

AGENDA ITEM 2 C
Action Item

MEMORANDUM

DATE: February 6, 2020
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Finance Manager
SUBJECT: Adopt Proposed Fiscal Year 2019/20 Revised Mid-Year Operating Budget

REQUESTED ACTION:

BY MOTION,

- 1. Adopt Fiscal Year 2019/20 Revised Mid-Year Operating Budget Adjustments**
- 2. Approve the use of Contingency funds to offset reduction in revenues**

BACKGROUND

The Proposed Fiscal Year (FY) 2019/20 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 2019/20 Mid-Year Operating Budget includes a reduction in Revenue, Salary & Benefits 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 \$1,143,240 in revenue**

1. Account 4270.00 State Transit Assistance (STA): STA funds may be used for capital projects or for operating revenue, if certain criteria are met. 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 decrease of \$799,830 is due to a reduction in overall expenses.

2. Account 4270.00 State Transit Assistance (STA) Deferred: STA funds may be used for operating revenues if certain criteria are met. Deferred STA revenue was initially used to balance the budget. A Mid-Year Contingency fund “drawdown” is requested to allow for the return of deferred funds to the Capital budget.
3. Account 4270.01 State Transit Assistance (STA)/State of Good Repair: The increase of \$5,494 is due to the revised allocation provided by the State Controllers’ Office.
4. Account 4970.00 Interest Income: Interest income has been increased to reflect actual receipts and final projections revised to \$58,000.
5. Account 4300.00 Farebox: Decrease based on first six (6) months actual income; revised to \$175,000. Participation in the Connect Card fare system will continue to have an effect on this account as client purchasing patterns evolve.
6. Account 4310.00 Contract Services: Increase based on first six (6) months actual income; revised to \$435,000. Pass and scrip orders for Alta Regional Center clientele are now processed through Connect Card, only subscription services directly billed.
7. Account 4400.00 Advertising Revenue: zeroed to allocate revenue to Operating Reserves.
8. Account 4990.00 Misc. Revenue: zeroed to allocate revenue to Operating Reserves.

Salary and Benefits Accounts **Net change is a decrease of \$396,483 in expenses**

9. Account 5010.09 Skill and Shift Pay: Increase based on six (6) month actual and final projections. Increase to \$20,000. Pay type renegotiated for Transit Operators.
10. Account 5020.01 Employee Retirement: Decrease of \$55,000 is based on six month actual and final projections with allocated positions unfilled.
11. Account 5020.02 Health Insurance: Decrease of \$354,483 is based on six month actual and final projections with allocated positions unfilled.

Service and Supply Accounts **Net change is a decrease of \$746,757 in expenses**

The adjustments in each line item presented are based on actual costs for the first six (6) months of fiscal year 2019/20 and a projection for the remaining six (6) months.

12. Account 5050.01 Communications – Phone: Decrease of \$10,000 based on first six (6) month actual. Streamlining and audit of accounts determined overcharges in prior period; credit amounts have been issued by carriers.
13. Account 5090.20 Communications – Radio: Decrease budget to zero as all costs associated with the radio service is being captured under Capital Improvement Plan (CIP) project # 18-06 Radio Upgrade.
14. Account 5160.03 Maintenance/Equipment: Decrease of \$3,000 based on first six (6) month actual.
15. Account 5160.05 Maintenance/Grounds: Increase of \$3,000 based on first six (6) month actual. Replacement of landscaping bark and drainage project require increase to budget.

16. Account 5090.05 Safety Equipment/Training: Added at \$7,000, new budget line item for safety equipment and training.
17. Account 6270.00 Contingency: Reduced by \$742,757 to replace the reallocation of deferred STA and other adjustments.

FISCAL IMPACT

The overall outlook of the El Dorado Transit budget is positive. The proposed mid-year budget for fiscal year 2019/20 reflects a \$1,143,240 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 per Board policy. 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 2019/2020**

OPERATING BUDGET		FY 2019/2020 Final	FY 2019/2020 Mid-Year	Difference
REVENUE ACCOUNTS		Adopted 06/06/2019	Proposed 02/06/2020	
4000.00	Transportation Development Act (TDA/LTF)	\$5,240,291	\$5,240,291	\$0
4270.00	State Transit Assistance (STA)	\$1,742,830	\$943,000	-\$799,830 1
4270.00	State Transit Assistance (STA) Deferred	\$296,504	\$0	-\$296,504 2
4270.01	State Transit Assistance (STA)/State of Good Repair (SGR)	\$242,799	\$248,293	\$5,494 3
4970.00	Interest Income	\$50,000	\$58,000	\$8,000 4
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$509,322	\$509,322	\$0
4300.00	Farebox	\$262,000	\$175,000	-\$87,000 5
4310.00	Contract Services	\$394,000	\$435,000	\$41,000 6
4320.00	Farebox - Charter	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes	\$786,000	\$786,000	\$0
4350.00	Bus Passes	\$76,000	\$76,000	\$0
4360.00	Scrip	\$28,000	\$28,000	\$0
4400.00	Advertising Revenue	\$14,000	\$0	-\$14,000 7
4990.00	Misc. Revenue	\$400	\$0	-\$400 8
4107.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$331,722	\$331,722	\$0
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$250,000	\$250,000	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,374	\$8,374	\$0
TOTAL REVENUES		\$10,237,242	\$9,094,002	-\$1,143,240
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$3,786,614	\$3,786,614	\$0
5010.02	Temporary Employees	\$100,000	\$100,000	\$0
5010.07	Overtime	\$100,000	\$100,000	\$0
5010.08	On Call Pay	\$7,000	\$7,000	\$0
5010.09	Skill and Shift Pay	\$7,000	\$20,000	\$13,000 9
5020.01	Employee Retirement	\$650,000	\$595,000	-\$55,000 10
5070.01	(OASDI - Payroll Tax) FICA	\$7,000	\$7,000	\$0
5070.02	MEDICARE - Payroll Tax	\$56,000	\$56,000	\$0
5020.02	Health Insurance	\$1,574,483	\$1,220,000	-\$354,483 11
5020.03	Unemployment Insurance	\$10,000	\$10,000	\$0
5020.04	LT Disability/Life Ins	\$39,000	\$39,000	\$0
5020.05	Worker's Comp	\$225,000	\$225,000	\$0
TOTAL SALARY & BENEFITS		\$6,562,097	\$6,165,614	-\$396,483
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$3,600	\$3,600	\$0
5090.05	Uniforms - Other	\$16,000	\$16,000	\$0
5050.01	Communications - Phone	\$57,000	\$47,000	-\$10,000 12
5090.20	Communications - Radio	\$1,000	\$0	-\$1,000 13
5090.01	Household Expenses	\$15,750	\$15,750	\$0
5060.01	Insurance Premiums/Public Liability	\$575,000	\$575,000	\$0
5060.02	Insurance Premiums/Physical Damage	\$25,000	\$25,000	\$0
5060.03	Insurance Premiums/Commercial	\$14,000	\$14,000	\$0
5060.04	Insurance Premium EPLI Package	\$18,000	\$18,000	\$0
5090.06	Service Contracts/Equipment	\$150,000	\$150,000	\$0
5160.07	Park and Ride Maintenance	\$17,000	\$17,000	\$0
5160.01	Maintenance/Buildings	\$5,500	\$5,500	\$0
5160.03	Maintenance/Equipment	\$6,000	\$3,000	-\$3,000 14
5160.05	Maintenance/Grounds	\$5,500	\$8,500	\$3,000 15
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
5090.50	Safety Equipment/Training	\$0	\$7,000	\$7,000 16
5090.40	Memberships	\$8,400	\$8,400	\$0
5090.70	Office Expense	\$15,000	\$15,000	\$0
5090.80	Postage	\$4,500	\$4,500	\$0
5090.00	Operating Expense - Other	\$1,000	\$1,000	\$0
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	\$15,000	\$15,000	\$0
5120.02	Rents/Leases - Equipment	\$21,000	\$21,000	\$0
5120.03	Rents/Leases Park and Rides	\$9,000	\$9,000	\$0
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	\$15,000	\$15,000	\$0
5090.30	Staff Development/Travel	\$41,000	\$41,000	\$0
5040.01	Fuel Purchase	\$828,000	\$828,000	\$0
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	\$26,000	\$26,000	\$0
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending	\$0
6270.00	Contingency	\$939,295	\$196,538	-\$742,757 17
TOTAL SERVICES AND SUPPLIES		\$3,675,145	\$2,928,388	-\$746,757
TOTAL OPERATING EXPENSES		\$10,237,242	\$9,094,002	-\$1,143,240