

**WTA**

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OPPORTUNITY



# 2025 BUDGET

Published October 24, 2024 | Approved (TBD) | Prepared by WTA staff

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# About Whatcom County

## Population

According to the State Office of Financial Management (OFM), Whatcom County's population on April 1, 2020 was 226,847. From that point until April 1, 2024, the population grew by approximately 11,153 to over 238,000 (a 4.92% increase).

OFM estimates that Whatcom County will continue to grow to over 300,000 by 2050. For purposes of WTA 2040's planning horizon, OFM estimates Whatcom County's population to grow to 280,275 in 2040. OFM also estimates that Whatcom County's over-65 population will continue to grow, too, from 49,627 (20% of the population) to 64,174 (23% of the population) in 2040.

## Median Income

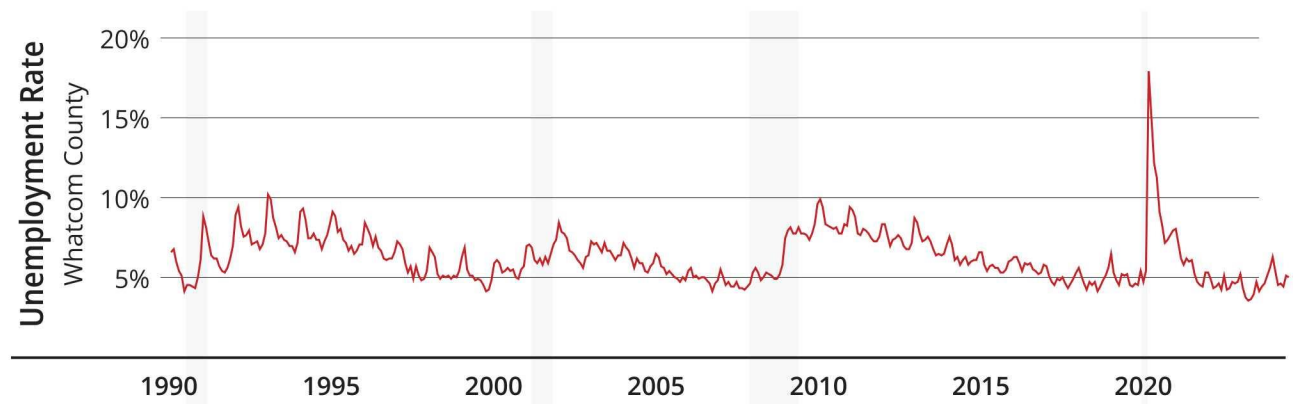
The average annual household income in Whatcom County is \$88,147 while the median household income sits at \$74,884 per year.

## Housing

The median sold price for a home in Whatcom County was \$627,000 in September, or approximately \$381 per square foot. The prices in 2023 was \$585,000; an increase of 7.2%. By comparison, the average home price in Washington was \$600,000 in August, 2024. The median rental cost in Whatcom County in September, 2024 was \$1,950 per month.

## Unemployment

According to the Washington Employment Security Department, the unemployment rate in Whatcom County was 5% as of August, 2024. The nationwide rate was 4.3%.



# General Manager's Budget Message

On behalf of WTA's Board of Directors and the WTA Team, welcome to 2025!

We are excited about the opportunities 2025 can bring. We are excited that as a member of the Whatcom County community, we play a key role in helping it become an even better place to live, work, and play. We are pleased and proud to be an active partner in this effort and to demonstrate value to our community.



## WTA's Mission

- Delivering safe, reliable, efficient, and friendly service
- Offering environmentally sound transportation choices
- Providing leadership in creating innovative transportation solutions
- Partnering with our community to improve transportation systems

## Budget Intent

We believe our budget is a strategic implementation tool. It shows how we align our resources with our mission and priorities while maintaining financial sustainability. The numbers tell the story of WTA's strategy for delivering value to our riders and community, through the transportation services we provide. We hope by reviewing our budget, you can see how we intend to invest in our mission, now and into the future.

## Strategic Foundation

Our 2025 budget reflects the following intended outcomes:

- Improve access to education, jobs, medical care, shopping, services, recreation for all
- Reduce greenhouse gas emissions by converting drive-alone trips to bus trips
- Alleviate growth congestion as population grows
- Support economic growth and opportunity
- Increase affordable housing in walkable, bikeable, and bus-able neighborhoods
- Reduce carbon footprint
- Support people living independently, including seniors and people with disabilities

WTA's 2025 strategic investments are as follows (in alphabetical order):

- Community value and stakeholder outreach
- Environment
- Organizational development (people)
- Partnerships
- Service
- State of good repair



## 2025 Budget Project Highlights

The following are examples of 2025 investments that reflect our strategic foundation and outcomes:

- Continue the partnership with the City of Lynden and Catholic Community Services to develop a transit-friendly, affordable workforce housing project at our Lynden station.
- Begin development plans for the Bellingham Station expansion and mixed-use development that will include retail and housing in the future.
- Invest in rapid transit planning. Now that we have determined rapid transit is feasible, we will plan for how to move more people more efficiently as population and congestion continue to grow.
- Optimize our service by exploring ways to better match service with demand in our cities and county, including new areas of development along the waterfront, Old Town, and King Mountain areas and more direct service to the hospital and Lummi Nation.
- Refine a financial model to forecast revenues and expenses and make financially sustainable decisions.
- Continue to support the Transit Access Fund to support communities with transportation projects they are unable to financially complete on their own.
- Institute a technical assistance grant program to partner with agencies to assist with grant writing and technical assistance to help fill transportation gaps and better serve the community.
- Continue to serve our passengers by adding ADA access to current and future bus stops and replacing bus shelters as needed.
- Pursue decarbonization strategies like purchasing old growth forest land and using alternative fuels.

WTA's budget is part of a phased strategic framework. The 2025 budget builds on the work it started in 2024 and paves the way for important initiatives in the future that will connect people to opportunities and improve equity, transportation efficiency, and our natural environment.

It is an exciting time to be a provider of public transportation. All of us at WTA are proud to serve this community. We look forward to the opportunity to make it an even better place, through the services we provide.

Warmly,



Les Reardanz

General Manager



*At WTA, our mission is to  
enhance our community by:*

Delivering safe, reliable,  
efficient, and friendly service

Offering environmentally  
sound transportation choices

Providing leadership in  
creating innovative  
transportation solutions

Partnering with our  
community to improve  
transportation systems

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# Agency Overview

## Service, Routes, and Ridership

The Planning and Community Relations divisions are leading a Board discussion over a Service Allocation Framework to guide future service investment priorities. This will enable staff to identify and recommend service revisions with a holistic approach rather than annual service revisions based on short-term requests and concerns.

In June 2025, service revisions are planned to be implemented subject to Board approval. These changes would address performance issues, demand in new growth areas, and equity needs. Two significant changes include increases in frequency to the Peace Health Medical Complex in Bellingham and to the Lummi Nation. Other changes include establishing a long-term waterfront service and service to the King Mountain neighborhood in North Bellingham.

Rapid transit service is being planned to support regional connections and growth of housing and employment in Bellingham. The Board and Bellingham City Council are expected to adopt a locally preferred alternative to direct future work around enhanced transit design concepts and priorities for corridor operating and capital investments.

Fixed route ridership is 9% higher in 2024 to date than in the same period in 2023. Nearly every route has increased boardings over 2023. Paratransit ridership has also grown in 2024, although by a smaller percentage (4%) than fixed route service. The rideshare program was overseeing eleven vanpools in the fall of 2024.

## Historical Revenues, Expenses and Reserves

The graph on page 9 depicts total revenues, total expenses, and total required reserve levels from 2016 through the 2030 projection. During 2020, 2021, and 2022, federal COVID relief funds were received pushing revenues significantly above expenses coupled with lower operating costs during 2021 as service and ridership contracted due to the university and colleges holding courses remotely.

Operating expenses are expected to begin outpacing operating expenses in 2025 and continue through 2030. WTA is developing strategies to develop ideas for new revenue generation and expense trimming to bring these figures into alignment.

## 2025 Operating Revenues

The 2025 sales tax revenue is budgeted at a 2% increase over the estimated 2024 actual receipts as of August 30, 2024. We are forecasting 2024 receipts to end the year approximately 8.2% under budget at less than \$40 million led by decreases in retail trade, construction, and the technology sectors.

Fare revenue is budgeted relatively flat at 3% above the 2024 budget as ridership levels out across the county. Our contracts with Western Washington University and Whatcom Community College continue to increase in ridership since 2020. However, a greater percentage of those rides are free, as students 18 and under currently make up 9.3% of total college trips.

Paratransit boardings to expected to increase slightly by 1.5% with expanded service and more reliable scheduling.

Operating grant revenues are dropping from 2024 as WTA received the first two quarters of 2025 Move Ahead Washington program. WTA utilizes these funds to support paratransit operations. These funds come from the Climate Commitment Act passed in 2022. This act is on the November ballot for repeal. If these funds are repealed, WTA will need to address the impacts to operating revenue and related expenses.

Interest income rates increased during early 2024 as a measure to offset rising inflation. Rates have dropped and are anticipated to remain above 3% throughout 2025.

## 2025 Operating Expenses

Operating expenses are anticipated to continue growing during 2025 and exceed planned operating revenue. Wages and salaries increase by approximately 9% due to an overall general wage increase of 3% and many new employees receiving 5% increases. Medical benefits costs grew between 7.2 and 8.3% over 2024 while dental and vision rates remained flat.

Other significant changes are in outside services at WTA engages in the planning and design of several future capital projects. Insurance rates continue to grow due to the increasing value of WTA's assets and the ongoing natural disasters the world is experiencing.

## Cash

WTA's operating cash balance is estimated at \$20,064,000 as of January 1, 2025. These funds are held to support the daily operations of WTA, essentially our checkbook to receive revenue and pay bills.

The required operating reserve is estimated at \$13,847,000 on January 1, 2025, an increase of \$597,000. This reserve provides cash for daily operations should WTA experience a severe decline in revenue.

Total internally designated reserves for vehicle replacement and other capital improvements are estimated at \$5,847,000 as of January 1, 2025, a decrease of \$16,296,000 from 2024. This decrease is due to the considerable number of buses and rideshare vehicles WTA received and paid for in 2024.

## Conclusion

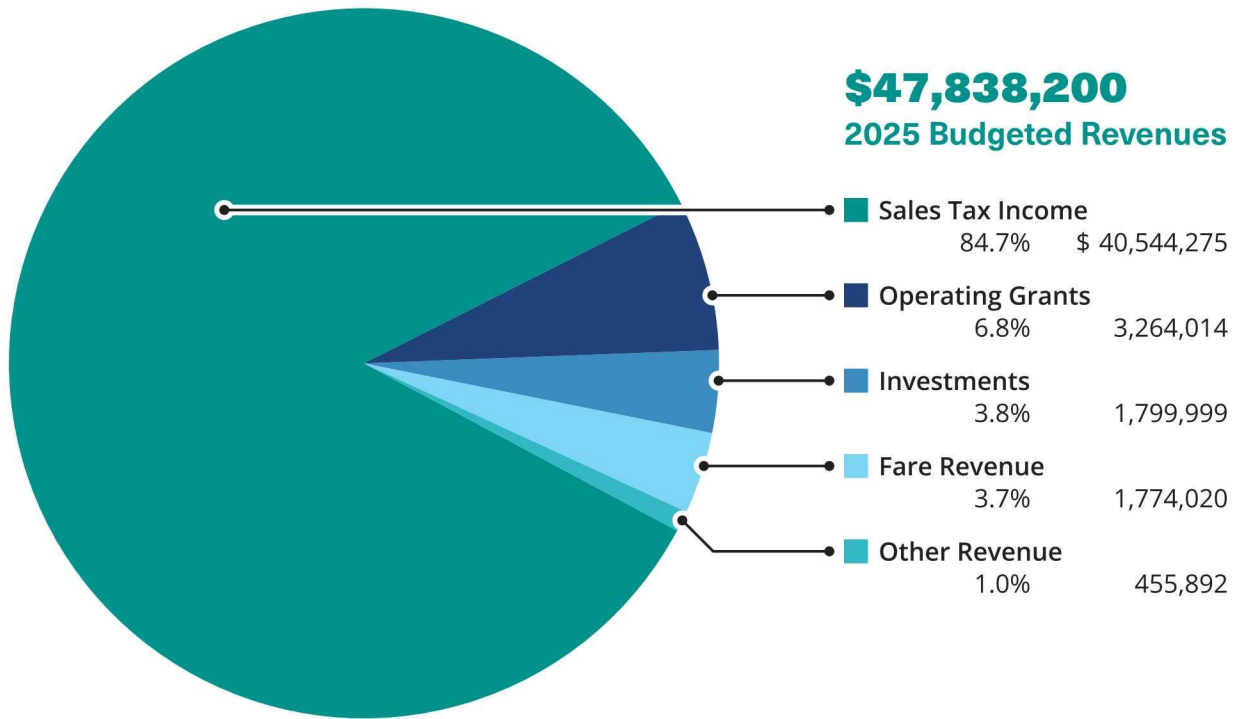
WTA enters 2025 with plans to invest funds into our communities, look to the future and continuing to prove the value of the services provided and maintain our fiduciary duty to our constituents.



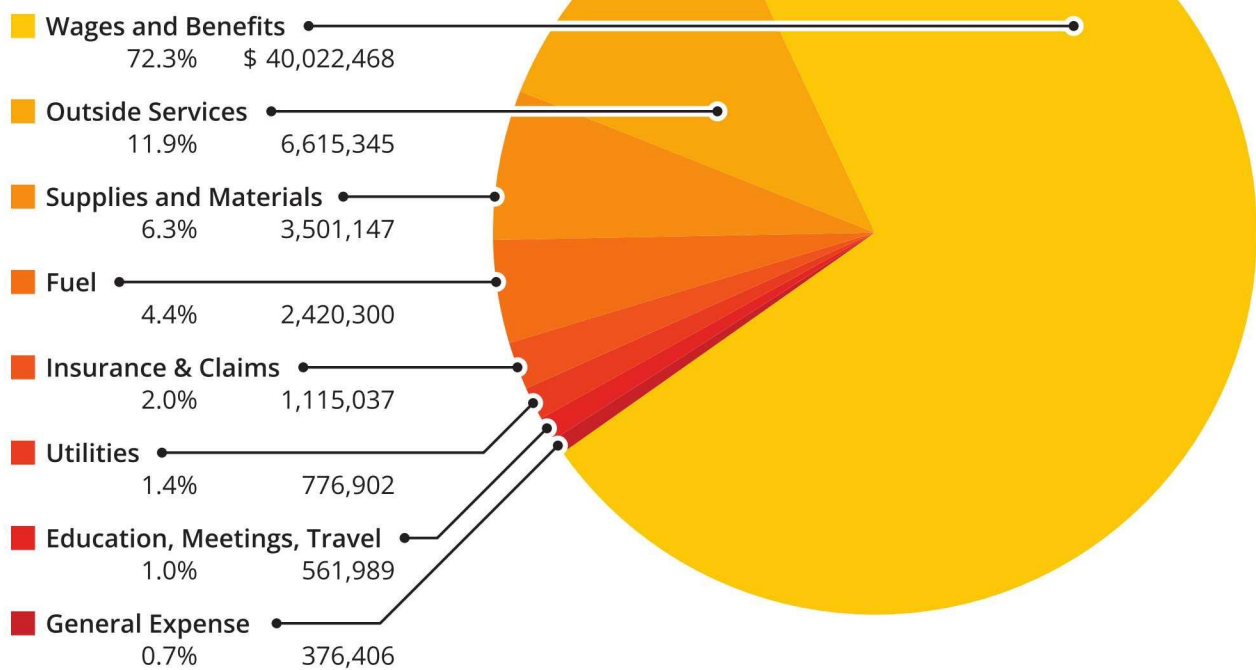
# Draft Operating and Capital Budget

<b>Revenues</b>	<b>2025 Budget</b>	<b>2024 Projection</b>	<b>2024 Budget</b>	<b>2023 Actuals</b>
Fixed Route Revenue	\$ 1,596,691	\$ 1,554,480	\$ 1,587,244	\$ 1,516,827
Paratransit Revenue	76,829	78,144	74,444	79,617
Lynden Hop Revenue	0	1,558	1,558	3,079
Rideshare Revenue	100,500	88,598	95,700	63,975
<b>Total Operating Revenues</b>	<b>1,774,020</b>	<b>1,722,780</b>	<b>1,758,946</b>	<b>1,663,498</b>
Sales Tax Income	40,544,275	39,521,724	39,521,724	40,459,954
Operating Grants	3,264,014	9,832,222	9,832,222	5,516,454
Investment Income	1,799,999	2,011,678	2,006,250	1,506,566
Other Revenue	455,892	794,431	251,572	46,780
<b>Total Revenues</b>	<b>\$ 47,838,200</b>	<b>\$ 53,882,835</b>	<b>\$ 53,370,714</b>	<b>\$ 49,193,252</b>

<b>Expenses</b>	<b>2025 Budget</b>	<b>2024 Projection</b>	<b>2024 Budget</b>	<b>2023 Actuals</b>
Wages & Salaries	\$ 28,044,515	\$ 25,502,722	\$ 27,099,725	\$ 24,153,249
Employee Benefits	11,977,953	10,782,232	11,219,796	7,305,047
Outside Services	6,615,345	3,766,863	6,367,707	2,988,917
Supplies & Materials	3,501,147	2,786,626	3,488,565	2,451,259
Fuel	2,420,300	1,794,370	2,464,790	1,990,837
Utilities	776,902	592,919	709,812	544,010
Insurance & Claims	1,115,037	941,690	941,690	770,817
Education, Meetings & Travel	561,989	400,592	518,295	338,065
General Expense	376,406	346,796	351,668	377,458
<b>Total Operating Expenses</b>	<b>\$ 55,389,594</b>	<b>\$ 46,914,810</b>	<b>\$ 53,162,048</b>	<b>\$ 40,919,659</b>
<b>Net Operating Income/(Loss)</b>	<b>\$ (7,551,394)</b>	<b>\$ 6,968,025</b>	<b>\$ 208,666</b>	<b>\$ 8,273,593</b>
Grants & Contributions	\$ 4,421,721	\$ 38,830,460	\$ 40,654,485	\$ 6,640,218
Capital Expenses	13,391,025	26,052,203	26,979,403	2,253,906
<b>Net Capital Expense</b>	<b>\$ (8,969,304)</b>	<b>\$ 12,778,257</b>	<b>\$ 13,675,082</b>	<b>\$ 4,386,312</b>
<b>Net (Loss)/Income</b>	<b>\$(16,520,698)</b>	<b>\$ (5,810,232)</b>	<b>\$(13,466,416)</b>	<b>\$ (3,887,281)</b>

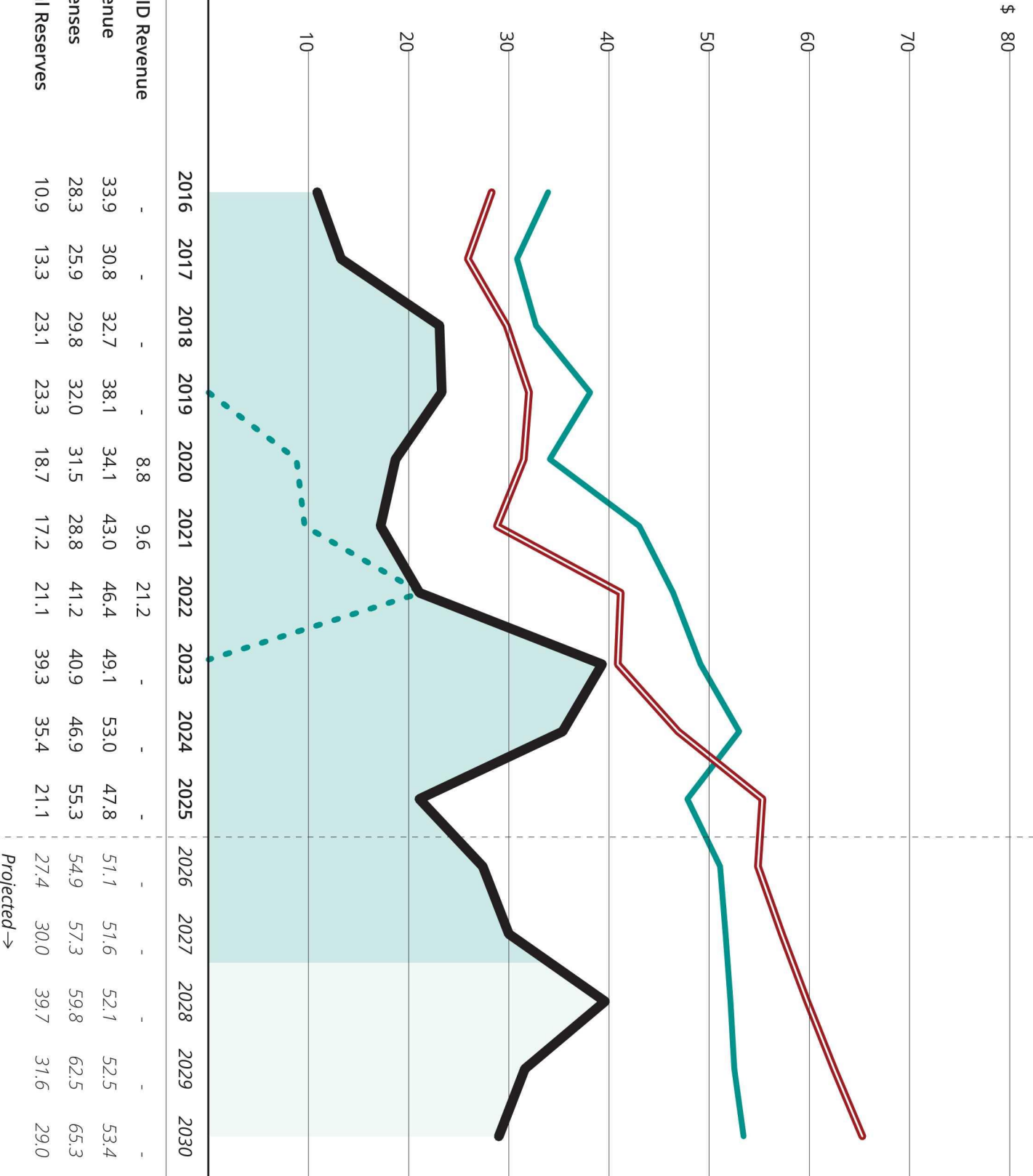


### \$55,389,594 2025 Budgeted Expenses





### Total Revenues, Expenses, and Reserves (shown in millions of dollars)



# 2025 Personnel Summary

The 2025 amended budget includes 326 full-time equivalents (FTEs). This is a request of ten (10) additional positions compared to the 2024 budget.

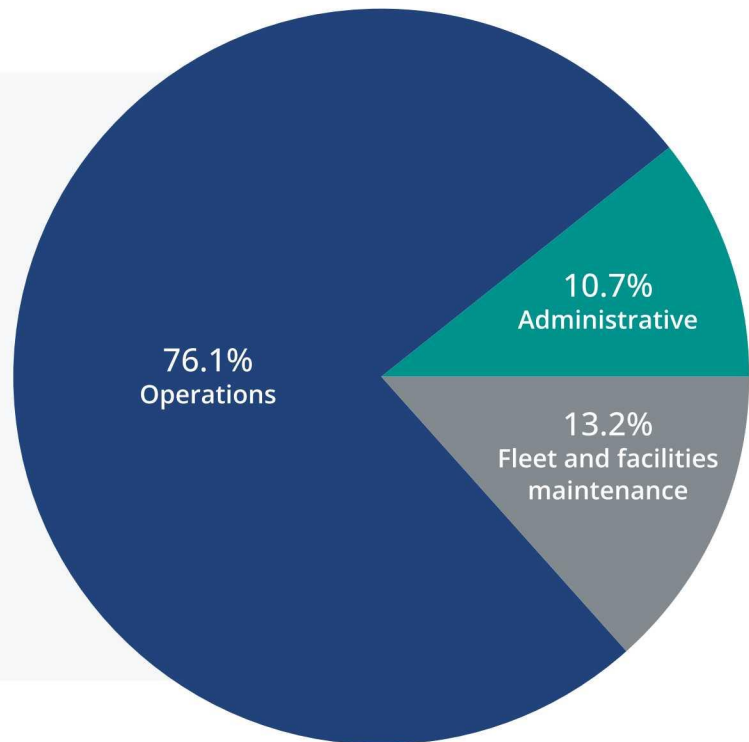
The eight (8) operators and the trainer are necessary for the June, 2025 service expansion. The project manager is needed to expand capacity and provide project management for large upcoming projects such as the Bellingham Transit Station expansion.

New positions requested:

- Eight (8) additional transit operators
- One (1) additional trainer
- One (1) new project manager

## 2025 Budgeted Positions

**Operations** includes service delivery and support representing 248 or 76.1% of total positions. **Fleet and facilities maintenance** represents 43 or 13.2% of total positions. The remaining 35 positions, or 10.7%, are in **executive, finance, planning, community relations, human resources, and IT divisions.**



# Capital Projects and Grant Revenues

● Mandatory projects under contract or with an awarded grant

Carryover Projects	2024 Budget Carryover	Grants	Local Match
● Midway Electric Charging Facilities	\$ 1,201,025	\$ 1,020,871	\$ 180,154
● Mobile Data Terminal Replacements	380,000	-	380,000
Paratransit Minibus Washer Replacement	300,000	-	300,000
● Automatic Passenger Counters	212,000	169,600	42,400
Bus Stop Shelter Replacements	173,000	-	173,000
● ADA Access at Bus Stops	150,000	75,000	75,000
<b>Subtotal</b>	<b>\$ 2,416,025</b>	<b>\$ 1,265,471</b>	<b>\$ 1,150,554</b>

New Projects	2025 Budget	Grants	Local Match
Property Acquisition and Tenant Improvements	\$ 6,450,000	\$ -	\$ 6,450,000
● Paratransit Minibus Replacement (8)	1,600,000	1,360,000	240,000
● Expansion Vehicles for June 2025 Service (2)	1,200,000	1,020,000	180,000
● Paratransit Minibus Expansion (3)	600,000	510,000	90,000
Upgrade Original HVAC System Controls	470,000	-	470,000
● Rideshare Replacement Vehicles (3)	225,000	191,250	33,750
● ADA Access at Bus Stops	150,000	75,000	75,000
Contingency Funds	150,000	-	150,000
Replace Routes Maintenance Truck	130,000	-	130,000
<b>Total</b>	<b>\$ 13,391,025</b>	<b>\$ 4,421,721</b>	<b>\$ 8,969,304</b>

## Revenue Vehicles

WTA currently operates an active fleet of 63 buses, 45 minibuses, and 18 rideshare vans. Replacement of vehicles that have reached their useful lives is ongoing. WTA plans to replace eight (8) paratransit vehicles, expand the fleet by five (5) vehicles, and replace three (3) rideshare vehicles in 2025.

## Passenger Stations and Bus Stops

Funds are budgeted in 2025 to improve rider convenience, safety, and access at several passenger stops, and make necessary security upgrades at stations. Also planned is the installation of electric vehicle charging facilities at the Midway property.





## **Administrative and Maintenance Facilities**

WTA plans to use budgeted funds to replace the paratransit minibus washer (delayed from 2024) and HVAC, elevator, and electrical upgrades at the Maintenance and Operations Base (MOAB).

## **Technology**

Funds are budgeted to complete the installation of new equipment on vehicles for paratransit scheduling and the completion of adding automatic passenger counters on the buses.

## **Other Projects**

WTA will continue to support other jurisdictions with transportation related projects through the Transit Access Fund. The replacement of outdated fleet maintenance and service equipment is ongoing.

## **Grants**

WTA has budgeted for secured grant revenues to be received from the Washington State Department of Transportation, the Federal Transportation Administration, and the City of Bellingham Transportation Fund.

# Cash Reserves

WTA maintains cash reserves to protect its ability to provide public transportation service. Reserves ensure that the agency can withstand economic disruptions, unanticipated expenses, capital requirements and meet other non-recurring needs.

Each reserve account has minimum balance and a recommended balance per the Reserve Policy. The reserve accounts proposed for 2025 all meets the recommended balances.

Reserve account balances may only change with the Board of Directors' approval. The recommended 2025 reserve balance changes are summarized below.

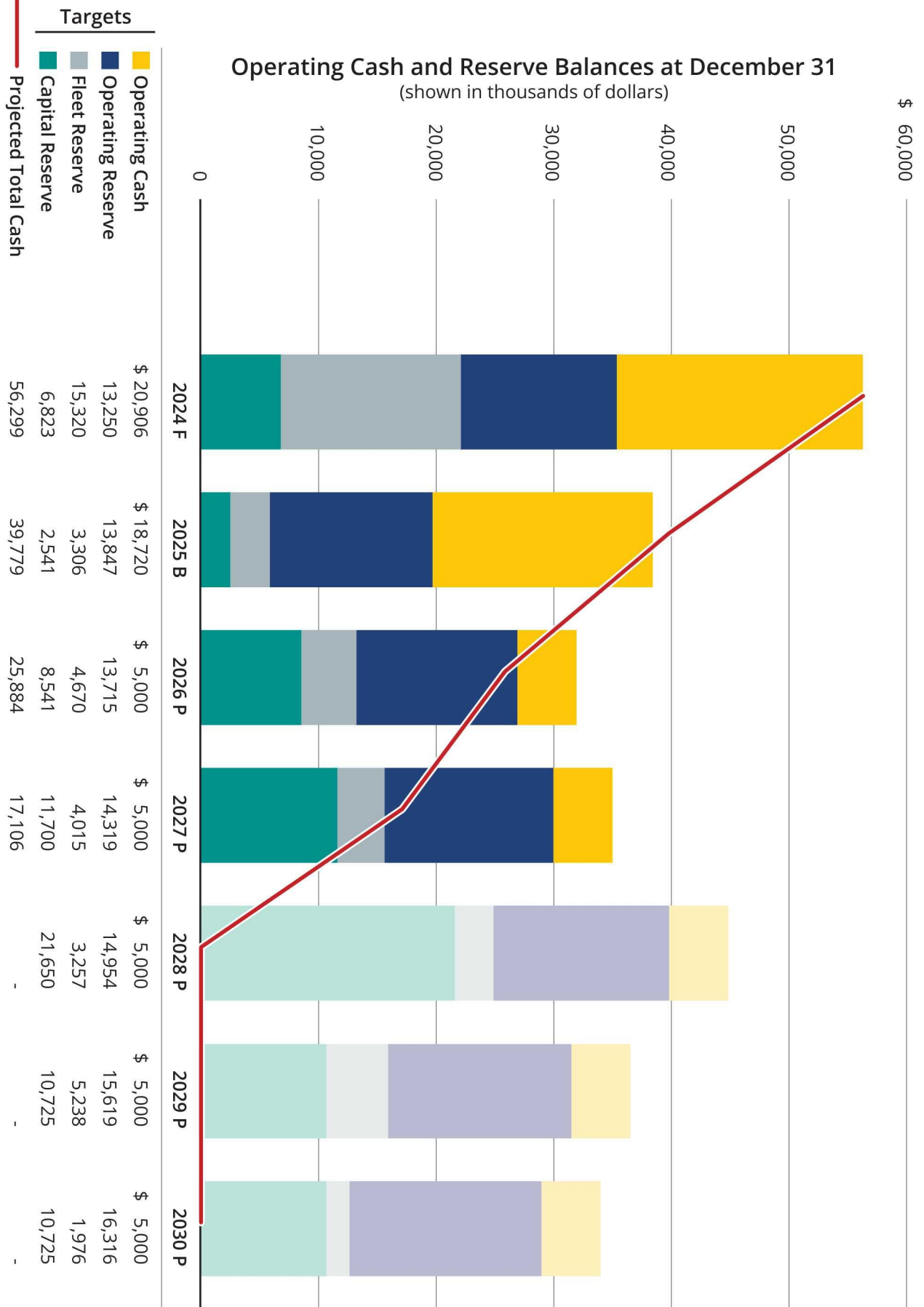
<b>Reserve</b>	<b>2025 Recommended Reserves</b>	<b>2024 Current Reserves</b>	<b>Increase or (Decrease)</b>
Operating	\$ 13,850,000	\$ 13,250,000	\$ 600,000
Capital	2,541,000	6,823,000	(4,282,000)
Fleet	4,760,000	15,320,000	(10,560,000)
<b>Rounded</b>	<b>\$ 21,151,000</b>	<b>\$ 35,393,000</b>	<b>\$ (14,242,000)</b>

The Operating Reserve accumulates funds to protect against unforeseen operating demands. It is calculated as 25% of the current year's budgeted operating expenses. The recommended operating reserve balance for 2025 is \$13,850,000.

<b>Operating Reserve</b>	<b>2025</b>	<b>2024</b>
Expenditures	\$ 55,389,594	\$ 53,003,298
Reserve Rate	25%	25%
Calculated Reserve	13,847,399	13,250,825
<b>Recommended Reserve</b>	<b>\$ 13,850,000</b>	<b>\$ 13,250,000</b>

The Capital Reserve ensures that capital assets (excluding fleet vehicles) can be replaced or acquired as needed. These assets include building components, equipment, staff vehicles, technology, and hardware. The minimum capital reserve is the next two years of WTA's required local share of identified projects equaling \$2,541,000.

The Fleet Replacement/Expansion Reserve allows WTA to replace revenue vehicles to maintain a state of good repair or expand the fleet as needed in the future. WTA develops the cost to replace the entire fleet over its established useful life. The reserve balance is funded proportionally each year to accumulate the full replacement or expansion cost of the vehicle by the year of replacement for Fixed Route, Paratransit and Rideshare (Vanpool) vehicles. The recommended Fleet Replacement/Expansion Reserve for 2025 is \$4,760,000.





# Performance Data by Mode

<b>Fixed Route</b>	<b>2025 Budget</b>	<b>2024 Budget</b>	<b>2024 Projected</b>	<b>2025 v 2024</b>
Boardings	4,290,000	3,783,782	3,860,000	13.4%
Total Revenue Hours	161,000	155,369	151,100	3.6%
Total Revenue Miles	2,194,862	2,118,007	2,080,000	3.6%
Boardings Per Hour	26.6	24.4	25.5	9.0%
Passenger Miles per Hour	77.3	75.6	76.6	2.2%
Passenger Miles Per Boarding	2.9	3	3	-3.3%
<b>Paratransit</b>	<b>2025 Budget</b>	<b>2024 Budget</b>	<b>2024 Projected</b>	<b>2025 v 2024</b>
Boardings	173,093	170,425	178,671	1.6%
Total Revenue Hours	60,787	70,419	60,912	-13.7%
Total Revenue Miles	917,700	968,864	888,780	-5.3%
Boardings Per Hour	2.85	2.42	2.93	17.8%
Passenger Miles per Hour	17.89	13.13	16.88	36.3%
Passenger Miles Per Boarding	6.3	5.4	5.8	16.7%
<b>Vanpool</b>	<b>2025 Budget</b>	<b>2024 Budget</b>	<b>2024 Projected</b>	<b>2025 v 2024</b>
Boardings	38,168	21,841	30,848	74.8%
Total Revenue Hours	4,518	2,506	3,781	80.3%
Total Revenue Miles	249,984	137,176	211,032	82.2%
Boardings Per Hour	8.4	8.7	8.2	-3.4%
Passenger Miles Per Boarding	37.3	34.6	39.2	7.8%
<b>Lynden Hop</b> <i>(ended June 16, 2024)</i>	<b>2025 Budget</b>	<b>2024 Budget</b>	<b>2024 Projected</b>	<b>2025 v 2024</b>
Boardings	0	13,230	6,962	-100.0%
Total Revenue Hours	0	5,812	2,202	-100.0%
Total Revenue Miles	0	35,721	29,315	-100.0%
Boardings Per Hour	0	2.3	3.16	-100.0%
Passenger Miles per Hour	0	6.1	10.08	-100.0%
Passenger Miles Per Boarding	0	2.7	3.19	-100.0%

<p>The increase in fixed route mileage is due to the addition of new routes as well as additional trips on existing routes.</p>	<p>The increase in expected vanpool boardings, hours, and mileage is due to an increased fleet size from 11 vans in operation to 14.</p>
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# THANK YOU

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