

AGENDA ITEM 3 D
Information Item

MEMORANDUM

DATE: April 24, 2019

TO: El Dorado County Transit Authority
Transit Advisory Committee

FROM: Julie Petersen, Finance Manager

SUBJECT: Fiscal Year 2019/20 Preliminary Operating Budget, Proposed Allocation Plan and Draft Organizational Chart

REQUESTED ACTION:
BY MOTION,

1. Preliminary Operating Budget for Fiscal Year 2019/20
2. Proposed Allocation Plan and Draft Organizational Chart Fiscal Year 2019/20

BACKGROUND

The Bylaws of the El Dorado County Transit Authority (El Dorado Transit) require submission of a preliminary capital budget on or before the March meeting of each year. The Board shall adopt a preliminary operating budget by April 15 of each year. Final budgets are to be submitted to the Board on or before June 15 of each year. Final capital budget shall be adopted by the Board on or before July 15 of each year.

DISCUSSION

The fiscal year (FY) 2019/20 preliminary budget submitted for adoption is based on the current service level including the demonstration El Dorado Hills/Cameron Park route #70. Revenue projections identified are designated for transit operations.

El Dorado Transit is required to operate within a balanced budget. The budget assumes continued employment for the seventy-six (73) regular full-time and part-time employees including the Executive Director; Operations Manager; Finance Manager; Human Resources Manager; Planning and Marketing Manager; Administrative Coordinator; Safety Coordinator; Office Assistant II (2); Finance Technician I/II (2); Transit Dispatcher (5); Transit Operations Supervisor (3); Maintenance & Facilities Supervisor (1); Equipment Technician I/II (4); Maintenance Technician (2); Custodian (1); Full-time Transit Operators (21) and Part-time Transit Operators (25). In addition to regular staff El Dorado Transit employs temporary employees and “Extra-Help” Transit Operators, Transit Dispatchers and support staff.

The FY 2019/20 final budget presented in by June 2019 may include additional adjustments in the Salary and Benefits categories.

The El Dorado Transit management team reports that Transportation Development Act (TDA) funding is stable as projected by the State Controllers' Office (SCO) and the El Dorado County Auditors' office. This funding is based on sales tax revenue received throughout the County of El Dorado.

This item was adopted by the El Dorado County Transit Authority Board on March 7, 2019.

PRELIMINARY FISCAL YEAR 2019/20 OPERATING BUDGET

The preliminary budget report includes a comparison of prior year adopted mid-year budget utilizing the following criteria:

- Projected expenses using an analysis of the first six (6) months of current fiscal year actual expenses and funding liabilities.
- Preliminary budget assumes current level of service with the continuation demonstration project in El Dorado Hills /Cameron Park route 70.
- Renewals for insurance are not available in March. Renewals go into effect on May 1, July 1, and January 1.
- Contingency is typically set at ten percent (10%) of preliminary budget per board policy.

Revenue Accounts

Transportation Development Act (TDA)

- Following the apportionment and allocation of TDA funds by the El Dorado County Transportation Commission (EDCTC), the projected amount available to transit for transit operations is \$5,240,291. This amount is an increase from the prior years' allocation in the amount of \$402,556 due to increased sales tax earned in El Dorado County and the full funding of the transit operating contingency held by EDCTC.

State Transit Assistance (STA)

- STA funds for FY 2019/20 are allocated by the SCO. This number is subject to change because the program does not rely on a budget-line item at the State but rather on sales tax receipts associated with the consumption of diesel fuel. The budget strategy at El Dorado Transit is to not use these funds for operations due to the volatility of the funding. Typically, El Dorado Transit includes STA in the preliminary operating budget then with Board approval, transfers these funds to the Capital Budget at mid-year. This allows the greatest flexibility for use of STA funds.
- Deferred STA are funds claimed but not used in the prior fiscal year and are typically part of the unused monies from the operating budget Contingency line item. To balance the FY 2019/20 Preliminary Budget, deferred funds from prior years' allocations are used to balance the Preliminary Operating Budget.

- STA/State of Good Repair (SGR) is funding under Senate Bill 1 (SB 1).

Federal Transit Administration (FTA) Section 5311 Grant

- FTA Section 5311 provides Federal grants, made through states, for public transportation projects in non-urbanized areas. There are two (2) types of programming in Section 5311; 1) County/Regional apportionment by formula and 2) Competitive Discretionary for Intercity connection projects. Historically, El Dorado Transit receives funds under the formula program for operating assistance or capital projects. This years' allocation has not been received so a placeholder of last years' amount has been provided.

Contract Services

Contract Services revenue is based on an agreement with ALTA Regional California (ALTA) to transport ALTA clients to Motherlode Rehabilitation Enterprises, Inc. (M.O.R.E.). El Dorado Transit receives approximately 69% of the cost of this service from ALTA. This agreement is scheduled for negotiation and renewal by June 30, 2019. The Regional Connect Card form of fare media has directly affected this line item. Historically passes, scrip and M.O.R.E. client trips were included. As of last fiscal year budget, only M.O.R.E. transportation will be posted to this account.

Passenger Fares

This includes the following line items; Farebox, Sacramento Commuter Route Passes, Bus Passes and Scrip. Estimates based on first six (6) month actual receipts. Management is predicting a slight increase to revenue.

Advertising Revenue

El Dorado Transit has a third-party contract for bus shelter advertising.

Fair Shuttle AB2766 Grant

El Dorado Transit plans to submit a grant application to the El Dorado County Air Quality Management District (EDCAQMD) for this service.

Low Carbon Transit Operations Program (LCTOP) Grant

These funds are allocated through Caltrans to provide operating and capital assistance for transit agencies to reduce greenhouse emissions. These grant funds are for the Cameron Park route.

Offset Reserve Fund – CalTIP (restricted)

These funds are dollars held by El Dorado Transit's liability and vehicle physical damage insurance pool. Each year revised amounts are provided to pool members in April or May. These funds can be used to offset the current year's premiums or held for future premiums.

Salary and Benefits Accounts

Regular Employees and Overtime

The regular employee and overtime line items include funding for eligible merit step increases and longevity. Represented employees Memorandum of Understanding (MOU) expired on June 30, 2018, between Operating Engineers Local #3 and El Dorado Transit.

Temporary Employees

The preliminary budget includes \$100,000 for Extra-Help employees to provide relief driving and fill-in Transit Dispatch assignments on an intermittent basis. These employees fill in when regular operators and Transit Dispatchers are off work. Included in the FY 2019/20 line item are requirements from the passage of AB1522 allowing for this employee group to be eligible for three (3) days of sick leave per year.

Employee Retirement

Employee Retirement is based on a CalPERS formula. The employer contribution is approximately \$401,215 or 10.868 % of base wages (based on actuarial reports); the employee contribution is \$258,420. CalPERS revised the required payment methodology to breakout the “Employer Payment of Unfunded Liability” as a separate item. This amount of \$249,037 will be paid as a lump sum in July 2019.

Health Insurance

- The Health Insurance line item includes the El Dorado Transit contribution towards health, vision and dental coverage for enrolled employees. Plan coverage is calendar year therefore; premium increases will occur in January 2020.
- The Human Resources Department administers agreements and/or insurance policies for services and insurance coverage’s that renew automatically each year. The following are perpetual contracts and agreements for employee insurance coverage and benefits;
- Health Insurances
 - **Regular Full/Part-Time Unrepresented Employees**
 - ❖ CalPERS Health Plan with OptumRX Pharmaceutical
 - ❖ Delta Dental
 - ❖ Vision Service Plan (VSP)
 - **Regular Full/Part-Time Represented Transit Drivers**
 - ❖ Operating Engineers Plan – Health, Pharmaceutical, Dental, Vision
or
 - ❖ El Dorado County Plan – Health, Pharmaceutical, Dental, Vision
- Sun Life Financial - Long Term Disability
Coverage provides wage loss protection for regular full/part-time employees in the event of prolonged disability
- Sun Life Financial – Life Insurance
\$10,000 policy coverage for regular full-time represented transit operators
\$20,000 policy coverage for regular full-time unrepresented employees
- Paychex

Flexible Benefits Plan (Cafeteria Plan) allows regular full/part-time employees to pay the employee portion of premiums and certain benefits offered under the plan with pre-tax dollars.

Workers Compensation

Workers Compensation premiums are a percentage of payroll (regular hours). Management and staff are completing the necessary steps to take advantage of credit incentives that could reduce premiums by up to 15%.

Service and Supply Accounts

Service and supply account budgets are based on the first six (6) months actual expenses plus a projection for the upcoming fiscal year needs. Minor adjustments have been made to several accounts with the largest changes addresses below.

Insurance Premiums/Public Liability

For the preliminary budget assumptions are made based on a combination experience levels and prior year performance. As a volatile market exist, a budget increase has been made.

Insurance Premiums/Physical Damage

For the preliminary budget assumptions are made based on a combination experience levels and prior year performance.

Employment Practices Liability Insurance

This line item has been broken out and increased as this is the third year of coverage.

Service Contracts/Equipment

This account includes support and service contracts for telephone, computer support, and maintenance software and facility alarm contractor. Staff anticipates a reduction of these costs for FY 2019/20.

Fuel Purchase

For the past several fiscal years the cost of fuel was less volatile. Costs are now rising with the market not looking positive; addition to this line item projected.

Contingency

Contingency is typically set at ten percent (10%) of preliminary budget per board policy.

BUDGET DISCUSSION SUMMARY

Management opinion is that the financial position of El Dorado Transit is stable. Most tax based funding sources are showing growth.

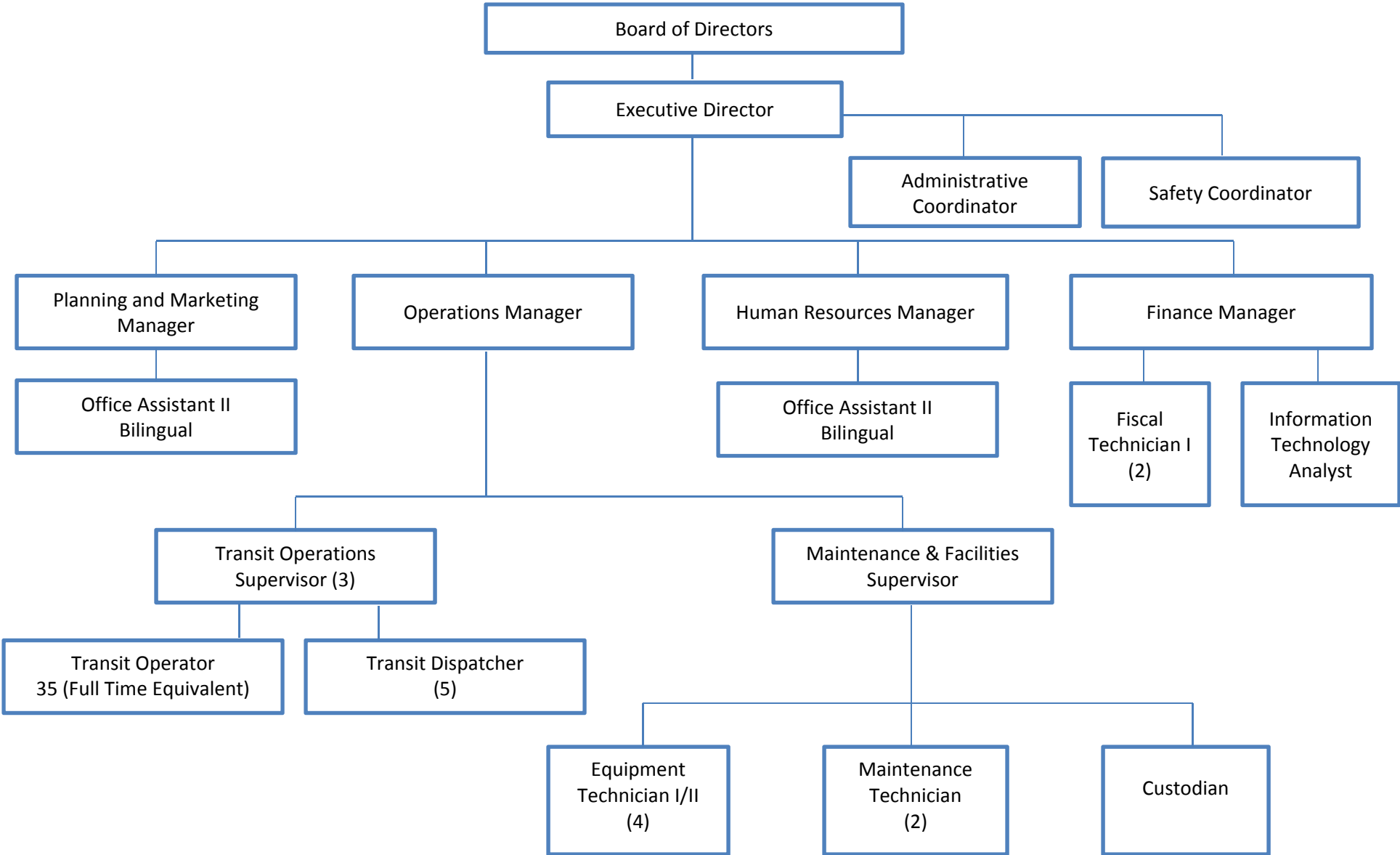
Final budget will be submitted for approval in June 2019 (or close thereafter).

EL DORADO COUNTY TRANSIT AUTHORITY
 PROPOSED
 PERSONNEL ALLOCATION TABLE
 Fiscal Year (FY) 2019/20

Classification	Adopted FY 2018/19 (fte*)	Proposed FY 2019/20 (fte*)
Administrative Coordinator	1	1
Custodian	1	1
Equipment Technician I/II	4	4
Executive Director	1	1
Finance Manager	1	1
Fiscal Technician I	2	2
Human Resources Manager	1	1
Information Technology Analyst	1	1
Maintenance and Facilities Supervisor	1	1
Maintenance Technician	2	2
Office Assistant II	2	2
Operations Manager	1	1
Planning and Marketing Manager	1	1
Transit Operations Supervisor	3	3
Safety Coordinator	1	1
Transit Dispatcher	5	5
Transit Operator	35	35
<i>TOTAL ALLOCATED POSITIONS</i>	<i>63</i>	<i>63</i>

* fte = Full Time Equivalent

**EL DORADO COUNTY TRANSIT AUTHORITY
PROPOSED ORGANIZATIONAL CHART
FISCAL YEAR 2019/2020**



EL DORADO COUNTY TRANSIT AUTHORITY
ADOPTED PRELIMINARY OPERATING BUDGET 2019/2020

OPERATING BUDGET		FY 2018/2019 Mid Year Adopted 02/07/2019	FY 2018/2019 Preliminary Adopted 03/07/2019	Difference
REVENUE ACCOUNTS				
4000.00	Transportation Development Act (TDA/LTF)	\$4,837,735	\$5,240,291	\$402,556
4270.00	State Transit Assistance (STA)	\$1,496,803	\$1,742,830	\$246,027
4270.00	State Transit Assistance (STA) Deferred	\$0	\$641,504	\$641,504
4270.01	State Transit Assistance (STA)/State of Good Repair (SGR)	\$236,877	\$242,799	\$5,922
4970.00	Interest Income	\$45,000	\$50,000	\$5,000
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$509,322	\$509,322	\$0
4300.00	Farebox	\$245,000	\$262,000	\$17,000
4310.00	Contract Services	\$360,000	\$394,000	\$34,000
4320.00	Farebox - Charter	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes	\$778,000	\$786,000	\$8,000
4350.00	Bus Passes	\$72,000	\$76,000	\$4,000
4360.00	Scrip	\$25,000	\$28,000	\$3,000
4400.00	Advertising Revenue	\$0	\$14,000	\$14,000
4990.00	Misc. Revenue	\$0	\$400	\$400
4107.03	Fair Shuttle AB2766 Grant	\$41,899	Pending	\$0
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$217,678	\$331,722	\$114,044
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$250,000	Pending	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,374	\$8,374	\$0
TOTAL REVENUES		\$9,128,688	\$10,332,242	\$1,203,554
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$3,617,065	\$3,786,614	\$169,549
5010.02	Temporary Employees	\$100,000	\$100,000	\$0
5010.07	Overtime	\$70,000	\$100,000	\$30,000
5010.08	On Call Pay	\$9,000	\$7,000	-\$2,000
5010.09	Skill and Shift Pay	\$23,000	\$7,000	-\$16,000
5020.01	Employee Retirement	\$606,000	\$650,000	\$44,000
5070.01	(OASDI - Payroll Tax) FICA	\$10,000	\$7,000	-\$3,000
5070.02	MEDICARE - Payroll Tax	\$54,000	\$56,000	\$2,000
5020.02	Health Insurance	\$1,538,000	\$1,574,483	\$36,483
5020.03	Unemployment Insurance	\$20,000	\$10,000	-\$10,000
5020.04	LT Disability/Life Ins	\$39,000	\$39,000	\$0
5020.05	Worker's Comp	\$190,000	\$320,000	\$130,000
TOTAL SALARY & BENEFITS		\$6,276,065	\$6,657,097	\$381,032
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$3,600	\$3,600	\$0
5090.05	Uniforms - Other	\$14,000	\$16,000	\$2,000
5050.01	Communications - Phone	\$57,000	\$57,000	\$0
5090.20	Communications - Radio	\$1,000	\$1,000	\$0
5090.01	Household Expenses	\$15,750	\$15,750	\$0
5060.01	Insurance Premiums/Public Liability	\$535,000	\$708,000	\$173,000
5060.02	Insurance Premiums/Physical Damage	\$25,000	\$34,000	\$9,000
5060.03	Insurance Premiums/Commercial	\$12,000	\$14,000	\$2,000
5060.04	Insurance Premium EPLI Package	\$22,000	\$20,000	-\$2,000
5090.06	Service Contracts/Equipment	\$192,000	\$150,000	-\$42,000
5160.07	Park and Ride Maintenance	\$12,000	\$17,000	\$5,000
5160.01	Maintenance/Buildings	\$4,500	\$5,500	\$1,000
5160.03	Maintenance/Equipment	\$8,000	\$6,000	-\$2,000
5160.05	Maintenance/Grounds	\$5,500	\$5,500	\$0
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)	\$380,000	\$380,000	\$0
5040.02	Vehicle Maintenance/Tires & Tubes	\$85,000	\$85,000	\$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.	\$45,000	\$45,000	\$0
5090.40	Memberships	\$7,400	\$8,400	\$1,000
5090.70	Office Expense	\$15,000	\$15,000	\$0
5090.80	Postage	\$4,000	\$4,500	\$500
5090.00	Operating Expense - Other	\$600	\$1,000	\$400
5030.00	Professional Services	\$170,000	\$170,000	\$0
5030.10	Employee Medical Exams	\$9,000	\$9,000	\$0
5030.30	Background Checks	\$2,000	\$2,000	\$0
5090.08	Pubs/Legal Notices	\$4,000	\$4,000	\$0
5090.75	Printing	\$20,000	\$15,000	-\$5,000
5120.02	Rents/Leases - Equipment	\$21,000	\$21,000	\$0
5120.03	Rents/Leases Park and Rides	\$11,000	\$9,000	-\$2,000
5140.01	Equipment Purchase - Data Processing	\$1,000	\$1,000	\$0
5140.05	Equipment Purchase - Office	\$4,000	\$4,000	\$0
5150.00	Special Department Expense	\$5,000	\$5,000	\$0
5150.01	Marketing	\$25,000	\$15,000	-\$10,000
5090.30	Staff Development/Travel	\$31,000	\$41,000	\$10,000
5040.01	Fuel Purchase	\$671,000	\$684,000	\$13,000
5090.72	Bank Charges	\$800	\$800	\$0
5090.73	Credit Card Charge Fees	\$5,000	\$5,000	\$0
5090.74	Connect Card Administration Expenses	\$40,000	\$40,000	\$0
5050.02	Utilities	\$54,000	\$54,000	\$0
5050.03	Utilities/ Park & Rides	\$24,000	\$26,000	\$2,000
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
6270.00	Contingency	\$272,673	\$939,295	\$666,622
TOTAL SERVICES AND SUPPLIES		\$2,852,623	\$3,675,145	\$822,522
TOTAL OPERATING EXPENSES		\$9,128,688	\$10,332,242	\$1,203,554