT ORGANIZATION



ATU CONTRACT	
Fixed Route Operators	Maintenance Personnel
Full-Time -- 110	Technicians -- 20.5
Part-Time -- 10	Body Shop -- 2
	Bus Servicers -- 8
Paratransit Operators	Utility Person -- 1
Full-Time -- 31	Tire Person -- 1
Part-Time -- 9	Interior Cleaners -- 3
	Grounds Personnel -- 3



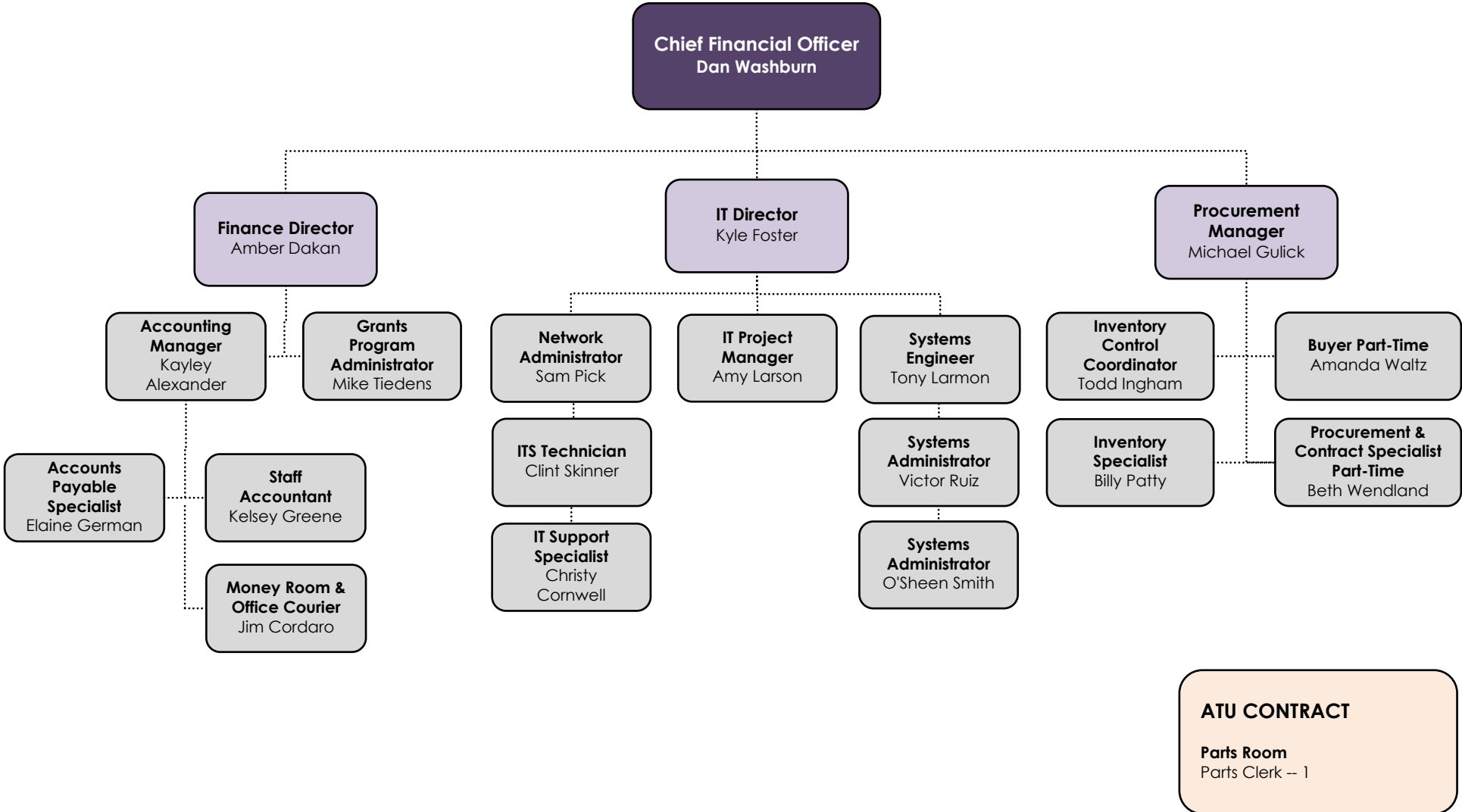
**Des Moines Area Regional Transit Authority
FY 2025 Budget**

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

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$15,679,517	\$17,159,054	\$18,410,260	\$18,171,750	(1.30%)
Services	897,856	951,720	1,075,190	1,090,335	1.41%
Building & Grounds Materials	152,436	291,427	294,500	322,430	9.48%
Office Supplies	23,543	26,176	27,600	26,300	(4.71%)
Supplies and Materials	152,086	247,957	238,300	235,800	(1.05%)
Fuels and Lubricants	1,486,612	2,085,607	2,139,000	2,059,630	(3.71%)
Tires	166,069	111,738	142,000	144,000	1.41%
Equipment Repair Parts	994,405	1,262,097	1,383,500	1,554,000	12.32%
Utilities	294,317	261,492	348,570	356,760	2.35%
Purchased Transportation	686	649	2,000	1,000	(50.00%)
Miscellaneous Related Expenses	124,690	54,719	106,400	81,600	(23.31%)
Total	\$19,972,216	\$22,452,635	\$24,167,320	\$24,043,605	(0.51%)

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

FINANCE DEPARTMENT ORGANIZATION





**Des Moines Area Regional Transit Authority
FY 2025 Budget**

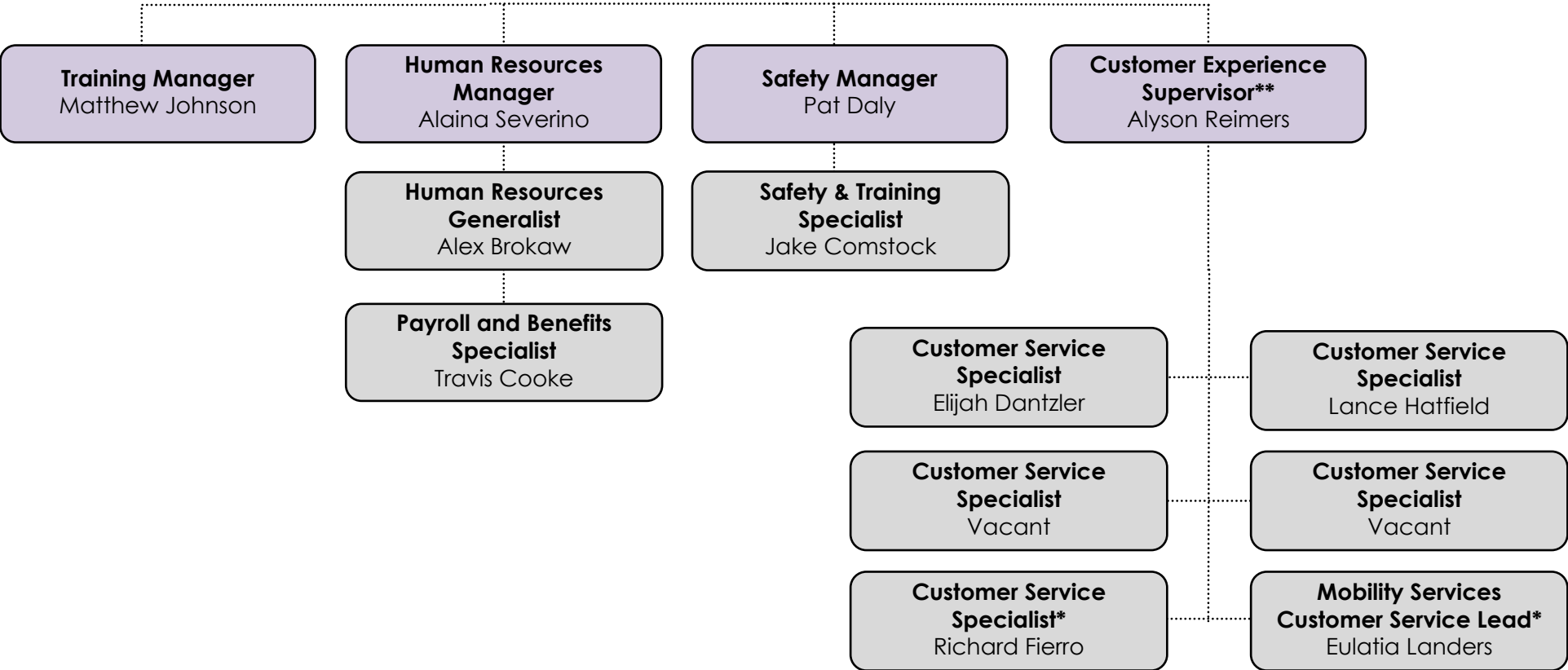
**FINANCE DEPARTMENT
Finance, Procurement and Information Technology Budgets**

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$1,878,195	\$1,946,278	\$2,256,000	\$2,585,245	14.59%
Services	2,015,860	1,964,885	2,166,200	2,104,460	(2.85%)
Office Supplies	7,206	2,267	5,250	5,250	0.00%
Supplies and Materials	7,626	9,295	8,500	4,000	(52.94%)
Utilities	377,774	356,537	356,140	265,010	(25.59%)
Insurance	1,147,053	1,131,738	1,444,400	1,814,000	25.59%
Miscellaneous Related Expenses	(815,843)	(460,470)	(383,370)	(385,390)	0.53%
Local Match	1,596,767	2,083,320	1,927,400	1,777,400	(7.78%)
Total	\$6,214,638	\$7,033,849	\$7,780,520	\$8,169,975	5.01%

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

HUMAN RESOURCES DEPARTMENT ORGANIZATION

Chief People Officer
Kelley Burgess



* Included in Paratransit Budget
 **Customer Experience department now falls under HR, but for budget is still shown under Ops

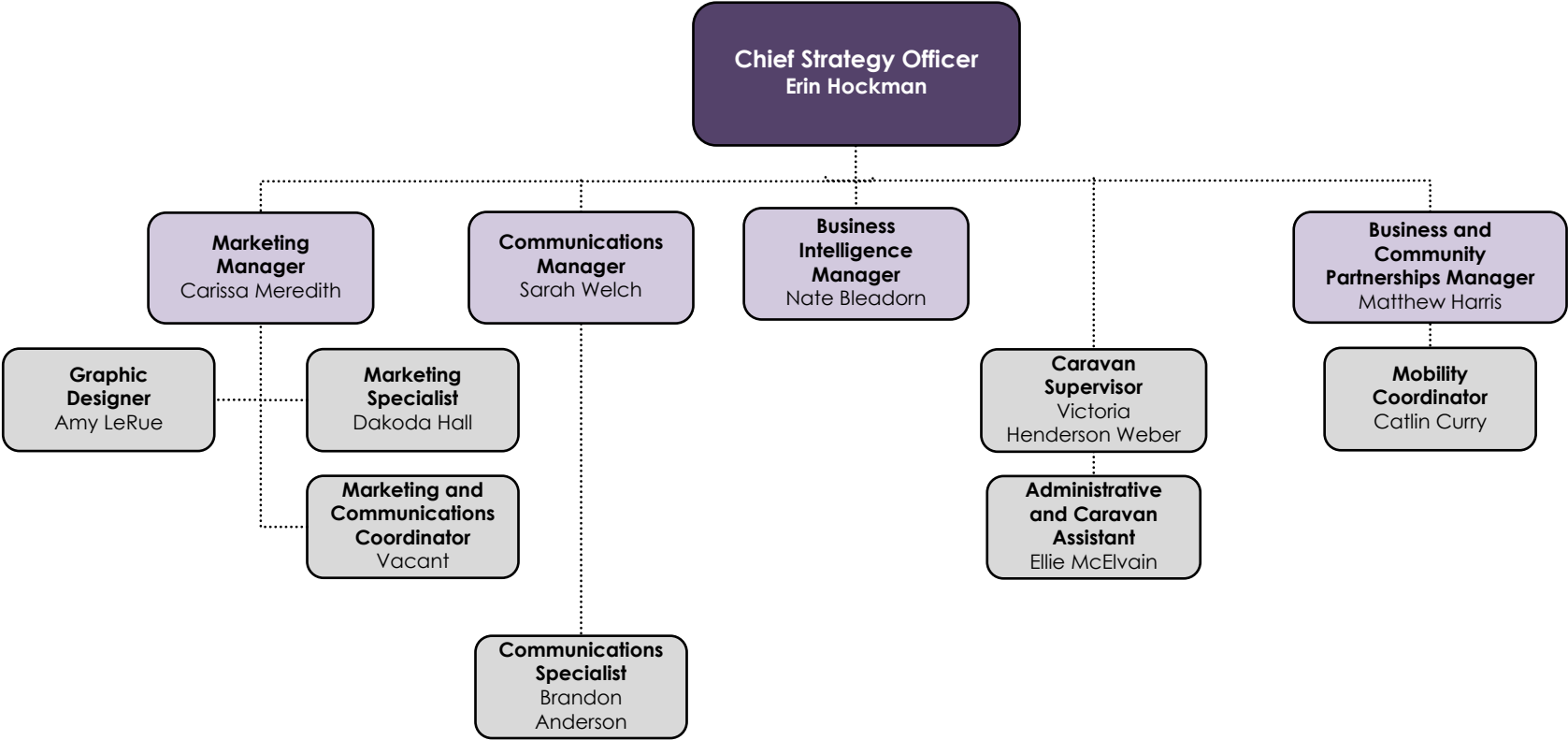
**Des Moines Area Regional Transit Authority
FY 2025 Budget**

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

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$920,659	\$969,190	\$1,100,620	\$1,148,140	4.32%
Services	181,244	199,122	135,800	168,600	24.15%
Supplies & Materials	1,897	2,712	8,250	8,000	(3.03%)
Utilities	3,675	3,595	3,310	2,560	(22.66%)
Miscellaneous Related Expenses	264,271	208,818	217,750	180,500	(17.11%)
Total	\$1,371,746	\$1,383,436	\$1,465,730	\$1,507,800	2.87%

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

EXTERNAL AFFAIRS DEPARTMENT ORGANIZATION



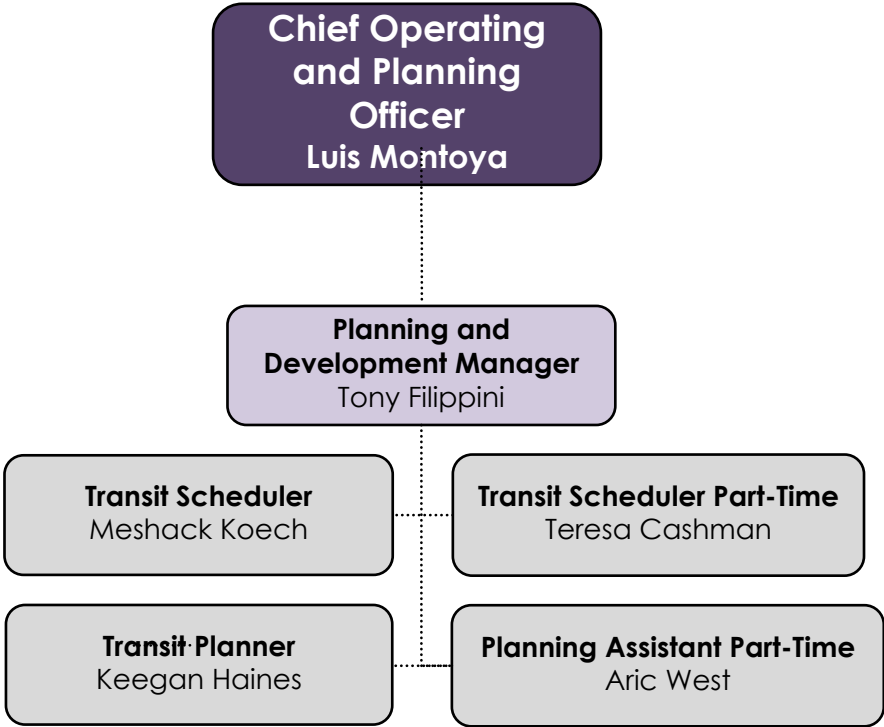


**Des Moines Area Regional Transit Authority
FY 2025 Budget**

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

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$988,004	\$966,080	\$1,140,350	\$1,182,020	3.65%
Services	249,990	240,315	241,750	204,600	(15.37%)
Office Supplies	0	549	0	0	0.00%
Supplies and Materials	15,392	23,416	22,500	20,000	(11.11%)
Utilities	5,309	5,543	5,130	4,890	(4.68%)
Miscellaneous Related Expenses	29,702	51,803	32,500	27,000	(16.92%)
Total	\$1,288,397	\$1,287,707	\$1,442,230	\$1,438,510	(0.26%)

PLANNING DEPARTMENT ORGANIZATION





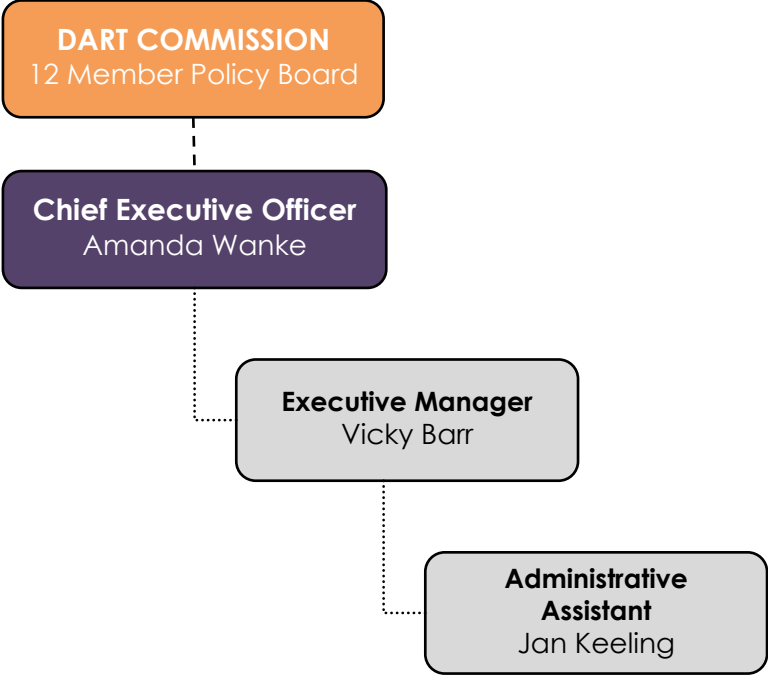
**Des Moines Area Regional Transit Authority
FY 2025 Budget**

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

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$638,058	\$690,754	\$762,750	\$804,230	5.44%
Services	162,981	77,503	130,000	100,000	(23.08%)
Office Supplies	0	0	0	0	0.00%
Utilities	3,292	3,567	3,290	2,450	(25.53%)
Purchased Transportation	7,517	12,604	15,000	15,000	0.00%
Miscellaneous Related Expenses	10,907	13,339	7,700	7,700	0.00%
Total	\$822,754	\$797,766	\$918,740	\$929,380	1.16%

**Des Moines Area Regional Transit Authority
FY 2025 Budget**

GENERAL ADMINISTRATION DEPARTMENT ORGANIZATION





**Des Moines Area Regional Transit Authority
FY 2025 Budget**

GENERAL ADMINISTRATION DEPARTMENT BUDGET

<u>Expense Item</u>	<u>Actual FY 2022</u>	<u>Actual FY 2023</u>	<u>Adopted FY 2024</u>	<u>Budget FY 2025</u>	<u>% Change FY2024/ FY2025</u>
Salaries, Wages and Fringes	\$481,107	\$525,076	\$615,280	\$624,820	1.55%
Services	320,578	417,117	360,500	465,000	28.99%
Office Supplies	12,209	14,695	8,000	8,000	0.00%
Supplies and Materials	0	0	0	0	0.00%
Utilities	(3,924)	(4,736)	2,650	1,790	(32.45%)
Miscellaneous Related Expenses	188,623	163,639	157,000	136,500	(13.06%)
Total	\$998,592	\$1,115,792	\$1,143,430	\$1,236,110	8.11%

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

Des Moines Area Regional Transit Authority FY 2025 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 one-time funds in the amount of \$2,612,865 over the course of three 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 \$1,497,865 one-time funds allocated in Fiscal Year 2025's budget, \$635,000 is capital dollars converted to operating funds and \$862,865 is reserve funds.
- 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 planned to take 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 2025 Budget**

FY 2025-26 Two-Year Budget Stability Funding Plan

	FY 2025	FY 2026	Total
DART General Fund Reserves	\$250,000	\$500,000	\$750,000
DART Stabilization Reserves	\$612,865	\$0	\$612,865
DART Capital Funds Converted to Operating	\$635,000	\$365,000	\$1,000,000
City of Des Moines Funding	\$1,500,000	\$2,000,000	\$3,500,000
MPO Funding	\$990,432	\$2,605,665	\$3,596,097
Administrative Cost Reductions	\$500,000	\$500,000	\$1,000,000
Total	\$4,488,297	\$5,970,665	\$10,458,962