

AGENDA ITEM 1 N
Consent Item

MEMORANDUM

DATE: February 1, 2018
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Finance Manager
SUBJECT: Adopt Proposed Fiscal Year 2017/18 Revised Mid-Year Operating Budget

REQUESTED ACTION:

BY MOTION,

Adopt Fiscal Year 2017/18 Revised Mid-Year Operating Budget Adjustments

BACKGROUND

The Proposed Fiscal Year (FY) 2017/18 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 2017/18 Mid-Year Operating Budget includes a reduction in Revenue and 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 \$176,900 in revenue**

- Account 4270.00 State Transit Assistance (STA): 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. The increase of \$382,656 is due to the revised allocation provided by the State Controllers' Office.

- Account 4270.00 State Transit Assistance (STA) Deferred: STA funds may be used for operating revenues if certain criteria are met and capital projects. STA deferred revenue is being used to balance the budget.
- Account 4970.00 Interest Income: Interest income has been increased to reflect actual receipts and final projections; revised to \$28,000.
- Account 4100.00 Federal Transit Administration (FTA) Section 5311 Grant: Adjusting to actual allocation; revised to \$490,631.
- Account 4300.00 Farebox: Increase based on first six (6) months actual income; revised to \$210,000.
- Account 4310.00 Contract Services: Decrease based on first six (6) months actual income; revised to \$440,000. Pass and scrip orders for Alta Regional Center clientele are now processed through Connect Card, only subscription services directly billed.
- Account 4330.00 Sacramento Commute Route Passes: Increase based on six (6) months actual receivables; revised to \$760,000.
- Account 4350.00 Bus Passes: Decrease based on six (6) months actual receivables; revised to \$80,000.
- Account 4360.00 Scrip: Decrease based on six (6) months actual receivables; revised to \$47,000.
- Account 4400.00 Advertising Revenue: Decrease based on six (6) months actual receivables; revised to \$12,000.
- Account 4270.01 State Transit Assistance (STA)/State of Good Repair: This is that portion of STA funds designated for State of Good Repair through Senate Bill 1; \$235,677.
- Account 5060.00 Offset Reserve Fund: Increase based on balance provided by insurance pool; revised to \$8,335.

Salary and Benefits Accounts

Net change is \$0 in expenses

- Account 5010.09 Skill and Shift Pay: Increase based on six (6) month actual and final projections. Increase to \$43,000. The new vehicles purchases for the local routes qualify for Skill Pay; this sunsets on June 30, 2018.
- Account 5020.04 Long Term Disability/Life Insurance: Increase of \$4,000 is based on six month actual and final projections.
- Account 5020.05 Workers' Compensation Insurance: Decrease of \$12,000 is based on final projections from carrier.

Service and Supply Accounts

Net change is a decrease of \$176,900 expenses

The adjustments in each line item presented, are based on actual costs for the first six (6) months of fiscal year 2017/18 and a projection for the remaining six (6) months.

- Account 5090.05 Communications – Phone: Increase of \$9,000 primarily due to the increased use of cellular products used for data collection and Wi-Fi on buses.
- Account 5060.03 Insurance Premiums/Commercial Package; Decrease of \$21,000 in premium.

- Account 5060.04 Insurance Premiums/EPLI Package; Increase of \$17,000 for Employee Practices Liability Insurance (EPLI) premium.
- Account 5160.01 Maintenance/Buildings: Increase of \$2,000 based on first six (6) month actual.
- Account 5160.03 Maintenance/Equipment: Budget line item added in the amount of \$8,000 based on first six (6) month actual. This is for preventive maintenance and inspections.
- Account 5160.05 Maintenance/Grounds: Increase in the amount of \$1,500 based on first six (6) month actual.
- Account 5090.00 Operating Expense - Other: Budget line item added in the amount of \$600 based on first six (6) month actual.
- Account 5150.01 Marketing: Decrease of \$12,500 based on first six (6) month actual.
- Account 5090.30 Staff Development and Training: Decrease of \$10,000 based on first six (6) months actual expenses.
- Account 5090.72 Bank Charges: Decrease of \$2,000 based on first six (6) month actual.
- Account 5090.73 Credit Card Charges: Budget line item added in the amount of \$5,000 to allow for accurate tracking of credit card usage fees.
- Account 5090.74 Connect Card Administration Expenses: Budget line item added in the amount of \$10,000 to allow for accurate tracking of Connect Card Administration Expenses.
- Account 6210.01 Cameron Park Expenses: Reduced by 50% to reflect the first six (6) months costs allocated expenses in actual accounts.

FISCAL IMPACT

The overall outlook of the El Dorado Transit budget is positive. The proposed mid-year budget for fiscal year 2017/18 nets an \$176,900 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 OPERATING BUDGET 2017/2018**

OPERATING BUDGET		FY 2017/2018 Final Adopted 05/04/2017	FY 2017/2018 Mid-Year Proposed 02/01/2018	Difference
REVENUE ACCOUNTS				
4000.00	Transportation Development Act (TDA/LTF)	\$4,159,003	\$4,159,003	\$0
4270.00	State Transit Assistance (STA)	\$669,697	\$1,052,353	\$382,656
4270.00	State Transit Assistance (STA) Deferred	\$1,452,989	\$704,006	-\$748,983
4970.00	Interest Income	\$24,000	\$28,000	\$4,000
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$474,917	\$490,631	\$15,714
4300.00	Farebox	\$190,000	\$210,000	\$20,000
4310.00	Contract Services	\$485,000	\$440,000	-\$45,000
4320.00	Farebox - Charter	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes	\$740,000	\$760,000	\$20,000
4350.00	Bus Passes	\$94,000	\$80,000	-\$14,000
4360.00	Scrip	\$87,000	\$47,000	-\$40,000
4400.00	Advertising Revenue	\$19,000	\$12,000	-\$7,000
4990.00	Misc. Revenue	\$400	\$400	\$0
4107.03	Fair Shuttle AB2766 Grant	\$35,265	\$35,265	\$0
4270.01	State Transit Assistance (STA)/State of Good Repare (SGR)	\$0	\$235,677	\$235,677
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$78,928	\$78,928	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,299	\$8,335	\$36
TOTAL REVENUES		\$8,523,498	\$8,346,598	-\$176,900
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$3,109,237	\$3,109,237	\$0
5010.02	Temporary Employees	\$225,000	\$225,000	\$0
5010.07	Overtime	\$80,000	\$80,000	\$0
5010.08	On Call Pay	\$13,000	\$13,000	\$0
5010.09	Skill and Shift Pay	\$35,000	\$43,000	\$8,000
5020.01	Employee Retirement	\$470,000	\$470,000	\$0
5070.01	(OASDI - Payroll Tax) FICA	\$14,000	\$14,000	\$0
5070.02	MEDICARE - Payroll Tax	\$50,000	\$50,000	\$0
5020.02	Health Insurance	\$1,331,000	\$1,331,000	\$0
5020.03	Unemployment Insurance	\$20,000	\$20,000	\$0
5020.04	LT Disability/Life Ins	\$33,000	\$37,000	\$4,000
5020.05	Worker's Comp	\$280,465	\$268,465	-\$12,000
TOTAL SALARY & BENEFITS		\$5,660,702	\$5,660,702	\$0
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$3,000	\$3,000	\$0
5090.05	Uniforms - Other	\$14,000	\$14,000	\$0
5050.01	Communications - Phone	\$48,000	\$57,000	\$9,000
5090.20	Communications - Radio	\$1,000	\$1,000	\$0
5090.01	Household Expenses	\$13,750	\$13,750	\$0
5060.01	Insurance Premiums/Public Liability	\$430,000	\$430,000	\$0
5060.02	Insurance Premiums/Physical Damage	\$28,000	\$28,000	\$0
5060.03	Insurance Premiums/Commercial & EPLI Packages	\$33,000	\$12,000	-\$21,000
5060.04	Insurance Premium EPLI Package	\$0	\$17,000	\$17,000
5090.06	Service Contracts/Equipment	\$115,000	\$115,000	\$0
5160.07	Park and Ride Maintenance	\$9,000	\$9,000	\$0
5160.01	Maintenance/Buildings	\$2,500	\$4,500	\$2,000
5160.03	Maintenance/Equipment	\$0	\$8,000	\$8,000
5160.05	Maintenance/Grounds	\$4,000	\$5,500	\$1,500
5160.09	Maintenance/Bus Stop	\$3,000	\$3,000	\$0
5160.00	Maintenance/Other	\$2,500	\$2,500	\$0
5040.00	Vehicle Maintenance (In-House)	\$293,000	\$293,000	\$0
5040.02	Vehicle Maintenance/Tires & Tubes	\$95,000	\$95,000	\$0
5040.03	Vehicle Maintenance/Lubricants	\$28,000	\$28,000	\$0
5040.04	Vehicle Maintenance/Small Tools - Shop	\$4,300	\$4,300	\$0
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$30,000	\$30,000	\$0
5090.40	Memberships	\$6,000	\$6,000	\$0
5090.70	Office Expense	\$15,000	\$15,000	\$0
5090.80	Postage	\$4,000	\$4,000	\$0
5090.00	Operating Expense - Other	\$0	\$600	\$600
5030.00	Professional Services	\$150,000	\$150,000	\$0
5030.10	Employee Medical Exams	\$13,000	\$13,000	\$0
5030.30	Background Checks	\$3,000	\$3,000	\$0
5090.08	Pubs/Legal Notices	\$4,000	\$4,000	\$0
5090.75	Printing	\$28,000	\$28,000	\$0
5120.02	Rents/Leases - Equipment	\$17,000	\$17,000	\$0
5120.03	Rents/Leases Park and Rides	\$10,000	\$10,000	\$0
5140.01	Equipment Purchase - Data Processing	\$1,000	\$1,000	\$0
5140.05	Equipment Purchase - Office	\$8,000	\$8,000	\$0
5150.00	Special Department Expense	\$5,000	\$5,000	\$0
5150.01	Marketing	\$25,000	\$12,500	-\$12,500
5090.30	Staff Development/Travel	\$31,000	\$31,000	\$0
5040.01	Fuel Purchase	\$572,000	\$572,000	\$0
5090.72	Bank Charges	\$2,500	\$500	-\$2,000
5090.73	Credit Card Charge Fees	\$0	\$5,000	\$5,000
5090.74	Connect Card Administration Expenses	\$0	\$10,000	\$10,000
5050.02	Utilities	\$54,000	\$54,000	\$0
5050.03	Utilities/ Park & Rides	\$21,000	\$21,000	\$0
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
6210.01	Cameron Park Expansion	\$389,000	\$194,500	-\$194,500
6270.00	Contingency	\$347,246	\$347,246	\$0
TOTAL SERVICES AND SUPPLIES		\$2,862,796	\$2,685,896	-\$176,900
TOTAL OPERATING EXPENSES		\$8,523,498	\$8,346,598	-\$176,900