

AGENDA ITEM 2 C
Action Item

MEMORANDUM

DATE: September 3, 2020

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Final Amended Operating Budget for Fiscal Year 2019/20

REQUESTED ACTION:
BY MOTION,

1. **Receive and File the Final Proposed Amended Operating Budget for Fiscal Year 2019/20**
2. **Authorize the transfer of \$943,000 in State Transit Assistance (STA) funds from the Operating Budget into the Capital program**
3. **Acknowledge the budget amount of \$1,409,540 in Deferred Local Transportation Funds (LTF)**

BACKGROUND

As of August 26, 2020, most work related to posting was accomplished to close the internal fiscal year (FY) 2019/20 financials.

A Final Amended Operating Budget is typically presented to the Board of Directors following the close of the fiscal year and prior to completion of an independent financial audit. The proposed Final Amended FY 2019/20 Operating Budget (attached) reflects fiscal year-end adjustments from the adopted mid-year version, based on actual revenue and expenses realized during the period.

DISCUSSION

The proposed Final Amended FY 2019/20 Operating Budget reflects overall increases to revenue accounts and decreases to salary and benefit and general expenses. Outlined below are the recommended adjustments by line item with comments. The attached Proposed Final Amended FY 2019/20 Operating Budget sheet presents the adopted mid-year budget amounts for comparison and shows the net changes made.

The Proposed Final Amended FY 2019/20 Operating Budget includes new, unanticipated revenue from emergency CARES Act funding in the amount of \$564,119 in Federal Transit Administration (FTA) Section 5311 funds and FTA Section 5307 funds in the amount of \$950,866 for a total amount of \$1,514,985.00. Per the Joint Exercise of Powers Agreement (JPA) of El Dorado County Transit Authority (El Dorado Transit) section 11.3 *“The EDCTA shall*

actively seek to maximize utilization of Federal, State, and other available revenues which shall be applied towards such operating and capital expenditures...” Use of Federal CARES Act funds in FY 2019/20 has purposely triggered a deferred amount of LTF for use in FY 2020/21 Operating Budget.

El Dorado Transit management and staff worked well within the overall mid-year budget expense projections. The effects of COVID-19 related service reductions and temporary fare policies caused fare revenue losses of approximately \$304,000. Salary and Benefit accounts were maintained under budget by the amount of \$570,036. Service and Supply accounts were under budget by the amount of \$544,288.

Due primarily to the infusion of the emergency CARES Act funding, an increase of \$1,213,002 in Contingency Funds now totaling \$1,409,540 represents the projected amount of conventional State funding offset for use in the FY 2020/21 operating budget.

REVENUE ACCOUNTS

El Dorado Transit saw an overall decrease of approximately \$304,000 in fare revenue accounts. Including the CARES Act funds, total revenue increased by \$295,216 (3.25%).

- 1** State Transit Assistance was reduced to reflect an anticipated transfer of these revenues to the capital budget. Actual amounts will be finalized and presented in the annual independent financial audit.
- 2** Interest Income decreased to accurately reflect receipts.
- 3** Federal Transit Administration (FTA) Section 5311 increased to reflect the actual allocation.
- 4** Emergency FTA Section 5311 CARES Act funding line item added to reflect actual allocation.
- 5** Cash Fares decreased to accurately reflect receipts.
- 6** Contract Services decreased to accurately reflect receipts.
- 7** Charter Service decreased to accurately reflect receipts.
- 8** Commuter Route Fare Media decreased to accurately reflect receipts.
- 9** Local Route Fare Media decreased to accurately reflect receipts.
- 10** Paper Scrip decreased to accurately reflect receipts.
- 11** FTA Section 5307 Grant – PM increased to reflect eligible amount.
- 12** Emergency FTA Section 5307 CARES Act funding line item added to reflect actual allocation.

SALARY & BENEFITS EXPENSE ACCOUNTS

Overall, the total Salary and Benefits expenditures were managed below mid-year budget adjustment projections by \$570,036. Although services were reduced during the last quarter of the fiscal year in response to COVID-19, staffing levels were mostly maintained and staff were compensated at regular levels through the end of the fiscal year, in keeping with the intent of the emergency CARES Act funding.

- 13 Regular Employee salary expenses decreased to reflect actuals. Some positions were understaffed prior to the pandemic and some operational staff hours were reduced as a result of the pandemic related service reductions.
- 14 Temporary Employee costs decreased to reflect actual usage of the extra help employees.
- 15 Overtime decreased to accurately reflect costs.
- 16 On Call Pay decreased to accurately reflect usage.
- 17 CRDI and Shift Pay decreased to reflect actual costs.
- 18 Employee Retirement reduced to reflect actual costs.
- 19 Social Security (FICA) Payroll Tax reduced to accurately reflect actual costs; this item is driven by the use of extra help.
- 20 Medicare Payroll Tax reduced to accurately reflect actual costs.
- 21 Health Insurance decreased to reflect actual expenses.
- 22 Unemployment Insurance increased to reflect actual costs. This is a reimburse only account and reflects the provision of benefits to some employees for the initial loss of hourly wages due to the pandemic related service reductions.
- 23 Long Term Disability/Life insurance decreased to reflect actual costs.
- 24 Workers' Compensation reduced to reflect actual Premiums paid.

SERVICE & SUPPLY EXPENSE ACCOUNTS

Total Services and Supplies accounts decreased by \$544,288.

- 25 Clothing & Supplies decreased closer to actual expenses.
- 26 Uniforms – Other decreased closer to actual expenses.
- 27 Communications – Phone decreased closer to actual expenses.
- 28 Household Expenses increased closer to actual expenses.
- 29 Insurance Premiums/Public Liability decreased to reflect the estimated two (2) month pre-paid allocation of FY 2020/21 premiums in FY 2019/20.
- 30 Insurance Premiums/Physical Damage decreased to reflect the estimated two (2) month pre-paid allocation of FY 2020/21 premiums in FY 2019/20.
- 31 Insurance Premiums/Commercial decreased to reflect actual.
- 32 Service Contracts/Equipment increased closer to actual expenses.
- 33 Park & Ride Maintenance decreased closer to actual expenses.
- 34 Maintenance/Buildings increased closer to actual expenses.
- 35 Maintenance/Equipment increased closer to actual expenses.
- 36 Maintenance/Grounds decreased closer to actual expenses.
- 37 Maintenance/Bus Stops decreased closer to actual expenses.
- 38 Maintenance/Other zeroed to actual expenses.
- 39 Vehicle Maintenance (In-House) increased closer to actual expenses.
- 40 Vehicle Maintenance/Tires & Tubes decreased closer to actual expenses.
- 41 Vehicle Maintenance/ Lubricants decreased closer to actual expenses.
- 42 Vehicle Maintenance/ Small Tools - Shop increased closer to actual expenses.
- 43 Vehicle Maintenance/Sales Tax/Fuel & Lubricants - decreased closer to actual expenses.
- 44 Safety Equipment/Training increased closer to actual expenses. Additional COVID-19 related expenses associated with enhanced cleaning protocols, protective equipment and supply purchases are captured under this account.

- 45 Memberships decreased closer to actual expenses.
- 46 Office Expenses decreased closer to actual expenses.
- 47 Postage decreased closer to actual expenses.
- 48 Operating Expenses – Other increased closer to actual expenses.
- 49 Professional Services increased closer to actual expenses.
- 50 Employee Medical Exams decreased closer to actual expenses.
- 51 Background Checks decreased closer to actual expenses.
- 52 Publications/Legal Notices decreased closer to actual expenses.
- 53 Printing decreased closer to actual expenses.
- 54 Rents/Leases – Equipment decreased closer to actual expenses.
- 55 Rents/Leases – Park & Rides increased closer to actual expenses.
- 56 Equipment Purchase – Data Processing decreased closer to actual expenses.
- 57 Equipment Purchase – Office increased closer to actual expenses.
- 58 Special Department Expenses - decreased closer to actual expenses.
- 59 Marketing decreased closer to actual expenses.
- 60 Staff Development/Travel decreased closer to actual expenses.
- 61 Fuel Purchase decreased closer to actual expenses.
- 62 Bank Charges zeroed to actual expenses.
- 63 Credit Card Charge Fees decreased closer to actual expenses.
- 64 Connect Card administration Fees decreased closer to actual expenses.
- 65 Utilities decreased closer to actual expenses.
- 66 Utilities/Park & Ride decreased closer to actual expenses.
- 67 AB2766 Fair Shuttle zeroed as service was not provided due to COVID-19.
- 68 Contingency increased to reflect the estimated offset of State funding for the FY 2020/21 Operating Budget.

FISCAL IMPACT

Staff is presenting a balanced Final Amended Operating Budget for FY 2019/20 totaling \$9,389,218 which is approximately 3% over the mid-year projections. Final FY 2019/20 budget adjustments and financial position of the El Dorado County Transit Authority will be trued up in the independent financial audit process and presented during the December 2020 regularly scheduled Board meeting.

**EL DORADO COUNTY TRANSIT AUTHORITY
PROPOSED FINAL AMENDED OPERATING BUDGET 2019/2020**

OPERATING BUDGET		FY 2019/2020 Mid-Year Adopted 02/06/2020	FY 2019/2020 Final Amended Proposed 09/03/2020	Difference	Comment #	Percentage
REVENUE ACCOUNTS						
4000.00	Transportation Development Act (TDA/LTF)	\$5,240,291	\$5,240,291	\$0		100.00%
4270.00	State Transit Assistance (STA)	\$943,000	\$0	-\$943,000	1	0.00%
4270.00	State Transit Assistance (STA) Deferred	\$0	\$0	\$0		0.00%
4270.01	State Transit Assistance (STA)/State of Good Repair (SGR)	\$248,293	\$248,293	\$0		100.00%
4970.00	Interest Income	\$58,000	\$44,300	-\$13,700	2	76.38%
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$509,322	\$538,231	\$28,909	3	105.68%
4100.00	Federal Transit Administration (FTA) CARES Act Section 5311	\$0	\$564,119	\$564,119	4	0.00%
4300.00	Cash Fares	\$175,000	\$174,500	-\$500	5	99.71%
4310.00	Contract Services	\$435,000	\$365,000	-\$70,000	6	83.91%
4320.00	Charter Services	\$5,000	\$0	-\$5,000	7	0.00%
4330.00	Commuter Route Fare Media	\$786,000	\$592,000	-\$194,000	8	75.32%
4350.00	Local Route Fare Media	\$76,000	\$52,500	-\$23,500	9	69.08%
4360.00	Paper Scrip	\$28,000	\$17,000	-\$11,000	10	60.71%
4400.00	Advertising Revenue	\$0	\$0	\$0		0.00%
4990.00	Misc. Revenue	\$0	\$0	\$0		0.00%
4107.03	Fair Shuttle AB2766 Grant	\$0	\$0	\$0		0.00%
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant CP	\$331,722	\$331,722	\$0		100.00%
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$250,000	\$262,022	\$12,022	11	104.81%
4112.00	Federal Transit Administration (FTA) CARES Act Section 5307	\$0	\$950,866	\$950,866	12	0.00%
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$8,374	\$8,374	\$0		100.00%
TOTAL REVENUES		\$9,094,002	\$9,389,218	\$295,216		103.25%
SALARY & BENEFIT ACCOUNTS						
5010.00	Regular Employees	\$3,786,614	\$3,450,000	-\$336,614	13	91.11%
5010.02	Temporary Employees	\$100,000	\$69,000	-\$31,000	14	69.00%
5010.07	Overtime	\$100,000	\$81,200	-\$18,800	15	81.20%
5010.08	On Call Pay	\$7,000	\$6,650	-\$350	16	95.00%
5010.09	CRDI and Shift Pay	\$20,000	\$16,000	-\$4,000	17	80.00%
5020.01	Employee Retirement	\$595,000	\$532,000	-\$63,000	18	89.41%
5070.01	(OASDI - Payroll Tax) FICA	\$7,000	\$4,700	-\$2,300	19	67.14%
5070.02	MEDICARE - Payroll Tax	\$56,000	\$50,000	-\$6,000	20	89.29%
5020.02	Health Insurance	\$1,220,000	\$1,170,000	-\$50,000	21	95.90%
5020.03	Unemployment Insurance	\$10,000	\$29,000	\$19,000	22	290.00%
5020.04	LT Disability/Life Ins	\$39,000	\$34,500	-\$4,500	23	88.46%
5020.05	Worker's Comp	\$225,000	\$152,528	-\$72,472	24	67.79%
TOTAL SALARY & BENEFITS		\$6,165,614	\$5,595,578	-\$570,036		90.75%
SERVICE & SUPPLY ACCOUNTS						
5090.02	Clothing & Supplies	\$3,600	\$2,900	-\$700	25	80.56%
5090.05	Uniforms - Other	\$16,000	\$11,500	-\$4,500	26	71.88%
5050.01	Communications - Phone	\$47,000	\$31,000	-\$16,000	27	65.96%
5090.20	Communications - Radio	\$0	\$0	\$0		0.00%
5090.01	Household Expenses	\$15,750	\$16,100	\$350	28	102.22%
5060.01	Insurance Premiums/Public Liability	\$575,000	\$558,000	-\$17,000	29	97.04%
5060.02	Insurance Premiums/Physical Damage	\$25,000	\$22,500	-\$2,500	30	90.00%
5060.03	Insurance Premiums/Commercial	\$14,000	\$13,250	-\$750	31	94.64%
5060.04	Insurance Premium EPLI Package	\$18,000	\$18,000	\$0		100.00%
5090.06	Service Contracts/Equipment	\$150,000	\$162,000	\$12,000	32	108.00%
5160.07	Park and Ride Maintenance	\$17,000	\$9,500	-\$7,500	33	55.88%
5160.01	Maintenance/Buildings	\$5,500	\$6,900	\$1,400	34	125.45%
5160.03	Maintenance/Equipment	\$3,000	\$8,300	\$5,300	35	276.67%
5160.05	Maintenance/Grounds	\$8,500	\$6,700	-\$1,800	36	78.82%
5160.09	Maintenance/Bus Stop	\$3,000	\$2,600	-\$400	37	86.67%
5160.00	Maintenance/Other	\$2,500	\$0	-\$2,500	38	0.00%
5040.00	Vehicle Maintenance (In-House)	\$380,000	\$430,000	\$50,000	39	113.16%
5040.02	Vehicle Maintenance/Tires & Tubes	\$85,000	\$79,000	-\$6,000	40	92.94%
5040.03	Vehicle Maintenance/Lubricants	\$28,000	\$26,500	-\$1,500	41	94.64%
5040.04	Vehicle Maintenance/Small Tools - Shop	\$4,300	\$5,700	\$1,400	42	132.56%
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$45,000	\$30,000	-\$15,000	43	66.67%
5090.50	Safety Equipment/Training	\$7,000	\$54,000	\$47,000	44	771.43%
5090.40	Memberships	\$8,400	\$4,900	-\$3,500	45	58.33%
5090.70	Office Expense	\$15,000	\$10,800	-\$4,200	46	72.00%
5090.80	Postage	\$4,500	\$4,000	-\$500	47	88.89%
5090.00	Operating Expense - Other	\$1,000	\$2,500	\$1,500	48	250.00%
5030.00	Professional Services	\$170,000	\$210,000	\$40,000	49	123.53%
5030.10	Employee Medical Exams	\$9,000	\$8,500	-\$500	50	94.44%
5030.30	Background Checks	\$2,000	\$1,100	-\$900	51	55.00%
5090.08	Pubs/Legal Notices	\$4,000	\$1,700	-\$2,300	52	42.50%
5090.75	Printing	\$15,000	\$6,700	-\$8,300	53	44.67%
5120.02	Rents/Leases - Equipment	\$21,000	\$18,600	-\$2,400	54	88.57%
5120.03	Rents/Leases Park and Rides	\$9,000	\$9,200	\$200	55	102.22%
5140.01	Equipment Purchase - Data Processing	\$1,000	\$50	-\$950	56	5.00%
5140.05	Equipment Purchase - Office	\$4,000	\$4,900	\$900	57	122.50%
5150.00	Special Department Expense	\$5,000	\$800	-\$4,200	58	16.00%
5150.01	Marketing	\$15,000	\$2,200	-\$12,800	59	14.67%
5090.30	Staff Development/Travel	\$41,000	\$11,900	-\$29,100	60	29.02%
5040.01	Fuel Purchase	\$828,000	\$500,000	-\$328,000	61	60.39%
5090.72	Bank Charges	\$800	\$0	-\$800	62	0.00%
5090.73	Credit Card Charge Fees	\$5,000	\$2,800	-\$2,200	63	56.00%
5090.74	Connect Card Administration Expenses	\$40,000	\$25,500	-\$14,500	64	63.75%
5050.02	Utilities	\$54,000	\$45,500	-\$8,500	65	84.26%
5050.03	Utilities/ Park & Rides	\$26,000	\$18,000	-\$8,000	66	69.23%
4108.03	Fair Shuttle AB2766 Grant	Pending	\$0	\$0	67	0.00%
6270.00	Contingency	\$196,538	\$1,409,540	\$1,213,002	68	717.18%
TOTAL SERVICES AND SUPPLIES		\$2,928,388	\$3,793,640	\$865,252		129.55%
TOTAL OPERATING EXPENSES		\$9,094,002	\$9,389,218	\$295,216		103.25%