



Interregional Express Bus Plan White Paper December, 2013

Purpose:

The purpose of this white paper is to present the Transportation Commission with the staff recommendation for the Interregional Express (IX) Bus Plan. The Plan incorporates the input received at the November Commission Workshop. If the Commission concurs, we will request approval to implement the Plan at the January Commission meeting.

Background:

The CDOT mission statement is “to provide the best multi modal transportation system”; the IX adds transit to the modal options in the I-25 and I-70 corridors. The statutory language creating the Division of Transit & Rail and the FASTER Statewide Transit funds gives CDOT the authority to develop and fund transit services, including the use of FASTER Statewide Transit funds (\$10M/year) for operations. In addition, the FASTER funds flow through the Highway Users Trust Fund (HUTF). The Colorado Attorney General’s Office agrees and supports CDOT’s authority to fund and operate transit service, and that the FASTER funds for the plan implementation do not violate the HUTF provisions.

Under the plan, CDOT would become the operating entity, purchase the buses, and contract with a private provider for the annual operation and maintenance. The CDOT buses would connect with local transit systems at key intermodal stations thereby linking communities and providing good collection and distribution capabilities. No entity, except CDOT, has the jurisdiction and authority to provide interregional transit service, nor a stable funding source to pay for multi-jurisdiction transit services.

Last December (2012), the Commission directed staff to prepare an operating and implementation plan for consideration once developed. DTR has developed the Interregional Express Bus Plan with the following guidance and assistance:

- Transportation Commission November 2013 Interregional Express Bus Workshop.
- Transit & Intermodal Committee input at their regular March meeting and a special April workshop.
- A Sub-Committee of the Transit & Rail Advisory Committee (TRAC) supplemented with transit providers in the I-70 and I-25 corridors; monthly meetings.
- Consultant expertise through the *Intercity and Regional Bus Network Study*. The Interregional Express element is near complete and the draft of this element will be provided as part of the November TC Workshop.

The conceptual plan presented last December has evolved over the past nine months. In March and April we received clear direction from the T&I Committee to (1) focus on the I-25 and I-70 corridors, (2) focus on express service, with few stops over long distances, (3) scale the service for success, but start small with possible phasing, and (4) reserve options for serving shorter distance communities along the routes for TC future policy discussions and cost sharing provisions.

This memo gives a summary overview of the Interregional Express Bus plan. Two more documents are available:

- The Interregional Express Bus description being prepared for the prospective contract operators; to be a part of the RFP.
<http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftServicePlan.pdf>

- The *Interregional Express Appendices to the Statewide Intercity and Regional Bus Network Study*. The study effort had specific tasks for the analysis and development of the Interregional Express Bus service, including peer research and analysis, ridership forecasts, service planning, cost estimation, and stakeholder involvement. The results are shown in three appendices and describe the service plan contained in this memo, plus recommendations for service expansion if and when additional revenue sources become available:
 - *Appendix A: Technical Memorandum for the I-70 Mountain Corridor (Draft)*
 - *Appendix B: Interregional Express Bus (Draft)*
 - *Appendix C: Demand Estimation (Draft)*<http://www.coloradodot.info/about/committees/trac/Documents/SST7035.163and.164.pdf>

Also throughout this memo there are references to other supporting documents:

- Draft consultant scope of services for branding and initial marketing concept and materials:
<http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusBrandingandCommunicationsScope.pdf>

- Draft Customer Service Plan:
<http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftCustomerServicePlan.pdf>

- Bus purchase procurement schedule:
<http://www.coloradodot.info/about/committees/trac/Documents/INTERREGIONALEXPRESSBUSDRAFTVEHICLEPROCUREMENTSCHEDULE.pdf>

Interregional Express Bus Purpose and Role:

The IX service was developed to augment and connect population and employment centers, and local bus systems along the I-25 and I-70 Mountain Corridors. Providing fast, express service to residents making commuter and “essential travel” trip purposes are the primary function of the IX. “Essential travel” includes business, shopping, medical, air travel, pleasure and other trip purposes; recreational trips (like skiing) are not intended to be a primary purpose of the Interregional Express service.

The service schedules have been developed to best fulfill these travel needs. The trip departure and arrival times, and the frequency of service are tailored to best serve the respective trip purposes. The corridors have different travel characteristics and needs as follows:

- The I-25 service will focus on commuter travel from Fort Collins and Colorado Springs to downtown Denver on weekdays; no weekend service. One off-peak trip will also be offered to provide flexibility to commuters when needed, and to accommodate other essential travel trip needs.
- The I-70 service will have a focus on essential travel needs; one round trip per weekday from Glenwood Springs to Denver. The I-70 corridor is quite different in character from the I-25 corridor, and has a unique set of long distance travel needs. In-depth dialogue and evaluation with the corridor stakeholders concluded that service gaps exist between Glenwood Springs, Eagle County and Summit County; an expansion of local/regional services already offered by the local transit entities with a focus on commuter patterns is the more efficient and preferred solution. There is a need and demand for IX service from Glenwood Springs and Eagle and Summit Counties to the Denver metropolitan area for a multitude of trip purposes, or “essential travel”.

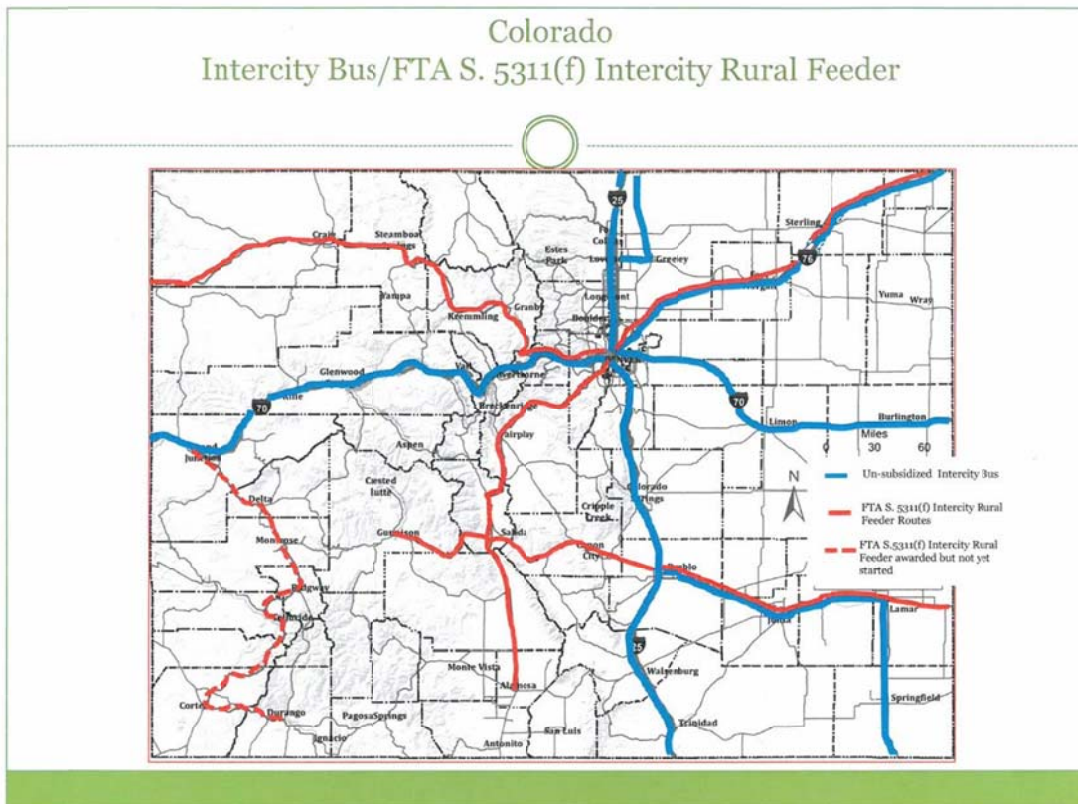
Statewide Bus Transit System:

Local transit systems make up the foundation of the state transit system; the IX service will support and compliment the local investment. Currently the local network is augmented by an intercity bus network. Intercity bus is intended to connect urban areas, often across state boundaries, and to offer rural areas access to the intercity network. The private sector provides the intercity network across the United States; they operate on a service schedule derived to best connect large metropolitan areas, and they stop at convenient intermediate cities and towns along the way. In addition, some rural intercity routes that are important for the state network, but not profitable for private providers, are operated in partnership with the public sector. The FTA realizes the value of intercity bus services to rural areas and has a program for operational funding (Section 5311(f)) to promote rural intercity routes that feed the national intercity network¹.

To be eligible the rural intercity feeder route must meet and interface with the intercity bus timetables, and cannot by definition serve a commuter or other trip purpose that does not interface with the intercity bus timetables. Colorado receives approximately \$1.6M per year in FTA Section 5311(f) funds, and in turn grants these funds to entities providing rural intercity feeder routes to the national intercity network. These subsidized intercity services are an important part of the statewide bus transit network. CDOT strives to maximize both the private sector investment in intercity services and the services to rural residents. The figure below depicts the Colorado Intercity bus network, and distinguishes between the private sector intercity network, and the rural intercity feeder routes that have operating assistance grants through the FTA 5311 (f) program. CDOT partners with UDOT on the

¹ Intercity bus is defined by FTA as “...regularly scheduled bus service for the general public which operates over fixed routes connecting two or more urban areas not close in proximity, which has the capability for transporting baggage carried by passengers, and which makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.” (The definition expressly does not include commuter service).

rural intercity route that connects Denver to Salt Lake City (via US 40), and with KDOT on the Pueblo to Wichita route (via US 50).



The Interregional Express service does not qualify for FTA 5311(f) funding because the primary function is to serve the travel needs and destinations within the corridor, not as a feeder to the intercity bus network. An added benefit to the corridor residents is an interface with the intercity network in Denver, where coincidentally the IX timetable may coincide with intercity bus routes pulsing out of the Denver hub. For example, the IX run along I-70 will not operate on a similar timetable with the intercity route that traverses I-70, but it may allow a connection in Denver with an intercity bus route to Chicago or Dallas.

Service Plan:

The I-25 service will focus on commuter travel from Fort Collins and Colorado Springs to downtown Denver on weekdays; no weekend service. One off-peak trip will also be offered to provide flexibility to commuters when needed, and to accommodate other essential travel trip needs.

- Fort Collins to Denver
 - 5 round trips/weekday - 4 concentrated in the peak commute periods, 1 off-peak round trip; budget for expansion to 6 round trips/day if demand warrants.
 - Park-and-ride/stations: I-25/Harmony Road, I-25/Us 34. Express to Denver Union Station.
- Colorado Springs to Denver

- 6 round trips/weekday - 5 concentrated in the peak commute periods, 1 off-peak round trip; budget for expansion to 7 round trips/day if demand warrants.
- Park-and-ride/stations : I-25/Tejon Blvd, I-25/Woodman Road, I-25/Monument Hill. Express to Downtown Denver with a at the I-25/Broadway station and curbside stops at Civic Center Station, 17th Ave/Stout Street, with a final stop in Denver Union Station.
- Service to Pueblo was also evaluated. Currently “essential service” trip purposes can be accommodated by the inter-city provider, Greyhound; offering 6 trips in each direction throughout the day connecting Pueblo to Colorado Springs to Denver. The Greyhound schedule is not conducive for peak period commuting needs, and commuter-based trips could be added to the Interregional Express network in a later phase, if resources become available.

The I-70 service will have a focus on essential travel needs. The I-70 corridor is quite different in character from the I-25 corridor, and has a unique set of long distance travel needs. Initially the concept was to connect the commuting needs along the corridor between Grand Junction, Glenwood Springs, Vail and Summit County. In-depth dialogue and evaluation with the corridor stakeholders revealed the following: (1) The demand between Grand Junction and Glenwood Springs is too low to justify service at this time. (2) The service gaps between Glenwood Springs, Eagle County and Summit County exist; an expansion of local/regional services already offered by the local transit entities with a focus on commuter patterns is the more efficient and preferred solution. (3) There is a need and demand from Glenwood Springs and Eagle and Summit Counties to the Denver metropolitan area for a multitude of trip purposes, or “essential travel”. Essential travel includes business, shopping, medical, air travel, pleasure and other trip purposes; recreational trips (like skiing) is not intended to be a primary purpose of the Interregional Express service.

- Glenwood Springs to Denver
 - 1 round trip/day; budget for an additional daily round trip from Vail to Denver if demand warrants. The service schedule will be set to accommodate travel to Denver in the morning and return to Glenwood in the late afternoon, and to complement the existing Greyhound service in the corridor to offer flexibility and options to riders.
 - The local RFTA, Eagle County, Vail, Summit County, and Breckenridge transit systems will provide coordinated feeder service to the Interregional Express.
 - Park-and-rides/stations: SH 82/29th Street BRT station, I-70/Eagle PNR, Vail Transit Center, Frisco Transit Center, the Denver Federal Center. Express to Downtown Denver with curbside stops at Civic Center Station, 17th Ave/Stout Street, with a final stop in Denver Union Station.

Contract Operator:

The Interregional Express service operations and maintenance will be contracted out to a private provider. The RFP is being prepared with an advertisement date in the late winter 2014. RTD and Colorado Springs Mountain Metro are working closely with and advising us through this process; they bring extensive contract operations expertise and are sharing their procurement documents as a guide. The annual operating and maintenance costs for the proposed five year operating contract (three year base with two one-year options) are

estimated to be near \$1.95M/year. Research on industry standard and the peer analysis gave an estimated operating cost range of \$3.85-\$4.15/revenue mile. The financial projections are based upon the high end of \$4.15/revenue mile. The estimate is a gross amount and is not off-set by fare box revenues.

The service plan outlined above indicates budget inclusion for one additional round trip in each corridor if demand warrants. The proposed operating scenario has sufficient funds to include these additional trips by the contract operator utilizing the initial bus fleet (13 vehicles), but these additional trips are not included in the financial projections presented below. No service will be added without approval by the Transportation Commission; a full service and cost analysis will be performed and presented prior to any service expansion consideration.

Rolling stock/vehicles:

The buses will be owned by CDOT and leased to the contract operator. 13 Over the Road Coaches will be needed; 5 for the Fort Collins service, 6 for the Colorado Springs service, and 2 for the mountain service. The fleet includes one spare for each corridor. RTD recently made a large purchase of over the road coaches, and offered their specifications and contract terms as a starting point for our procurement. We have modified and embellished the specifications for the IX service; specified features:

- 50 passenger capacity with comfortable leg room,
- Handicap/wheelchair accessible,
- Reclining seats with 3 point restraining belts, fold down tray tables,
- Wi-Fi and 110 electrical outlets,
- Bike racks, and
- Restrooms.

For budgeting purposes an estimated \$600K per vehicle, or \$7.8M is required. Twelve fare boxes and a vault will be leased from Colorado Springs Mountain Metro; requiring one additional to be purchased.

The procurement specifications will require that any manufacturer be USDOT certified; multiple manufacturers have this designation. We are not using any federal funds to procure the bus fleet, therefore there is no requirement to meet Buy America. There is only one Over the Road Coach manufacturer that meets the Buy America provisions. More competition will likely get a better price point, and delivery date.

Park-and-Rides:

All of the Park-and-Rides in the I-25 corridor exist. Along the I-70 corridor, parking exists at the current transit centers (paid parking only at the Vail Transit Center), and a new/relocated Park-and-Ride will be constructed at the Eagle interchange. All Park-and-Rides will provide, at a minimum, passenger waiting areas with shelters, benches, lighting, and infrared heaters. Specific capital improvements needed for opening day:

- I-25/Harmony Road – expand by 120 spaces with paving. Budget: \$250K
- I-25/Woodman Road – trade existing Park-and-Ride with mall overflow parking lot, or construct a round-about to allow bus stop access, whichever is the most cost effective option. Budget: \$500,000
- I-70/Eagle – relocate Park-and-Ride and shelter. This relocation is locally funded

- and will be bus accessible.
- Passenger amenities – all Park-and-Rides where needed. Budget: \$250,000

Future Park-and-Ride needs will be programmed, pending funds availability, as part of the IX budget process.

Procurement:

Both capital and services will need to be procured for the IX operation:

- Rolling Stock – 13 Over-the-Road-Coaches will be procured. Manufacture and delivery of the buses is the longest lead item and will dictate the actual opening of the service. RTD recently procured Over-the-Road-Coaches for their regional routes. The RTD buses meet nearly all of our needs, and RTD has provided CDOT with their procurement specifications. The specifications are being modified to meet the CDOT requirements (e.g. bathrooms and WiFi). DTR is working with the CDOT Procurement Office to have the RFP/specifications ready for advertisement pending Transportation Commission approval in January. We will utilize a two-step procurement; step one qualifications screening, step two low bid from qualified manufacturers. We will request a September delivery, but are uncertain if the market can respond. The procurement schedule can be viewed at: <http://www.coloradodot.info/about/committees/trac/Documents/INTERREGIONALEXPRESSBUSDRAFTVEHICLEPROCUREMENTSCHEDULE.pdf>
- Contract Operator – We will contract with a private operator to operate and maintain the IX service through a three year contract with two one-year options. We are working with the CDOT Procurement Office on the RFP and solicitation of these services. We also are working closely with RTD and Colorado Springs Mountain Metro in the development of the scope-of-services as they both utilize contract operators for significant amounts of their service. We anticipate issuing the RFP in February, and to have selected the operator with Transportation Commission approval by June, 2014.
- Park-and-Ride improvements – Once the IX plan and budget is approved by the Transportation Commission in January, DTR will work with Regions 2, 3 and 4 to design and construct the opening day Park-and-Ride improvements.

Fare Structure, Ticket Sales and Collection:

The fare structure analysis included the fare structures from five peer express bus operations, and the fare structures of agencies around the state. The proposed fare structure is based on \$0.17/mile for a single ticket purchase with discounts for multiple ride packages; 10% for a 10 ride ticket, 20% for a 20 ride ticket, and 25% for a 40 ride ticket. The following table depicts the full fare structure:

INTERREGIONAL EXPRESS BUS

I-25 South Fare Structure

Between Denver	walk up	10 Ride		20 ride		40 Ride	
And		total	fare/ride	total	fare/ride	total	fare/ride
Colorado Springs	\$12.00	\$108	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Monument	\$9.00	\$81	\$8.10	\$144.00	\$7.20	\$270.00	\$6.75

Note: No passengers will be carried where the entire trip is between Tejon PnR, Woodmen PnR, and Monument

I-25 North Fare Structure

Between Denver	Walk up	10 Ride		20 ride		40 Ride	
And		total	fare/ride	total	fare/ride	total	fare/ride
Ft. Collins	\$10.00	\$90.00	\$9.00	\$160.00	\$8.00	\$300.00	\$7.50
Loveland	\$9.00	\$81.00	\$8.10	\$144.00	\$7.20	\$270.00	\$6.75

Note: No passengers will be carried where the entire trip is between Ft. Collins and Loveland

I-70 Fare Structure

Denver/Denver Federal Center							
	Walk up	10 Ride		20 Ride		40 ride	
		Total	Fare/Ride	Total	Fare/Ride	Total	Fare/Ride
Glenwood Springs	\$28.00	\$252.00	\$25.20	\$448.00	\$22.40	\$840.00	\$21.00
Eagle	\$22.00	\$198.00	\$19.80	\$352.00	\$17.60	\$660.00	\$16.50
Vail	\$17.00	\$153.00	\$15.30	\$272.00	\$13.60	\$510.00	\$12.75
Frisco	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Frisco							
	Walk up	10 Ride		20 Ride		40 ride	
		Total	Fare/Ride	Total	Fare/Ride	Total	Fare/Ride
Glenwood Springs	\$17.00	\$153.00	\$15.30	\$272.00	\$13.60	\$510.00	\$12.75
Eagle	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Vail	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Denver Federal Center/Denver	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Vail							
	Walk up	10 Ride		20 Ride		40 ride	
		Total	Fare/Ride	Total	Fare/Ride	Total	Fare/Ride
Glenwood Springs	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Eagle	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Frisco	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Denver Federal Center/Denver	\$17.00	\$153.00	\$15.30	\$272.00	\$13.60	\$510.00	\$12.75
Eagle							
	Walk up	10 Ride		20 Ride		40 ride	
		Total	Fare/Ride	Total	Fare/Ride	Total	Fare/Ride
Glenwood Springs	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Vail	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Frisco	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Denver Federal Center/Denver	\$22.00	\$198.00	\$19.80	\$352.00	\$17.60	\$660.00	\$16.50
Glenwood Springs							
	Walk up	10 Ride		20 Ride		40 ride	
		Total	Fare/Ride	Total	Fare/Ride	Total	Fare/Ride
Eagle	\$5.00	\$45.00	\$4.50	\$80.00	\$4.00	\$150.00	\$3.75
Vail	\$12.00	\$108.00	\$10.80	\$192.00	\$9.60	\$360.00	\$9.00
Frisco	\$17.00	\$153.00	\$15.30	\$272.00	\$13.60	\$510.00	\$12.75
Denver Federal Center/Denver	\$28.00	\$252.00	\$25.20	\$448.00	\$22.40	\$840.00	\$21.00

Note: No passengers will be carried where the entire trip is between Downtown Denver and Denver Federal Center.

Paper tickets will be sold in single, 10, 20 and 40 ride denominations, using the magnetic strip technology. The ultimate goal is to convert to SMART Card technology when the funds are available, and the technology has advanced. For initial operations 12 magnetic strip fare collection machines, vaults and safe will be leased from Colorado Springs Mountain Metro; one additional fare collection machine will be purchased. These fare collection machines will allow drivers to sell single ride cash tickets on-board the bus.

Ticket sales outlets will be located in each major origin and destination city; not at Park-and-Rides. Over the winter, we will coordinate with the local transit providers to serve as ticket sales agents for the Interregional Express. Ticket outlets are planned in Denver at DUS and Civic Center Station, Fort Collins at the MAX South Station, Colorado Springs through their ticket vending machines, Glenwood Springs at the VelociRFTA 29th Street Station, Vail at the Vail Transit Center, and Frisco at the Frisco Transit Center.

Finance/Budget Plan:

The Finance/Budget Plan has been developed for a comprehensive accounting of all IX related costs, expenditures and revenues. It starts with FY 2014 “seed” funds of remaining SB 1 funds dedicated for transit (including the remaining FREX escrow funds and proceeds from the sale of the FREX buses), and existing and unallocated FASTER Transit Statewide funds as a basis for the capital requirements needed for opening day:

- Initial capital/start-up fund: \$10.9M
 - SB 1 Unallocated Transit: \$4.9M
 - SB 1 FREX escrow and bus proceeds: \$0.5M
 - Unallocated FASTER Statewide Transit: \$5.5M

The on-going operating and maintenance, and future year capital requirements are recommended to be programmed not to exceed a dedicated \$3M/year to be funded out of the annual FASTER Transit Statewide pool. Fare box revenues will be used to supplement the \$3M/year FASTER allocation. The Fare box revenues will be TABOR revenues in the State budget and accounted for accordingly.

It is also recommended that at the end of every year any excess IX funds would be transferred to an IX Cumulative Reserve. The Cumulative Reserve would be an account under the control of the Commission. The Cumulative Reserve could be used to purchase additional buses if the demand warrants, or to make additional Park-and-Ride expansions or improvements. It is further recommended that this fund be allowed to grow to a maximum of \$3.0M (one year of FASTER Statewide Transit allocation) from the net annual operating balance. Once the Cumulative Reserve reaches \$3.0M it is recommended that the remainder above \$3.0M be refunded to the FASTER Statewide pool for capital awards to other grantees.

Table 1 highlights the operating assumptions that are input into the financial projections, including the number of trips, vehicles and revenue miles by corridor. It further shows the average daily ridership growth assumptions and the corresponding average daily ridership by corridor. The ridership demand is based on the historic use of FREX and population and employment characteristics. Demand was estimated for a base year of 2008 (low), 2015 (medium), and beyond (high). For the purposes of financial projections the low (2008) ridership demand was utilized for the four year projections from FY 2015 –FY

2018. In addition, the industry experience with new transit service suggests that maturity is typically reached within 2 years. A conservative four year maturation was assumed for the financial projections with year one ridership assumed at 50% of the “low” demand, year two at 60%, year three at 80% and year four at 95%. Table 1 depicts the average daily ridership growth assumptions by corridor over the four year horizon. Hence, all of the ridership and revenue projections are conservative.

Table 1
Interregional Express Service Characteristics by Corridor

Characteristic	Colorado Springs	Fort Collins	Glenwood Springs	System Total
Trips				
Initial 1-way Trips ⁽¹⁾	12	10	2	24
Vehicles				
Peak	5	4	1	10
Back-up	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
TOTAL	6	5	2	13
Annual Revenue Miles	218,200	166,400	84,500	469,100
Average Daily Ridership				
First Year of operation (50%)	223	103	18	344
Second year of operation (60%)	267	124	21	412
Third year of operation (80%) ⁽²⁾	356	165	28	549
Fourth year of operation (95%)	423	196	33	652
Annual Revenues by Corridor				
Oct 1, 2014 - June 30, 2015	\$399,216	\$199,342	\$49,258	\$647,817
July 1, 2015 - June 30, 2016	\$637,314	\$319,980	\$76,624	\$1,033,918
July 1, 2016 - June 30, 2017	\$849,752	\$425,779	\$102,166	\$1,377,697
July 1, 2017 - June 30, 2018	\$1,009,677	\$505,774	\$120,409	\$1,635,861

Notes:

- (1) An operating contingency is identified in the budget to allow for any extra trips needed. In the I-70 corridor, the second trip would travel between Vail and Denver, providing an earlier arrival in Denver than the first trip.
- (2) By the time the S I-25 corridor reaches the projections for years 3 and 4, additional trips will be required to accommodate peak loads.

Table 2 presents a summary of the capital and operating expense assumptions that are input into the financial projections. The top box highlights the capital expenditures for FY 2014, and the bottom box highlights the operating expenses for FY 2015 – FY 2018. A full depiction of the capital and operating expenses (and revenue stream) by month for FY 2014 through FY 2018 can be found in Appendix A, IX Operations Forecast. The following explanations are offered with Table 2, 2014 Expenses:

- Vehicles – purchase 13 over-the-road-coaches at \$600K/bus, or \$7.8M. Twelve fare boxes will be leased from Colorado Springs for \$1/year, and thus requiring the purchase of one additional fare box for \$17.5K.
- Park-and-Ride Improvements – Harmony Road needs expansion, and Woodman Road needs either a land swap or a roundabout to allow access. DTR is coordinating with Regions 4 and 2 on these improvements, and will formalize both Park-and-Rides once the IX plan is approved by the Commission. In addition, all exposed Park-and-Rides will have passenger amenities added to include shelters, benches and infrared heating. A budget of \$1.0M is estimated to cover all improvements.
- 2014 Administrative Expenses - \$200K is estimated for the Communications and Branding effort prior to opening day. \$50K for a Maintenance Compliance Engineer; separate contract for a third party to represent CDOT during the manufacture of the 13 buses, and to ensure maintenance compliance with the contract operator (2015-2018). \$30K is estimated for miscellaneous administrative costs; a detailed breakdown can be found in Appendix A, IX Operations Forecast.
- Miscellaneous Capital - \$250K is requested for unforeseen capital needs.
- IX Reserve - \$1.57M; initial deposit into the IX Cumulative Reserve.

Table 2, FY 2015 –FY 2018 Expenses (bottom box):

- Purchased Transportation – Contract Operator for bus service, estimated at \$4.15/revenue mile. The range is \$3.85 - \$4.15, and the high end was used for the financial projections. The contract will be for three years with two one-year extensions (if performance is acceptable). The contract will be fixed for the first three years (at \$4.15/mile for the financial projections), and inflated by 3% per year for years FY 2017 and FY 2018. The first year of operation (FY 2015) is assumed to span 9 months.
- Administrative Expenses
 - Staff – Two new FTEs; one Bus Operations Manager and one GP III. Salary assumed to increase by 3%/year for financial projections.
 - Communications – PR and advertising; \$150K for first year of operation (FY 2015); \$100K for 2016, and inflated by 3%/year thereafter.
 - Maintenance Compliance Engineer - \$100K for FY 2015 to cover inspection of bus manufacture and contractor maintenance compliance. \$50K for FY 2016, and inflated by 3%/year thereafter.
 - Fare media and supplies – Ticket stock and associated supplies estimated at \$2K/year, and inflated by 3%/year.
 - Miscellaneous Administrative Expenses – Estimated at \$100K/year, and inflated by 3%/year; a detailed breakdown can be found in Appendix A, IX Operations Forecast.

Expense Detail - IX Table 2

INTERREGIONAL EXPRESS BUS CAPITAL AND EXPENSES - FY 2014				
			Unit Cost	
Vehicles				
13	Over-the-road Coaches		\$600,000	\$7,800,000
1	Vaults & related, including PC			\$17,500
Park-and-Ride Improvements				
<i>Woodman Road</i>				
	Option1 - Land Swap with Tiffany Square w/improvements			
	Option 2 - Roundabout at Corporate Drive and Mark Dabley Blvd			
<i>Harmony Road: grading, paving for 150 new spaces</i>				
<i>Other Improvements:</i>				
	Shelters, Benches, Infrared heating as needed for Tejon,			
	Woodmen, Monument, US 34, Harmony, and Eagle			
	SUBTOTAL			\$1,000,000
Administrative Expenses				
	Communications/Branding		\$ 200,000	
	Maintenance Compliance Engineer ⁽³⁾		\$ 50,000	
	Misc - As detailed on IX Operations Forecast		\$ 30,000	\$280,000
Misc. Capital				
IX Reserve for future capital (PNR improvements, vehicles, etc.)				
TOTAL CAPITAL				
				\$10,917,500

EXPENSES FY 2015 - FY 2018					
		FY 2015	FY 2016	FY 2017	FY 2018
Direct Costs - Purchased Transportation					
	Contract Operator for Bus Service ⁽¹⁾⁽²⁾	\$1,460,074	\$1,946,765	\$1,946,765	\$1,990,567
Administrative Expenses					
	Staffing and Related Expenses	\$260,000	\$267,800	\$275,834	\$284,109
	Communications/Branding	\$150,000	\$100,000	\$103,000	\$106,090
	Maintenance Compliance Engineer ⁽³⁾	\$100,000	\$50,000	\$51,500	\$53,045
	Fare Media and Supplies	\$2,000	\$2,060	\$2,122	\$2,185
	Misc - As detailed on IX Operations Forecast	\$100,000	\$103,000	\$106,090	\$109,273
	<u>Operating Reserve⁽⁴⁾</u>	<u>\$73,004</u>	<u>\$194,677</u>	<u>\$194,677</u>	<u>\$199,057</u>
	SUBTOTAL	\$685,004	\$717,537	\$733,222	\$753,759
Total Administrative & Direct Operating Expenses		\$2,145,077	\$2,664,302	\$2,679,987	\$2,744,326
Fare Revenues					
	Farebox Recovery Ratio (Does not include replacement fund)	30%	39%	51%	60%
Net Operating Costs (Total direct & Admin Expense minus Revenues)		\$1,497,261	\$1,630,384	\$1,302,291	\$1,108,465
Replacement Fund		\$487,500	\$650,000	\$650,000	\$650,000
Misc Capital Expenses		\$250,000	\$250,000	\$250,000	\$250,000
Total Program Expenses		\$2,882,577	\$3,564,302	\$3,579,987	\$3,644,326
Net Expenses (Total Program Expenses minus Revenues)		\$2,234,761	\$2,530,384	\$2,202,291	\$2,008,465

Notes					
	(1)	In FY 2015, service is budgeted to operate 9 months.			
	(2)	Purchased transportation services are calculated at \$4.15 per mile for a three year fixed contract, and then inflated at 3%.			
	(3)	Covers online inspection of buses and contractor maintenance oversight in the first year. In ensuing years, only oversight is required.			
	(4)	The operating reserve is calculated at 5% for FY15 and 10% after that. This is for additional service, subject to Commission approval.			

- Operating Reserve – Calculated at 5% of Purchased Transportation for the first year of operation (FY 2015) and 10%/year thereafter. The operating reserve is to provide flexibility for efficiency adjustments (additions) to the service plan, or increased frequency on a route which has reached capacity.
- Total Administrative & Operating Expenses – Purchased Transportation plus Administrative Expenses.
- Fare Revenues – See Table 1 description above.
 - Fare Box Recovery Ratio – Fare Revenue divided by Total Administrative & Operating Expenses; excludes capital expenses and Bus Replacement Fund contributions.
- Net Operating Costs – Total Administrative & Direct Operating Expenses minus Fare Revenues.
- Replacement Fund – The Replacement Fund will be a restricted fund to prepare for the eventual bus replacements. The vehicles have an expected 12 year operating life (FTA standard). 1/12 of the cost of the buses (\$650K assumed for financial projections) will be deposited in the Replacement Fund every year; \$487.5K for FY 2015 representing nine months of assumed operation.
- Miscellaneous Capital - \$250K/year is requested for unforeseen capital need.
- Total Program Expenses – Total Administrative & Operating Expenses plus Replacement Fund plus Miscellaneous Capital Expenses.
- Net Expenses – Total Program Expenses minus Fare Revenues.

Table 3 presents the Cash Flow Analysis based on the assumptions described above in Tables 1 and 2. The following explanations are offered with Table 3:

- Budget/Revenues – Begins with the Initial Capital Fund (\$10.92M) for FY 2014, and for years FY 2015 and thereafter allocates the dedicated \$3.0M in FASTER Statewide Transit funds and the assumed fare box revenues from Table 1.
- Operating Costs – From Table 2. Note: for purposes of financial projections, it is assumed that the Operating Reserve is exhausted every year; this likely will not be the case, and utilization of the operating reserve will be subject to Commission approval.
- Capital Costs – From Table 2. Note: for purposes of financial projections, it is assumed that Miscellaneous Capital is exhausted every year; this likely will not be the case, and utilization of the miscellaneous capital funds will be subject to Commission approval.
- Replacement Fund:
 - Annual Contribution – From Table 2.
 - Replacement Fund Total – Shows the total fund balance as it grows over time. Note, the Replacement Fund is a restricted fund reserved for bus replacement at the end of the useful life, and therefore is not included in the calculations below.
- Revenues minus Expenses – Net funds at the end of the year. (Excluding the Replacement Fund).

- Cumulative Reserves – This is a reserve account under the control of the Commission. The Cumulative Reserve could be used to purchase additional buses if the demand warrants, or to make additional Park-and-Ride expansions or improvements. It is recommended that this fund be allowed to grow to a maximum of \$3.0M (one year of FASTER Statewide Transit allocation) from the net annual balances of Revenue minus Expenses. Once the fund reaches \$3.0M it is recommended that the remainder above \$3.0M be refunded to the FASTER Statewide pool for capital awards to other grantees. Note: unless Cumulative Reserve funds are earmarked by the Commission for a purchase in the following year, this model does not roll-forward balances from one year to the next.
- Refunded to FASTER Statewide – Excesses above the \$3.0M Cumulative Reserve cap.

	FY 2014	FY 2015 ⁽²⁾	FY 2016	FY 2017	FY 2018
Budget/Revenues					
Initial Capital Fund	\$ 10.92				
FASTER Statewide Funds	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Farebox Revenue	\$ -	\$ 0.65	\$ 1.03	\$ 1.38	\$ 1.64
Total Revenue	\$ 10.92	\$ 3.65	\$ 4.03	\$ 4.38	\$ 4.64
Operating Costs					
Contract Operator	\$ -	\$ 1.46	\$ 1.95	\$ 1.95	\$ 1.99
DTR Salaries (2 positions)	\$ -	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.28
Branding/Communications	\$ 0.20	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.11
Maint. Compliance Engineer	\$ 0.05	\$ 0.10	\$ 0.05	\$ 0.05	\$ 0.05
Fare Media	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Misc. Other	\$ 0.03	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.11
Operating Reserve ⁽¹⁾		\$ 0.07	\$ 0.19	\$ 0.19	\$ 0.20
Total Operating Costs	\$ 0.28	\$ 2.15	\$ 2.66	\$ 2.68	\$ 2.74
Capital Costs					
Bus Purchase	\$ 7.80	\$ -		\$ -	\$ -
PNR Improvements	\$ 1.00	\$ -	\$ -	\$ -	\$ -
Misc. Capital	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Total Capital Costs	\$ 9.05	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Replacement Fund					
Annual Contribution	\$ -	\$ 0.49	\$ 0.65	\$ 0.65	\$ 0.65
Replacement Fund Total	\$ -	\$ 0.49	\$ 1.14	\$ 1.79	\$ 2.44
		\$ 0.49	\$ 0.65	\$ 0.65	\$ 0.65
Net Revenues minus Expenses ⁽³⁾	\$ -	\$ 0.77	\$ 0.47	\$ 0.80	\$ 0.99
Cumulative Reserves ⁽⁴⁾	\$ 1.57	\$ 2.34	\$ 2.80	\$ 3.00	\$ 3.00
Refunded to FASTER Statewide Pool	\$ -	\$ -	\$ -	\$ 0.60	\$ 0.99
Notes:					
⁽¹⁾ Operating Reserve = 5% for FY 2015, 10% thereafter.					
⁽²⁾ Service proposed to begin October 2014					
⁽³⁾ "Net Revenues minus Expenses" do not carryover into next fiscal year, they are added to the Cumulative Reserves.					
⁽⁴⁾ Reserves are capped at \$3M. Excess is returned to the FASTER Statewide Pool.					

The Finance/Budget Plan has been prepared with conservative assumptions. The largest risk to CDOT is not attaining the forecast ridership levels, and the associated fare box revenues. Two additional ridership scenarios have been prepared and are presented in Appendices B and C:

- Worst Case, Appendix B: The ridership forecasts have been cut in half from the conservative estimates shown above. Tables B1, B2 and B3 depict the financial projections of the worst case scenario. Even with half of the conservative ridership, the IX operates in the “black” and has a growing, albeit slower, Cumulative Reserve.
- High Success, Appendix C: The ridership forecasts have been increased by 50% from the conservative estimates shown above. Tables C1, C2 and C3 depict the financial projections of the high success scenario. In this scenario, ridership levels would justify adding service and purchasing additional buses:
 - FY 2016 – add 4 one-way trips Colorado Springs – Denver; 2 one-way trips Ft. Collins – Denver; 2 one-way trips Vail – Denver.
 - Purchase 3 additional buses; expands fleet to 16.
 - FY 2017 – add 2 one-way trips Colorado Springs – Denver; 2 one-way trips Ft. Collins – Denver.
 - Utilize 16 bus fleet.
 - FY 2018 – add 2 one-way trips Colorado Springs – Denver; 2 one-way trips Ft. Collins – Denver; 2 one-way trips Glenwood Springs – Denver.
 - Purchase 3 additional buses; expands fleet to 19.

Risk Assessment:

As the IX plan has evolved throughout its development, risks to CDOT have been identified. The IX plan includes assumptions and conservative estimates in an attempt to minimize or alleviate the potential impacts of the identified risks. The table below identifies the risks and the corresponding responses.

Interregional Express Bus Draft Risk Assessment

Risk	Description	Response
Ridership Levels	<p>Ridership forecasts for new services carry a degree of uncertainty, both in the overall level of ridership and in the speed with which it develops. There is a historical record for South I-25 services and across the US there is experience showing that a minimum of 2% of travelers will take transit when it is available for their trips. Specific issues:</p> <ul style="list-style-type: none"> • South I-25 had strong ridership, but it may take sometime to rebuild as people who were riding FREX were frustrated with uncertainty and found other means of travel after the service ended. • North I-25 may take longer than usual to develop as many of the people who might look at transit turned to vanpools. Vanpools in the North I-25 corridor are subsidized by RTD so prices are lower than the monthly pass for bus service. • I-70. Best models of demand are intercity bus models; ridership is expected to be diverse and reflect mountain resort characteristics (e.g. many workers without cars traveling to and from Denver.) • There is also a risk of higher ridership than estimated. If ridership climbs quickly, particularly in the South I-25 corridor, overcrowding may result. 	<ul style="list-style-type: none"> • Demand was based on historic use of FREX and population and employment characteristics. Demand was estimated for a base year of 2008, 2015, and beyond, with a high and low range of ridership. Rather than using the 2015 estimates, the 2008 level of demand was used in the projections. One reason for this is uncertainty as to whether the commute patterns have returned to pre-recession levels. • Ridership generally rises gradually and takes about 2 years to stabilize. CDOT's projections show reaching the projected demand in 4 years, so this is a very conservative estimate. • Has included marketing budget and marketing plan to increase awareness of the service.
Revenues	<p>Revenue projections are based on ridership levels and on the average fare calculation. The split of riders between fare zones and fare types (cash versus prepaid fares) will affect the average fare per passenger. Estimates for the I-25 corridor are based on what is known about FREX fare characteristics.</p>	<p>No adjustment included on average fare per passenger. To vary the split between zones and fare type could affect the average fare ten percent either direction. Conservative number of passengers.</p>
Management Experience	<p>CDOT does not have experience with operating transit services, although CDOT does maintain operational functions.</p>	<ul style="list-style-type: none"> • Hired manager with direct operating experience. • Has enlisted support of managers of other systems to advise and share information on operations. • An advisory group of other managers is recommended to provide ongoing review and advice for service development and to integrate service with other connecting systems.

Interregional Express Bus Draft Risk Assessment

Woodman PNR	<p>Final expenses are not known. The CDOT lot is well used by carpools and Tiffany Square employees, and not well suited to a 45-foot bus for turning movements or access to roadway.</p>	<p>Large lot exists further to the west, and CDOT is investigating the potential of a property exchange. Also investigating access improvements (a round-about) to smooth flow of vehicular and pedestrian traffic. Cost of improvements would vary based on outcomes of negotiations.</p>
Bid Price for Service	<ul style="list-style-type: none"> • An estimate of \$4.15 has been used, based on market conditions. • The greatest risk is fuel price fluctuations. The assumption is that we are at a low point in prices. As part of service RFP, a decision will be needed on the amount of risk for fuel price fluctuation the provider is asked to assume and how much CDOT assumes. • There are several operators interested in bidding on the service, this will keep prices competitive. 	<ul style="list-style-type: none"> • CDOT has solicited interest in the service contract among potential providers • Investigate response of other providers to current fuel situation.
Operating Patterns	<p>Both ridership patterns and traffic patterns may require adjustments in schedules.</p>	<ul style="list-style-type: none"> • CDOT will work with other agencies to fine-tune the schedule based on known conditions. • CDOT will fine-tune the schedule as needed. The preference is to adjust the schedules to spread passenger loads as evenly as possible to avoid the need for extra trips to handle passenger loads.
Farebox Recovery Levels	<p>A variety of the risks could affect the overall balance between revenues and expenses: on the expense side, ridership and average fares; on the expense side, cost per mile and the need for extra trips based on passenger loads are examples.</p>	<ul style="list-style-type: none"> • Close attention to cost factors from contract award to monthly monitoring of pertinent factors, with adjustments as appropriate. • Structure contract to provide a comfortable balance of risk between operator and CDOT.

Communication Plan:

DTR is partnering with the Communications Division on the Marketing & Branding effort. Amy Ford brings exceptional expertise to this effort; she led the branding efforts for both TREX and the Fort Collins MAX BRT that will open next year.

The branding effort will begin in January, and include development of the identifying brand, and the associated public information elements; system maps, schedules, website, social media, brochures, etc. An education program also will be developed to articulate the operations, benefits, integration with local agencies, and a “how to ride” guide. The communications plan will also identify project messaging and a media relations campaign.

In close consultation with Amy, a three tier approach is planned:

- Branding and initial marketing concept and materials – utilize a current On-Call communications consultant. The scope of service for this effort can be viewed at <http://www.coloradodot.info/about/committees/trac/Documents/InteregionalExpressBusBrandingandCommunicationsScope.pdf> Budget: \$200K (FY 2014)
- Marketing execution and advertising – utilize internal staff and resources to insure integration with the overall CDOT identity and message. This effort also would include coordination and integration with the local transit entities. Budget: \$150K (FY 2015); \$100K (FY 2016 and beyond)
- Social Media development – task the contract operator with the development of mobile applications (real time bus location, etc), Facebook and Twitter pages. Most potential contract operators have in-house capability for these elements, and they have similar applications already in use. These activities would be closely monitored and managed by the Communications Division, and all products would become the property of CDOT at the end of the contract. Budget: included in the contract operator contract.

Customer Service:

A draft Customer Service Plan has been developed; DTR is working closely with the Communications Division and the Civil Rights Office on completion. The draft Customer Service Plan can be viewed at

<http://www.coloradodot.info/about/committees/trac/Documents/InterregionalExpressBusDraftCustomerServicePlan.pdf> The plan includes a customer call line, operator/driver sensitivity training, ADA Help Desk, customer security assurance, a Guaranteed Ride Home program (with limitations), and customer feedback surveys.

Transportation Commission Oversight & Measuring IX Success:

Commission oversight is proposed to be assigned to the Transit & Intermodal Committee; which would serve as the Interregional Express Operating Committee (IX Ops Committee). The IX Ops Committee would monitor the performance of the service, and serve as the recommending body for any substantial modification, addition or deletion of service, including capital needs. The TRAC would provide input to the IX Ops Committee.

The IX service enters CDOT into the public transportation realm, and we need to commit to our service. We are starting small, with no room to cut, but plenty of room to expand with success. The recommended funding level is \$3M/year plus fare revenue;

we must live/operate within this budget. Although we expect a long term fare box recovery ratio of at least 40% is attainable, we suggest a minimum fare box recovery ratio goal of 20% to be met within two years. Therefore, we need to manage the service, monitor performance, and remain flexible to adjust to maximize performance. DTR will work with the IX Ops Committee (or whomever they assign) to establish performance goals, and manage/strive within our means to meet those goals.

Once IX service has been initiated, it is proposed that quarterly performance reports be made to the Transportation Commission, with more in-depth oversight given by the IX Ops Committee. The quarterly performance reports would include:

- Ridership by corridor and total,
- Fare box revenue by corridor and total,
- Fare box recovery ratio by corridor and total,
- On-time by corridor and total,
- Safety-miles between collisions by corridor and total,
- Contractor violations, as prescribed in the operator contract.

APPENDIX A

IX Operations Forecast

Twelve-month operations forecast		Fiscal Year Begins Jul-13																										
		IND %	Jul-13 % B/A	Aug-13 %	Sep-13 %	Oct-13 %	Nov-13 %	Dec-13 %	Jan-14 %	Feb-14 %	Mar-14 %	Apr-14 %	May-14 %	Jun-14 %	YEARLY %													
Revenue (Sales)																												
Farebox Sales	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0
Interline Revenue (ICB)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0
Advertising Revenue	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0
FASTER ¹	0	-	0	-	0	-	0	-	0	-	0	-	0	-	280,000	100.0	0	-	0	-	0	-	0	-	0	-	0	280,000
Total Revenue (Sales)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	280,000	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	280,000	
Direct Costs																												
Contract Operator	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Total Direct Costs	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	
Gross Income	0	-	0	-	0	-	0	-	0	-	0	-	0	-	280,000	100.0	0	-	0	-	0	-	0	-	0	-	280,000	
Administrative Expenses (Overheads)																												
Staff salaries & benefits	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Advertising	0	-	0	-	0	-	0	-	0	-	0	-	0	-	40,000	14.3	40,000	-	40,000	-	40,000	-	40,000	-	40,000	-	200,000	71.4
Maint/ Compliance Engineer	0	-	0	-	0	-	0	-	0	-	0	-	0	-	2,900	1.0	2,900	-	2,900	-	2,900	-	2,900	-	2,900	-	50,000	5.2
Fare Media and Subplies	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc -On Board Communications	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc -Supplies (Office/Operating)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	200	0.1	200	-	200	-	200	-	200	-	200	-	1,000	0.4
Misc -Instate Travel - Motor Pool	0	-	0	-	0	-	0	-	0	-	0	-	0	-	600	0.2	600	-	600	-	600	-	600	-	600	-	3,000	1.1
Misc -Instate Travel - Lodging	0	-	0	-	0	-	0	-	0	-	0	-	0	-	200	0.1	200	-	200	-	200	-	200	-	200	-	1,000	0.4
Misc -Instate Travel - Per Diem	0	-	0	-	0	-	0	-	0	-	0	-	0	-	200	0.1	200	-	200	-	200	-	200	-	200	-	1,000	0.4
Misc -Communications (Telephone/Fax/Internet)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	300	0.1	300	-	300	-	300	-	300	-	300	-	1,500	0.5
Misc -Software	0	-	0	-	0	-	0	-	0	-	0	-	0	-	300	0.1	300	-	300	-	300	-	300	-	300	-	1,500	0.5
Misc -Postage	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc -Room Rentals	0	-	0	-	0	-	0	-	0	-	0	-	0	-	300	0.1	300	-	300	-	300	-	300	-	300	-	1,500	0.5
Misc -Customer Service	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc -Contractor/Temp	0	-	0	-	0	-	0	-	0	-	0	-	0	-	2,900	1.0	2,900	-	2,900	-	2,900	-	2,900	-	2,900	-	14,500	5.2
Misc - on board AVL/WIFI	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc -Other (Unspecified)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	1,000	0.4	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	5,000	1.8
Operating Reserve	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Sub-Total Admin Expenses	0	-	0	-	0	-	0	-	0	-	0	-	0	-	48,900	17.5	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	280,000	
Total Direct and Admin Costs	0	-	0	-	0	-	0	-	0	-	0	-	0	-	48,900	17.5	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	280,000	
Farebox Recovery% (minus Replacement Fund)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Net Operating Costs (Direct Costs+Admin Exp) minus (Revenue) minus (FASTER)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	280,000	
Bus Replacement Reserve	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Misc. Capital Expense	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	0.0	0	-	0	-	0	-	0	-	0	-	0	0.0
Total Program Costs	0	-	0	-	0	-	0	-	0	-	0	-	0	-	48,900	17.5	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	280,000	
Net Expenses (Total Program Costs minus Expenses)	0	-	0	-	0	-	0	-	0	-	0	-	0	-	48,900	17.5	48,900	-	48,900	-	48,900	-	48,900	-	48,900	-	280,000	

¹ - \$280K of FASTER assigned to Administrative Expense in FY 2014

Twelve-month operations forecast

Fiscal Year Begins Jul-14

	IND %	Jul-14	% B/A	Aug-14	%	Sept-14	%	Oct-14	%	Nov-14	%	Dec-14	%	Jan-15	%	Feb-15	%	Mar-15	%	Apr-15	%	May-15	%	Jun-15	%	YEARLY	%		
Revenue (Sales)																													
Farebox Sales		0	0.0	0	-	0	-	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	647,817	17.8
Interline Revenue (ICB)		0	0.0	0	-	0	-	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Advertising Revenue		0	0.0	0	-	0	-	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FASTER		3,000,000	100.0	0	-	0	-	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3,000,000	82.2	
Total Revenue (Sales)		3,000,000	100.0	0	0.0	0	0.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	71,980	100.0	3,647,817	100.0
Direct Costs																													
Contract Operator		0	-	0	-	0	-	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	1,460,074	225.4
Total Direct Costs		0	0.0	0	-	0	-	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	162,230	225.4	1,460,074	40.0
Gross Income		3,000,000	100.0	0	-	0	-	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	-90,251	-125.4	2,187,743	60.0
Administrative Expenses (Overheads)																													
Staff salaries & benefits		21,667	0.7	21,667	-	21,667	-	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	21,667	30.1	260,000	7.1
Advertising		12,500	0.4	12,500	-	12,500	-	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	12,500	17.4	150,000	4.1
Maint/ Compliance Engineer		20,000	0.7	20,000	-	20,000	-	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	4,444	6.2	100,000	2.7
Fare Media and Supplies		0	0.0	0	-	0	-	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	2,000	0.1
Misc -On Board Communications		0	0.0	0	-	0	-	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	278	0.4	2,500	0.1
Misc -Supplies (Office/Operating)		167	0.0	167	-	167	-	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2
Misc -Instate Travel - Motor Pool		0	0.0	0	-	0	-	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	6,000	0.2
Misc-Instate Travel - Lodging		0	0.0	0	-	0	-	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	2,000	0.1
Misc.-Instate Travel - Per Dem		0	0.0	0	-	0	-	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	2,000	0.1
Misc -Communications (Telephone/Fax/internet)		0	0.0	0	-	0	-	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	167	0.2	1,500	0.0
Misc -Software		0	0.0	0	-	0	-	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	222	0.3	2,000	0.1
Misc -Postage		0	0.0	0	-	0	-	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	111	0.2	1,000	0.0
Misc -Room Rentals		0	0.0	0	-	0	-	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	6,000	0.2
Misc.-Customer Service		0	0.0	0	-	0	-	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	12,000	0.3
Misc.-Contractor/Temp		3,750	0.1	3,750	-	3,750	-	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	3,750	5.2	45,000	1.2
Misc - on board AVL/WIFI		0	0.0	0	-	0	-	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	667	0.9	6,000	0.2
Misc- Other (Unspecified)		0	0.0	0	-	0	-	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	1,333	1.9	12,000	0.3
Operating Reserve		0	0.0	0	-	0	-	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	8,112	11.3	73,004	2.0
Sub-Total Admin Expenses		58,083	1.9	58,083	-	58,083	-	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	56,750	78.8	685,004	18.8
Total Direct and Admin Costs		58,083	1.9	58,083	-	58,083	-	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	218,981	304.2	2,145,078	58.4
Farebox Recovery % (minus Replacement Fund)		0%	0%	0%	0%	0%	0%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	30%	30%
Net Operating Costs (Direct Costs+Admin Exp) minus (Revenue) minus (FASTER)		58,083	-	58,083	-	58,083	-	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	147,001	204.2	1,497,261	41.0
Bus Replacement Reserve		0	0.0	0	-	0	-	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	54,167	75.3	487,500	13.4
Misc Capital Expense		20,833	0.7	20,833	-	20,833	-	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	20,833	29.1	250,000	6.9
Total Program Costs		78,917	2.6	78,917	-	78,917	-	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	293,981	409.3	2,882,578	78.4
Net Expenses (Total Program Costs minus Expenses)		78,917	2.6	78,917	-	78,917	-	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	222,001	308.4	2,234,761	58.4

Twelve-month operations forecast													Fiscal Year Begins Jul-15																
	IND %	Jul-15	% B/A	Aug-15	%	Sep-15	%	Oct-15	%	Nov-15	%	Dec-15	%	Jan-16	%	Feb-16	%	Mar-16	%	Apr-16	%	May-16	%	Jun-16	%	YEARLY	%		
Revenue (Sales)																													
Farebox Sales		86,160	2.8	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	1,033,918	25.6
Interline Revenue (ICB)		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Advertising Revenue		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FASTER		3,000,000	97.2	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3,000,000	74.4
Total Revenue (Sales)		3,086,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	86,160	100.0	4,033,918	100.0
Direct Costs																													
Contract Operator		162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	1,946,765	188.3
Total Direct Costs		162,230	5.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	162,230	188.3	1,946,765	48.3
Gross Income		2,923,929	94.7	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	-76,071	-88.3	2,087,153	51.7
Administrative Expenses (Overheads)																													
Staff salaries & benefits		22,317	0.7	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	22,317	25.9	267,800	6.6
Advertising		8,583	0.3	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	8,583	10.0	103,000	2.6
Maint/ Compliance Engineer		4,167	0.1	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	4,167	4.8	50,000	1.2
Fare Media and Supplies		172	0.0	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	2,060	0.1
Msc -On Board Communications		215	0.0	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	215	0.2	2,575	0.1
Msc -Supplies (Office/Operating)		172	0.0	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	2,060	0.1
Msc -Instate Travel - Motor Pool		515	0.0	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	6,180	0.2
Msc-Instate Travel - Lodging		172	0.0	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	2,060	0.1
Msc-Instate Travel - Per Diem		172	0.0	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	2,060	0.1
Msc -Communications (Telephone/Fax/Internet)		129	0.0	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	129	0.1	1,545	0.0
Msc -Software		172	0.0	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	172	0.2	2,060	0.1
Msc -Postage		86	0.0	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	86	0.1	1,030	0.0
Msc -Room Rentals		515	0.0	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	6,180	0.2
Msc -Customer Service		1,030	0.0	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	12,360	0.3
Msc -Contractor/Temp		3,613	0.1	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	3,613	4.2	43,350	1.1
Msc - on board AVL/WIFI		515	0.0	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	515	0.6	6,180	0.2
Msc -Other (Unspecified)		1,030	0.0	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	1,030	1.2	12,360	0.3
Operating Reserve		0	0.0	0	0.0	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	16,223	18.8	194,677	4.8
Sub-Total Admin Expenses		43,572	1.4	43,572	50.6	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	59,795	69.4	717,537	17.8
Total Direct and Admin Costs		205,802		205,802		222,025		222,025		222,025		222,025		222,025		222,025		222,025		222,025		222,025		222,025		222,025		2,664,302	
Farebox Recovery % (minus Replacement Fund)		42%		42%		39%		39%		39%		39%		39%		39%		39%		39%		39%		39%		39%		39%	
Net Operating Costs (Direct Costs+Admin Exp) minus (Revenue) minus (FASTER)		135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	135,865	157.7	1,630,384	40.4
Bus Replacement Reserve		54,167		54,167	62.9	54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		650,000	16.1
Misc Capital Expense		20,833		20,833	24.2	20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		250,000	6.2
Total Program Costs		280,802		280,802		297,025		297,025		297,025		297,025		297,025		297,025		297,025		297,025		297,025		297,025		297,025		3,564,302	
Net Expenses (Total Program Costs minus Expenses)		194,642		194,642		210,865		210,865		210,865		210,865		210,865		210,865		210,865		210,865		210,865		210,865		210,865		2,530,384	

Twelve-month operations forecast													Fiscal Year Begins Jul-16																	
	IND. %	Jul-16	% B/A	Aug-16	%	Sep-16	%	Oct-16	%	Nov-16	%	Dec-16	%	Jan-17	%	Feb-17	%	Mar-17	%	Apr-17	%	May-17	%	Jun-17	%	YEARLY	%			
Revenue (Sales)																														
Farebox Sales	114,808	3.7	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	1,377,697	31.5		
Interline Revenue (ICB)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
Advertising Revenue	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0		
FASTER	3,000,000	96.3	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3,000,000	68.5		
Total Revenue (Sales)	3,114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	114,808	100.0	4,377,697	100.0		
Direct Costs																														
Contract Operator	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	1,946,765	141.3
Total Direct Costs	162,230	5.2	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	162,230	141.3	1,946,765	44.5
Gross Income	2,952,578	94.8	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	-47,422	-41.3	2,430,932	55.5
Administrative Expenses (Overheads)																														
Staff salaries & benefits	22,986	0.7	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	22,986	20.0	275,834	6.3
Advertising	8,841	0.3	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	8,841	7.7	106,090	2.4
Maint/ Compliance Engineer	4,292	0.1	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	4,292	3.7	51,500	1.2
Fare Media and Supplies	177	0.0	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	2,122	0.0
Misc -On Board Communications	221	0.0	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	221	0.2	2,652	0.1
Misc -Supplies (Office/Operating)	177	0.0	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	2,122	0.0
Misc -Instate Travel - Motor Pool	530	0.0	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	6,365	0.1
Misc-Instate Travel - Lodging	177	0.0	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	2,122	0.0
Misc-Instate Travel - Per Diem	177	0.0	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	2,122	0.0
Misc -Communications (Telephone/Fax/Internet)	133	0.0	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	133	0.1	1,591	0.0
Misc -Software	177	0.0	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	177	0.2	2,122	0.0
Misc -Postage	88	0.0	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	88	0.1	1,061	0.0
Misc -Room Rentals	530	0.0	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	6,365	0.1
Misc -Customer Service	1,061	0.0	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	12,731	0.3
Misc -Contractor/Temp	3,721	0.1	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	3,721	3.2	44,651	1.0
Misc - on board AVL/WIFI	530	0.0	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	530	0.5	6,365	0.1
Misc -Other (Unspecified)	1,061	0.0	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	1,061	0.9	12,731	0.3
Operating Reserve	16,223	0.5	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	16,223	14.1	194,677	4.4
Sub-Total Admin Expenses	61,102	2.0	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	61,102	53.2	733,222	16.7
Total Direct and Admin Costs	223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		223,332		2,679,987	
Farebox Recovery % (minus Replacement Fund)	51%		51%		51%		51%		51%		51%		51%		51%		51%		51%		51%		51%		51%		51%		51%	
Net Operating Costs (Direct Costs+Admin Exp) minus (Revenue) minus (FASTER)	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	108,524	94.5	1,302,291	29.7
Bus Replacement Reserve	54,167		54,167	47.2	54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		650,000	14.8
Misc Capital Expense	20,833		20,833	18.1	20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		250,000	5.7
Total Program Costs	298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		298,332		3,579,987	
Net Expenses (Total Program Costs minus Expenses)	183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		183,524		2,202,290	

Twelve-month operations forecast																				Fiscal Year Begins Jul-17								
	IND %	Jul-17	% B/A	Aug-17	%	Sep-17	%	Oct-17	%	Nov-17	%	Dec-17	%	Jan-18	%	Feb-18	%	Mar-18	%	Apr-18	%	May-18	%	Jun-18	%	YEARLY	%	
Revenue (Sales)																												
Farebox Sales	136,322	4.3	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	1,635,861	35.3
Interline Revenue (ICB)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Advertising Revenue	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
FASTER	3,000,000	95.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	3,000,000	64.7
Total Revenue (Sales)	3,136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	136,322	100.0	4,635,861	100.0
Direct Costs																												
Contract Operator	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	1,990,567	121.7
Total Direct Costs	165,881	5.3	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	165,881	121.7	1,990,567	42.9
Gross Income	2,970,441	94.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	-29,559	-21.7	2,645,294	57.1
Administrative Expenses (Overheads)																												
Staff salaries & benefits	23,676	0.8	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	23,676	17.4	284,109	6.1
Advertising	9,106	0.3	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	9,106	6.7	109,273	2.4
Maint/ Compliance Engineer	4,420	0.1	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	4,420	3.2	53,045	1.1
Fare Media and Supplies	182	0.0	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	2,185	0.0
Misc -On Board Communications	228	0.0	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	228	0.2	2,732	0.1
Misc -Supplies (Office/Operating)	182	0.0	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	2,185	0.0
Misc -InstateTravel - Motor Pool	546	0.0	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	6,556	0.1
Misc -Instate Travel - Lodging	182	0.0	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	2,185	0.0
Misc -Instate Travel - Per Diem	182	0.0	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	2,185	0.0
Misc -Communications (Telephone/Fax/Internet)	137	0.0	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	137	0.1	1,639	0.0
Misc -Software	182	0.0	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	182	0.1	2,185	0.0
Misc -Postage	91	0.0	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	91	0.1	1,093	0.0
Misc -Room Rentals	546	0.0	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	6,556	0.1
Misc -Customer Service	1,093	0.0	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	13,113	0.3
Misc -Contractor/Temp	3,833	0.1	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	3,833	2.8	45,990	1.0
Misc - on board AVL/WiFi	546	0.0	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	546	0.4	6,556	0.1
Misc - Other (Unspecified)	1,093	0.0	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	1,093	0.8	13,113	0.3
Operating Reserve	16,588	0.5	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	16,588	12.2	199,057	4.3
Sub-Total Admin Expenses	62,813	2.0	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	62,813	46.1	753,759	16.3
Total Direct and Admin Costs	228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		228,694		2,744,326	
Farebox Recovery % (minus Replacement Fund)	60%		60%		60%		60%		60%		60%		60%		60%		60%		60%		60%		60%		60%		60%	
Net Operating Costs (Direct Costs-Admin Exp) minus (Revenue) minus (FASTER)	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	92,372	67.8	1,108,465	23.9
Bus Replacement Reserve	54,167		54,167	39.7	54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		54,167		650,000	14.0
Misc. Capital Expense	20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		20,833		250,000	
Total Program Costs	303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		303,694		3,644,326	
Net Expenses (Total Program Costs minus Expenses)	167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		167,372		2,008,465	

APPENDIX B

Worst Case Scenario

Appendix B

Worst Case - Projected Ridership Years 2-5 50% of Projected

Interregional Express Service Characteristics by Corridor

Characteristic	Colorado Springs	Fort Collins	Glenwood Springs	System Total
Trips				
Initial 1-way Trips ⁽¹⁾	12	10	2	24
Vehicles				
Peak	5	4	1	10
Back-up	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
TOTAL	6	5	2	13
Annual Revenue Miles	218,200	166,400	84,500	469,100
Average Daily Ridership				
First Year of operation (25%)	111	52	9	172
Second year of operation (30%)	134	62	11	207
Third year of operation (40%)	178	82	14	274
Fourth year of operation (48%)	214	99	17	330
Annual Revenues by Corridor				
Oct 1, 2014 - June 30, 2015	\$198,713	\$100,639	\$24,629	\$323,981
July 1, 2015 - June 30, 2016	\$319,850	\$159,990	\$40,136	\$519,977
July 1, 2016 - June 30, 2017	\$424,876	\$211,599	\$51,083	\$687,558
July 1, 2017 - June 30, 2018	\$510,806	\$255,468	\$62,029	\$828,303
Notes:				
(1)	An operating contingency is identified in the budget to allow for any extra trips needed. In the I-70 corridor, the second trip would travel between Vail and Denver, providing an earlier arrival in Denver than the first trip.			

Appendix B

Worst Case - Projected Ridership Years 2-5 50% of Projected

INTERREGIONAL EXPRESS BUS EXPENSES - FY 2014				
			Unit Cost	
Vehicles				
13	Over-the-road Coaches		\$600,000	\$7,800,000
1	Vaults & related, including PC			\$17,500
Park-and-Ride Improvements				
<i>Woodman Road</i>				
	Option1 - Land Swap with Tiffany Square w/improvements			
	Option 2 - Roundabout at Corporate Drive and Mark Dabley Blvd			
<i>Harmony Road: grading, paving for 150 new spaces</i>				
<i>Other Improvements:</i>				
	Shelters, Benches, Infrared heating as needed for Tejon, Woodmen, Monument, US 34, Harmony, and Eagle			
	SUBTOTAL			\$1,000,000
Administrative Expenses				
	Communications/Branding		\$ 200,000	
	Maintenance Compliance Engineer ⁽³⁾		\$ 50,000	
	Misc - As detailed on IX Operations Forecast		\$ 30,000	\$280,000
Misc. Capital				
				\$250,000
IX Reserve for future capital (PNR improvements, vehicles, etc.)				
				\$1,570,000
TOTAL CAPITAL				
				\$10,917,500

EXPENSES FY 2015 - FY 2018					
		FY 2015	FY 2016	FY 2017	FY 2018
Direct Costs - Purchased Transportation					
	Contract Operator for Bus Service ⁽¹⁾⁽²⁾	\$1,460,074	\$1,946,765	\$1,946,765	\$1,990,567
Administrative Expenses					
	Staffing and Related Expenses	\$260,000	\$267,800	\$275,834	\$284,109
	Communications/Branding	\$150,000	\$100,000	\$103,000	\$106,090
	Maintenance Compliance Engineer ⁽³⁾	\$100,000	\$50,000	\$51,500	\$53,045
	Fare Media and Supplies	\$2,000	\$2,060	\$2,122	\$2,185
	Misc - As detailed on IX Operations Forecast	\$100,000	\$103,000	\$106,090	\$109,273
	<u>Operating Reserve⁽⁴⁾</u>	<u>\$73,004</u>	<u>\$194,677</u>	<u>\$194,677</u>	<u>\$199,057</u>
	SUBTOTAL	\$685,004	\$717,537	\$733,222	\$753,759
Total Administrative & Direct Operating Expenses		\$2,145,077	\$2,664,302	\$2,679,987	\$2,744,326
Fare Revenues					
	Farebox Recovery Ratio (Does not include replacement fund)	15%	20%	26%	30%
Net Operating Costs (Total direct & Admin Expense minus Revenues)		\$1,821,096	\$2,144,325	\$1,992,429	\$1,916,024
Replacement Fund		\$487,500	\$650,000	\$650,000	\$650,000
Misc Capital Expenses		\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Total Program Expenses		\$ 2,882,577	\$ 3,564,302	\$ 3,579,987	\$ 3,644,326
Net Expenses (Total Program Expenses minus Revenues)		\$2,558,596	\$3,044,325	\$2,892,429	\$2,816,024

⁽¹⁾ In FY 2015, service is budgeted to operate 9 months.

⁽²⁾ Purchased transportation services are calculated at \$4.15 per mile for a three year fixed contract, and then inflated at 3%.

⁽³⁾ Covers online inspection of buses and contractor maintenance oversight in the first year. In ensuing years, only oversight is required.

⁽⁴⁾ The operating reserve is calculated at 5% for FY15 and 10% after that. This is for additional service, subject to Commission approval.

Appendix B
Worst Case - Projected Ridership Years 2-5 50% of Projected

Cash Flow Analysis: FY 2014 - FY 2018 (\$000,000)

	FY 2014	FY 2015 ⁽²⁾	FY 2016	FY 2017	FY 2018
Budget/Revenues					
Initial Capital Fund	\$ 10.92				
FASTER Statewide Funds	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Farebox Revenue	\$ -	\$ 0.32	\$ 0.52	\$ 0.69	\$ 0.83
Total Revenue	\$ 10.92	\$ 3.32	\$ 3.52	\$ 3.69	\$ 3.83
Operating Costs					
Contract Operator	\$ -	\$ 1.46	\$ 1.95	\$ 1.95	\$ 1.99
DTR Salaries (2 positions)	\$ -	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.28
Branding/Communications	\$ 0.20	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.11
Maint. Compliance Engineer	\$ 0.05	\$ 0.10	\$ 0.05	\$ 0.05	\$ 0.05
Fare Media	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Misc. Other	\$ 0.03	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.11
Operating Reserve ⁽¹⁾		\$ 0.07	\$ 0.19	\$ 0.19	\$ 0.20
Total Operating Costs	\$ 0.28	\$ 2.15	\$ 2.66	\$ 2.68	\$ 2.74
Capital Costs					
Bus Purchase	\$ 7.80	\$ -		\$ -	\$ -
PNR Improvements	\$ 1.00	\$ -	\$ -	\$ -	\$ -
Misc. Capital	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Total Capital Costs	\$ 9.05	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Replacement Fund ⁽³⁾					
Annual Contribution	\$ -	\$ 0.49	\$ 0.65	\$ 0.65	\$ 0.65
Replacement Fund Total	\$ -	\$ 0.49	\$ 1.14	\$ 1.79	\$ 2.44
		\$ 0.49	\$ 0.65	\$ 0.65	\$ 0.65
Revenues minus Expenses ⁽³⁾	\$ -	\$ 0.44	\$ (0.04)	\$ 0.11	\$ 0.18
Cumulative Reserves ⁽⁴⁾	\$ 1.57	\$ 2.01	\$ 1.96	\$ 2.07	\$ 2.26
Refunded to FASTER Statewide	\$ -	\$ -	\$ -	\$ -	\$ -

Notes

⁽¹⁾ Operating Reserve = 5% for FY 2015, 10% thereafter.

⁽²⁾ Service proposed to begin October 2014

⁽³⁾ "Net Revenues minus Expenses" do not carryover into next fiscal year, they are added to the Cumulative Reserves.

⁽⁴⁾ Reserves are capped at \$3M. Excess is returned to the FASTER Statewide Pool.

APPENDIX C

Coming Next Week

Appendix C High Success

50% more ridership than plan

Interregional Express Service Characteristics by Corridor

Characteristic	Colorado Springs	Fort Collins	Glenwood Springs	System Total
Trips				
Trips in FY 2016 1-way Trips ⁽¹⁾	16	12	4	32
Vehicles				
Peak	7	6	1	14
Back-up	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
TOTAL	8	7	2	17
Annual Revenue Miles	290,900	199,700	169,000	659,600
Average Daily Ridership				
First Year of operation (75%)	334	155	26	515
Second year of operation (90%)	401	185	32	618
Third year of operation (120%)	534	247	42	823
Fourth year of operation (143%)	636	295	50	981
Annual Revenues by Corridor				
Oct 1, 2014 - June 30, 2015	\$597,929	\$299,981	\$71,151	\$969,061
July 1, 2015 - June 30, 2016	\$957,165	\$477,389	\$116,761	\$1,551,314
July 1, 2016 - June 30, 2017	\$1,274,628	\$637,379	\$153,248	\$2,065,255
July 1, 2017 - June 30, 2018	\$1,518,096	\$761,242	\$182,438	\$2,461,776

Notes:

- (1) An operating contingency is identified in the budget to allow for any extra trips needed. In the I-70 corridor, the second trip would travel between Vail and Denver, providing an earlier arrival in Denver than the first trip.

Appendix C High Success 50% more ridership than plan

INTERREGIONAL EXPRESS BUS CAPITAL AND EXPENSES - FY 2014			
		Unit Cost	
Vehicles			
13	Over-the-road Coaches	\$600,000	\$7,800,000
1	Vaults & related, including PC		\$17,500
Park-and-Ride Improvements			
<i>Woodman Road</i>			
	Option1 - Land Swap with Tiffany Square w/improvements		
	Option 2 - Roundabout at Corporate Drive and Mark Dabley Blvd		
<i>Harmony Road: grading, paving for 150 new spaces</i>			
<i>Other Improvements:</i>			
	Shelters, Benches, Infrared heating as needed for Tejon,		
	Woodmen, Monument, US 34, Harmony, and Eagle		
	SUBTOTAL		\$1,000,000
Administrative Expenses			
	Communications/Branding	\$ 200,000	
	Maintenance Compliance Engineer ⁽³⁾	\$ 50,000	
	Misc - As detailed on IX Operations Forecast	\$ 30,000	\$280,000
Misc. Capital			
IX Reserve for future capital (PNR improvements, vehicles, etc.)			\$1,570,000
TOTAL CAPITAL			\$10,917,500

EXPENSES FY 2015 - FY 2018				
	FY 2015	FY 2016 ⁽⁵⁾	FY 2017 ⁽⁶⁾	FY 2018 ⁽⁷⁾
Purchased Transportation				
Contract Operator for Bus Service ⁽¹⁾⁽²⁾	\$1,460,074	\$2,737,340	\$3,026,180	\$3,748,597
Administrative Expenses				
Staffing and Related Expenses	\$260,000	\$267,800	\$275,834	\$284,109
Communications/Branding	\$150,000	\$100,000	\$103,000	\$106,090
Maintenance Compliance Engineer ⁽³⁾	\$100,000	\$50,000	\$51,500	\$53,045
Fare Media and Supplies	\$2,000	\$2,060	\$2,122	\$2,185
Misc - As detailed on IX Operations Forecast	\$100,000	\$103,000	\$106,090	\$109,273
Operating Reserve ⁽⁴⁾	<u>\$73,004</u>	<u>\$273,734</u>	<u>\$302,618</u>	<u>\$374,860</u>
SUBTOTAL	\$685,004	\$796,594	\$841,164	\$929,562
Total Administrative & Operating Expenses	\$2,145,078	\$3,533,934	\$3,867,344	\$4,678,159
Fare Revenues				
Fareox Recovery Ratio	45%	44%	53%	53%
Net Operating Costs (Total direct and admin expenses minus revenues)	\$1,176,016	\$1,982,620	\$1,802,089	\$2,216,383
Replacement Fund	\$487,500	\$650,000	\$650,000	\$650,000
Misc Capital	\$250,000	\$250,000	\$250,000	\$250,000
Bus and Farebox Capital⁽⁸⁾		\$1,800,000		\$1,800,000
TOTAL PROGRAM EXPENSES	\$2,882,578	\$6,233,934	\$4,767,344	\$7,378,159
Net Expenses (Total program costs minus revenue)	\$1,913,516	\$4,682,620	\$2,702,089	\$4,916,383

Notes

- (1) In FY 2015, service is budgeted to operate 9 months.
- (2) Purchased transportation services are calculated at \$4.15 per mile for a three year fixed contract, and then inflated at 3%.
- (3) Covers online inspection of buses and contractor maintenance oversight in the first year. In ensuing years, only oversight is required.
- (4) The operating reserve is calculated at 5% for FY15 and 10% after that. This is for additional service, subject to Commission approval.
- (5) Four one ways added to Colo Springs - Denver (Total 16); 2 one ways added Ft. Collins - Denver (total 12); 2 one ways added Vail-Denver (total 4 on I-70)
- (6) 2 one ways added Colo Springs - Denver (Total 18); 2 one ways added Ft. Collins- Denver(total 14)
- (7) 2 one ways added Colo Springs - Denver (Total 20); 2 one ways added Ft. Collins- Denver (total 16); 2 one ways added Glenwood Springs-Denver (total 7 I-70)
- (8) 3 buses and fareboxes purchased FY 2016 and again in FY 2018 subject to Transportation Commission approval

Appendix C High Success 50% more ridership than plan

Cash Flow Analysis: FY 2014 - FY 2018 (\$000,000)

	FY 2014	FY 2015	FY 2016 ⁽³⁾	FY 2017 ⁽⁴⁾	FY 2018 ⁽⁵⁾
Budget/Revenues					
Initial Capital Fund	\$ 10.92				
FASTER Statewide Funds	\$ -	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Farebox Revenue	\$ -	\$ 0.97	\$ 1.55	\$ 2.07	\$ 2.46
Total Revenue	\$ 10.92	\$ 3.97	\$ 4.55	\$ 5.07	\$ 5.46
Operating Costs					
Contract Operator ⁽³⁾	\$ -	\$ 1.46	\$ 2.74	\$ 3.03	\$ 3.75
DTR Salaries (2 positions)	\$ -	\$ 0.26	\$ 0.27	\$ 0.28	\$ 0.28
Branding/Communications	\$ 0.20	\$ 0.15	\$ 0.10	\$ 0.10	\$ 0.11
Maint. Compliance Engineer	\$ 0.05	\$ 0.10	\$ 0.05	\$ 0.05	\$ 0.05
Fare Media	\$ -	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Misc. Other	\$ 0.03	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.11
Operating Reserve ⁽¹⁾		\$ 0.07	\$ 0.27	\$ 0.30	\$ 0.37
Total Operating Costs	\$ 0.28	\$ 2.15	\$ 3.53	\$ 3.87	\$ 4.68
Capital Costs					
Bus Purchase ⁽²⁾	\$ 7.80	\$ -	\$ 1.80	\$ -	\$ 1.80
PNR Improvements	\$ 1.00	\$ -	\$ -	\$ -	\$ -
Misc. Capital	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Total Capital Costs	\$ 9.05	\$ 0.25	\$ 2.05	\$ 0.25	\$ 2.05
Replacement Fund					
Annual Contribution	\$ -	\$ 0.49	\$ 0.65	\$ 0.65	\$ 0.65
Replacement Fund Total	\$ -	\$ 0.49	\$ 1.14	\$ 1.79	\$ 2.44
Revenues minus Expenses	\$ -	\$ 1.57	\$ (1.03)	\$ 0.95	\$ (1.27)
Cumulative Reserves	\$ 1.57	\$ 3.00	\$ 1.97	\$ 2.92	\$ 1.65
Refunded to FASTER Statewide	\$ -	\$ 0.14	\$ -	\$ -	\$ -

Notes:

(1) Operating Reserve = 5% for FY 2015, 10% thereafter.

(2) 3 buses and fareboxes purchased in FY2016 & FY 2018

(3) Added 4 one way trips Colorado Springs-Denver (total 16), 2 one way trips Ft. Collins - Denver(total 12), and added 2 one way trip Vail - Denver (total I-70 =4) increasing operator costs

(4) Add 2 one ways Colorado Springs - Denver(total 18); 2 one ways Ft. Collins - Denver(total 14)

(5) Add 2 one ways Colorado Springs - Denver; two one ways Ft. Collins - Denver (total 14), one Glenwood Springs - Denver (total I-70- 6)