

AGENDA ITEM 1 I
Consent Item

MEMORANDUM

DATE: February 2, 2017
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Fiscal Administration Manager
SUBJECT: Adopt Proposed Fiscal Year 2016/17 Revised Mid-Year Operating Budget

REQUESTED ACTION:

BY MOTION,

Adopt Fiscal Year 2016/17 Revised Mid-Year Operating Budget Adjustments

BACKGROUND

The Proposed Fiscal Year (FY) 2016/17 Mid-Year Adjusted Operating Budget is presented to consider the status of the El Dorado County Transit Authority's (El Dorado Transit) budget at the six (6) month closing. Section 8.9 of the Joint Exercise of Powers Agreement of the El Dorado County Transit Authority states that the Executive Director has the power "*to execute transfers within major budget units, as long as the total expenditures of each major budget unit remain unchanged*".

The Proposed Fiscal Year 2016/17 Mid-Year Operating Budget includes a reduction in Revenue and Salary & Benefit accounts and an increase in Service & Supply accounts requiring Board approval.

Proposed account adjustments are noted in bold in the attached proposed budget report.

DISCUSSION

Revenue Accounts **Net change is a decrease of \$74,450 in revenue**

- Account 4000.00 Transportation Development Act (TDA) Local Transportation Fund (LTF) Deferred: This represents an increase of \$913,262 which is the excess amount of funds held by El Dorado Transit from the FY 2015/16 financial audit.
- Account 4270.00 State Transit Assistance (STA) Deferred: STA funds may be used for operating revenues if certain criteria are met and capital projects. El Dorado Transit does not typically use STA to fund transit operations due to the volatility of the funding stream. STA is impacted by the price and amount of fuel sold and potential legislative action. The El Dorado Transit Board normally approves a transfer of all STA from

operating to capital as a component of mid-year budget adjustments however; this year final adjustments will be made during the Final Amended Budget Process.

- Account 4970.00 Interest Income: Interest income has been increased to reflect actual receipts and final projections; revised to \$24,000.
- Account 4310.00 Contract Services: Decrease based on first six (6) months actual income; revised to \$485,000.
- Account 4330.00 Sacramento Commute Route Passes: Decrease based on six (6) months actual receivables; revised to \$731,000.
- Account 4400.00 Advertising Revenue: It is the recommendation from staff to allocate these non-operating revenues to the Operating Reserve fund as presented in a separate agenda item.
- Account 4990.00 Miscellaneous Revenue: It is the recommendation from staff to allocate these non-operating revenues to the Operating Reserve fund as presented in a separate agenda item.

Salary and Benefits Accounts **Net change is a decrease of \$161,050 in expenses**

- Account 5010.02 Temporary Employees: Increase based on six (6) month actual and final projections. Increase of \$30,000. Temporary Employees are used to cover vacated positions and operations staff absents.
- Account 5070.01 FICA Tax: Increase of \$6,000 is based on six month actual and final projections. Temp Employee use increases tax base.
- Account 5070.02 Medicare Payroll Tax: Increase of \$2,950 is based on six month actual and final projections.
- Account 5020.02 Health Insurance: Decrease of \$200,000 based on first six (6) month actual. Several positions eligible for coverage began after December 2016.

Service and Supply Accounts **Net change is an increase of \$86,600 expenses**

The adjustments in each line item presented, are based on actual costs for the first six (6) months of fiscal year 2016/17 and a projection for the remaining six (6) months.

- Account 5090.05 Uniforms – Other: Increase of \$4,000 is based on actual expenses and final projections.
- Account 5090.05 Communications – Phone: Increase of \$10,000 primarily due to the increased use of cellular products used for data collection on buses. Upcoming implementation of WIFI on Commuter buses will also drive costs up.
- Account 5160.09 Maintenance/Bus Stops; Increase of \$2000 due to replacement of schedule holders at most bus stops. This is a periodic necessity.
- Account 5160.00 Vehicle Maintenance (In-House): Increase of \$52,000 based on first six (6) month actual. Vehicle warranties have expired, driving up repair costs as well as the one-time charges for new paint scheme and graphics; revised to \$345,000.
- Account 5030.10 Employee Medical Exams: Increase of \$5,600 based on first six (6) month actual.

- Account 5030.30 Background Checks: Increase of \$3,000 based on first six (6) months actual expenses; revised to \$4,000.
- Account 5090.30 Staff Development & Training: Increase of \$8,000 based on first six (6) month actual; revised to \$25,500. With the ever changing laws and regulations that impact transit, aggressive training and education classes is a priority to meet new and on-going compliance requirements.
- Account 5030.03 Utilities: Increase of \$2,000 based on first six (6) month actual; revised to \$21,000. Primarily due to the installation of safety and security efforts.

FISCAL IMPACT

The overall outlook of the El Dorado Transit budget is positive. The proposed mid-year budget for fiscal year 2016/17 nets a \$74,450 decrease in revenue and expenses while maintaining the current level of public transportation provided to the residents of the County of El Dorado.

El Dorado Transit is a joint powers agency and does not draw funding from the general funds of either member agency. The annual budget includes a contingency. If contingency funds are not used they are moved to the next fiscal year as allowed per California law under the Transportation Development Act.

EL DORADO COUNTY TRANSIT AUTHORITY

PROPOSED MID-YEAR BUDGET 2016/2017

OPERATING BUDGET

		FY 2016/2017 Final Adopted 06/02/16	FY 2016/2017 Mid-Year Proposed 02/02/2017	Difference
REVENUE ACCOUNTS				
4000.00	Transportation Development Act (TDA/LTF)	\$3,781,200	\$3,781,200	\$0
4000.00	Transportation Development Act (TDA/LTF) Deferred 15/16	\$0	\$913,262	\$913,262
4270.00	State Transit Assistance (STA)	\$710,781	\$710,781	\$0
4270.00	State Transit Assistance (STA) Deferred	\$968,195	\$68,883	-\$899,312
4970.00	Interest Income	\$18,000	\$24,000	\$6,000
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$474,917	\$474,917	\$0
4300.00	Farebox	\$189,000	\$189,000	\$0
4310.00	Contract Services	\$529,000	\$485,000	-\$44,000
4320.00	Farebox - Charter	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes	\$761,000	\$731,000	-\$30,000
4350.00	Bus Passes	\$89,610	\$89,610	\$0
4360.00	Scrip	\$83,000	\$83,000	\$0
4400.00	Advertising Revenue	\$20,000	\$0	-\$20,000
4990.00	Misc. Revenue	\$400	\$0	-\$400
4107.03	Fair Shuttle AB2766 Grant	\$31,512	\$31,512	\$0
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$0	\$0	\$0
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$172,232	\$172,232	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,299	\$8,299	\$0
TOTAL REVENUES		\$7,842,146	\$7,767,696	-\$74,450
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$2,934,490	\$2,934,490	\$0
5010.02	Temporary Employees	\$160,000	\$190,000	\$30,000
5010.07	Overtime	\$80,000	\$80,000	\$0
5010.08	On Call Pay	\$13,000	\$13,000	\$0
5010.09	Skill and Shift Pay	\$34,000	\$34,000	\$0
5020.01	Employee Retirement	\$470,000	\$470,000	\$0
5070.01	(OASDI - Payroll Tax) FICA	\$8,000	\$14,000	\$6,000
5070.02	MEDICARE - Payroll Tax	\$47,050	\$50,000	\$2,950
5020.02	Health Insurance	\$1,334,000	\$1,134,000	-\$200,000
5020.03	Unemployment Insurance	\$20,000	\$20,000	\$0
5020.04	LT Disability/Life Ins	\$33,000	\$33,000	\$0
5020.05	Worker's Comp	\$291,031	\$291,031	\$0
TOTAL SALARY & BENEFITS		\$5,424,571	\$5,263,521	-\$161,050
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$4,000	\$4,000	\$0
5090.05	Uniforms - Other	\$12,000	\$16,000	\$4,000
5050.01	Communications - Phone	\$38,000	\$48,000	\$10,000
5090.20	Communications - Radio	\$1,000	\$1,000	\$0
5090.01	Household Expenses	\$15,750	\$15,750	\$0
5060.01	Insurance Premiums/Public Liability	\$338,692	\$338,692	\$0
5060.02	Insurance Premiums/Physical Damage	\$16,671	\$16,671	\$0
5060.03	Insurance Premiums/Commercial Property	\$15,000	\$15,000	\$0
5090.06	Service Contracts/Equipment	\$130,000	\$130,000	\$0
5160.07	Park and Ride Maintenance	\$9,400	\$9,400	\$0
5160.01	Maintenance/Buildings	\$6,000	\$6,000	\$0
5160.05	Maintenance/Grounds	\$4,000	\$4,000	\$0
5160.09	Maintenance/Bus Stop	\$3,000	\$5,000	\$2,000
5160.00	Maintenance/Other	\$5,000	\$5,000	\$0
5040.00	Vehicle Maintenance (In-House)	\$293,000	\$345,000	\$52,000
5040.02	Vehicle Maintenance/Tires & Tubes	\$108,000	\$108,000	\$0
5040.03	Vehicle Maintenance/Lubricants	\$31,000	\$31,000	\$0
5040.04	Vehicle Maintenance/Small Tools - Shop	\$5,500	\$5,500	\$0
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$38,000	\$38,000	\$0
5090.40	Memberships	\$7,000	\$7,000	\$0
5090.70	Office Expense	\$18,000	\$18,000	\$0
5090.80	Postage	\$4,000	\$4,000	\$0
5030.00	Professional Services	\$150,000	\$150,000	\$0
5030.10	Employee Medical Exams	\$7,400	\$13,000	\$5,600
5030.30	Background Checks	\$1,000	\$4,000	\$3,000
5090.08	Pubs/Legal Notices	\$4,000	\$4,000	\$0
5090.75	Printing	\$34,000	\$34,000	\$0
5120.02	Rents/Leases - Equipment	\$19,000	\$19,000	\$0
5120.03	Rents/Leases Park and Rides	\$12,000	\$12,000	\$0
5140.01	Equipment Purchase - Data Processing	\$3,000	\$3,000	\$0
5140.05	Equipment Purchase - Office	\$38,000	\$38,000	\$0
5150.00	Special Department Expense	\$5,000	\$5,000	\$0
5150.01	Marketing	\$25,000	\$25,000	\$0
5090.30	Staff Development/Travel	\$17,500	\$25,500	\$8,000
5040.01	Fuel Purchase	\$565,000	\$565,000	\$0
5090.72	Bank Charges	\$200	\$200	\$0
5050.02	Utilities	\$54,000	\$54,000	\$0
5050.03	Utilities/ Park & Rides	\$19,000	\$21,000	\$2,000
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
6270.00	Contingency	\$360,462	\$360,462	\$0
TOTAL SERVICES AND SUPPLIES		\$2,417,575	\$2,504,175	\$86,600
TOTAL OPERATING EXPENSES		\$7,842,146	\$7,767,696	-\$74,450