

ATTACHMENT B

FY 2017 Wake Transit Plan Model Assumptions - Wake Transit Work Plan

Assumption	Type	Wake Transit Plan Assumption	FY 2017 Proposed Assumption	FY 2018 Proposed Assumption	Source	Impact/Notes
Operating Revenues						
Tax District Revenues						
Article 43 1/2 Cent Local Option Sales Tax	Growth Rate	4.0%	4.0%	4.0%	Budgeted Growth in Wake County Financial Model for Article 39	
Vehicle Rental Tax	Growth Rate	2.5%	2.5%	2.5%	Historical Growth	
Vehicle Registration Tax, \$7.00 per Vehicle	Growth Rate	2.0%	2.0%	2.0%	Historical Growth	1/4 Fiscal Year Removed from FY 2017 (\$1.449 M)
Vehicle Registration Tax, \$3.00 per Vehicle	Growth Rate	2.0%	2.0%	2.0%	Historical Growth	
Agency Revenues						
State Share of Operating Costs						
State Maintenance Assistance Program	% of Costs	10%	10%	10%		
Federal Share of Operating Costs						
Federal Formula Transit Grants Section (5307)	FTA Formula Inputs and Data Unit Value for Revenue Miles	54.7 cents/mile	54.7 cents/mile	54.7 cents/mile	FY 2014 NTD Data Unit Values	For FY 2018 work plan, data unit value will be updated. Other federal funding formula inputs will also be reviewed.
Farebox Recovery Ratios						
Model assumes farebox for new service is part of recovery ratio and cash in plan. Further discussion in later years is needed on how to measure health of plan regarding these dollars and measures.						
Bus Rapid Transit (Beginning in 2024)						
Agency A	% of Costs	24%	24%	24%		
Rail (Beginning in 2027)						
Agency A	% of Costs	20%	20%	20%		
Local Bus						
Raleigh	% of Costs	18.28%	15%	15%	City of Raleigh	
Cary	% of Costs	18.28%	7.95%	7.95%	Town of Cary	
GoTriangle	% of Costs	18.28%	15.00%	15.00%	GoTriangle	
Other Agency Revenues	Growth Rate					
Operating Expenditures						
Administration	Growth Rate	N/A	2.50%	2.50%	CPI Ten Year Estimate	
Transit Operations						
Bus Rapid Transit (Cost/Hr) (Beginning in 2024)						
Agency TBD	Growth Rate	2.50%	2.50%	2.50%	CPI Ten Year Estimate	
Rail (Annual Cost) (Beginning in 2027)						
Agency A	Growth Rate	2.50%	2.50%	2.50%	CPI Ten Year Estimate	
Local Bus (Cost/Hr)						
Bus Operations	Growth Rate	2.50%	2.50%	2.50%	CPI Ten Year Estimate	
Bus Infrastructure O&M	Growth Rate	2.50%	2.50%	2.50%	CPI Ten Year Estimate	
Other Agency Operating Expenditures	Growth Rate	2.50%	2.50%	2.50%	CPI Ten Year Estimate	
Debt Financing						
Rail Amortization	TIC; Debt Structure; DSRF Requirement; Cost of Issuance	30 Year, 5.25%, DSRF, 2% COI	30 Year, 5.25%, DSRF, 2% COI	30 Year, 5.25%, DSRF, 2% COI	Financial Advisor	
BRT Amortization	TIC; Debt Structure; DSRF Requirement; Cost of Issuance	20 Year, 4.75%, DSRF, 2% COI	20 Year, 4.75%, DSRF, 2% COI	20 Year, 4.75%, DSRF, 2% COI	Financial Advisor	
Bus Infrastructure Amortization	TIC; Debt Structure; DSRF Requirement; Cost of Issuance	20 Year, 4.75%, DSRF, 2% COI	20 Year, 4.75%, DSRF, 2% COI	20 Year, 4.75%, DSRF, 2% COI	Financial Advisor	
Short Term Financing	TIC; Debt Structure; Cost of Issuance	3%, 2% COI	3%, 2% COI	3%, 2% COI	Financial Advisor	
Capital Revenues						
Tax District Revenues						
Interest / Investment Income	Investment Rate	0%	0%	0%		Will be incorporated in FY 2018 Work Plan
Agency Revenues						
Bus Infrastructure						
State share	% of Costs	0%	0%	0%		
Federal share	% of Costs	0%	0%	0%		
Vehicles - Bus						
State share	% of Costs	10%	10%	10%		
Federal share	% of Costs	40%	0%	0%		Removed \$24M from Ten Year Plan
Fixed Guideway Projects						
CRT						
State share	% of Costs	0%	0%	0%		
Federal share	% of Costs, Caps, and Timing of Funds	50%; Cap of \$100 M a year, All Costs Eligible for Reimbursement. Federal funds by 2020	50%; Cap of \$100 M a year, FY 18 Costs Locally Funded, Remaining Costs Eligible for Federal Reimbursement. Federal funds by 2020.	50%; Cap of \$100 M a year, FY 18 Costs Locally Funded, Remaining Costs Eligible for Federal Reimbursement. Federal funds by 2020.	GoT and CAMPO	
BRT						
State share	% of Costs	0%	0%	0%		
Federal share	% of Costs, Caps, and Timing of Funds	50%; Cap of \$100 M a year, All Costs Eligible for Reimbursement. Federal funds by 2020	50%; Cap of \$100 M a year, FY 18 Costs Locally Funded, Remaining Costs Eligible for Federal Reimbursement. Federal funds by 2020.	50%; Cap of \$100 M a year, FY 18 Costs Locally Funded, Remaining Costs Eligible for Federal Reimbursement. Federal funds by 2020.	GoT and CAMPO	
Capital Expenditures						
Administration	Growth Rate	0.00%	2.50%	2.50%		
Vehicles						
BRT	Growth Rate	4%	4%	4%		
Rail	Growth Rate	4%	4%	4%		
Local Bus	Growth Rate	4%	4%	4%		
Liquidity						
Minimum Operating Fund Balance	% of Sales Tax	25%	25%	25%	Financial Policy	
Capital Projects Fund Balance	% of Projects Budget Through 2027	5%	5%	5%	Financial Policy	

Outcome (Overall Fiscal Health of Wake Transit Plan)	Result	Wake Transit Plan Assumption	FY 2017 Proposed Assumption	FY 2018 Proposed Assumption	Comment	Impact/Notes
Minimum Wake Operating Fund Balance	\$, % of Sales Tax (No Lower Than 25%)	\$18,893,000 in FY 2017 (100%)	Balance of \$19,032,136 in FY 2017 (99%)	Balance of \$19,648,000 in FY 2018 (25%)		Designed to provide operating reserves, when combined with capital that could be used in extraordinary circumstances, to meet liquidity targets.
Minimum O&M Reserve	3 Months	N/A	N/A	N/A	in each transit agency	
Minimum Wake Capital Fund Balance	\$, % of Capital Projects Planned (5% by xx)	\$80.65 M (5%) by 2020	\$78.2 M (5%) by 2021	\$78.2 M (5%) by 2021		May need to build this back up by 2020 again, but will require additional reductions in capital
Capital Asset Management Reserve	\$ accrued # of Days	228 days in 2027	217 days in 2027	217 days in 2027		
Operating Days of Available Unrestricted Cash + Cash to Debt Service	(181 days cash + 5x cash to DS = score of 1 for liquidity) (90 days cash + 2x cash to DS = score of 2 for liquidity) Operating + Capital Fund Balance/Debt Service (Greater than 2.0 = S&P A)	78 days in 2027	77 days in 2027 low of 3.1 in 2025	77 days in 2027 low of 3.1 in 2025		Recommend 90-180 days cash in operating fund; greater than 180 days when combined with capital. When operating fund cash is combined with capital fund balance, liquidity reserves rank a "1" which offsets financial flexibility tied to debt service carrying charge and farebox recovery ratio.
EBITDA Debt Service Coverage	Local Net Revenue / Debt Service (No Lower Than 1.25)	1.26 in 2027	1.25 in 2027	1.25 in 2027		Net revenues available for debt service divided by debt service
Gross Debt Service Coverage	Local Revenue / Debt Service (No Lower Than 3.0)	low of 3.56 in 2025	low of 3.02 in 2026	low of 3.02 in 2025		
Debt to Revenue (Debt Burden)	Debt Outstanding/ total Revenues (Greater than 2.0 Debt to Revenue = S&P A)	low of 2.2 in 2030	low of 2.0 in 2032	low of 2.0 in 2032		