

AGENDA ITEM 2 A
Action Item

MEMORANDUM

DATE: February 4, 2021
TO: El Dorado County Transit Authority
FROM: Julie Petersen, Finance Manager
SUBJECT: Proposed Fiscal Year 2020/21 Mid-Year Operating Budget Adjustments

REQUESTED ACTION:

BY MOTION,

Adopt Proposed Fiscal Year 2020/21 Mid-Year Operating Budget Adjustments

BACKGROUND

Following the close of the first six (6) months of the fiscal year, mid-year Operating Budget adjustments are typically recommended to address actual revenue and expenditure changes within the budget. 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 El Dorado County Transit Authority (El Dorado Transit) Fiscal Year (FY) 2020/21 Mid-Year Operating Budget adjustments include an increase in Revenue and increases in the Salary & Benefits and Service & Supply expenditure accounts, requiring Board approval.

DISCUSSION

The following mid-year adjustments to the El Dorado Transit FY 2020/21 Operating Budget are presented for Board review and approval. Proposed account adjustments are noted in bold on the attached budget report per corresponding line-item.

Revenue Accounts **Net change is an increase of \$1,051,265 in revenue**

1. Account 4000.00 Local Transportation Fund (LTF): LTF funds are primarily used for operating but can be used for capital needs. The Final operating budget was developed with an anticipated reduction of 40% in available funding. A revised claim was presented to the Board in August 2020 reflecting the current available finding. This revision reflects these adjustments.

2. Account 4000.00 LTF Deferred from FY 2019/20: The FY 2019/20 Financial and Compliance Audit was presented to the Board in December of 2020. The audit reflected the one-time CARES Act funding of \$1,514,985 of which \$1,337,803 was above eligible expenses. These funds will be reclaimed for operating use in FY 2020/21 as included in this agenda packet. This action directly impacts the reallocation of STA funds from the operating to the capital budget.
3. 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. The addition of CARES Act funding and deferred LTF fully funding the operating budget allows for this transfer.
4. Account 4270.00 State Transit Assistance (STA) from Capital: STA funds may be used for operating revenues if certain criteria are met. Deferred STA revenue was initially used to balance the budget. The addition of CARES Act funding and deferred LTF fully funding the operating budget allows for this transfer.
5. Account 4270.01 State Transit Assistance (STA)/State of Good Repair: The increase of \$20,521 is due to the revised allocation provided by the State Controllers' Office.
6. Account 4100.00 Federal Transit Administration (FTA) CARES Act Section 5311: Addition of funds allocated to El Dorado Transit for FY 2020/21 operating expenses.
7. Account 4300.00 Farebox: Increase based on first six (6) months actual income; revised to \$75,000 as client purchasing patterns evolve from the COVID-19 Pandemic.
8. Account 4310.00 Contract Services: Decrease based on first six (6) months actual income; revised to \$24,000. This source of funding is provided by the Alta Regional Center for Mother Load Rehabilitation Enterprises (MORE) clientele. This program has been directly affected by the COVID-19 Pandemic and is providing limited services.
9. Account 4330.00 Commuter Route Fare Media: Revised to \$60,000 as client purchasing patterns evolve from the COVID-19 Pandemic.
10. Account 4350.00: Revised to \$25,000 as client purchasing patterns evolve from the COVID-19 Pandemic.
11. Account 4400.00 Advertising Revenue: zeroed to allocate revenue to Operating Reserves.
12. Account 4990.00 Misc. Revenue: zeroed to allocate revenue to Operating Reserves.

Salary and Benefits Accounts

Net change is an increase of \$685,800 in expenses

13. Account 5010.00 Regular Employees: Increased to \$2,969,000 based on first six (6) months actual expenses and projections for the final six (6) months. Payouts of accrued leave for retiring employees prompted by the enactment of additional two (2) years' service credits. Additionally, some furloughed employees were able to return to work earlier than anticipated.
14. Account 5010.02 Temporary Employees: Increased to \$80,000 bases on first six (6) months actual expenses and projections for the final six (6) months. These employees are used to cover regular employees for vacations, sick leave, etc.
15. Account 5020.01 Employee Retirement: Increase of \$29,000 is based on six month actual and final projections. This is directly related to the increase in account 5010.00.

16. Account 5070.02 Medicare Payroll Tax: Increase of \$10,000 is based on six month actual and final projections. This is directly related to the increase in account 5010.00.
17. Account 5020.02 Health Insurance: Decrease of \$72,200 is based on six month actual and final projections.

Service and Supply Accounts **Net change is an increase of \$365,465 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.

18. Account 5050.01 Communications – Phone: Increase of \$3,200 based on first six (6) month actual.
19. Account 5090.01 Household Expenses: Increase of \$1,825 based on first six (6) month actual.
20. Account 5040.80 Vehicle Maintenance/Sales Tax/Fuel & Lubricants: Decrease of \$18,700 based on first six (6) month actual.
21. Account 5090.05 Safety Equipment/Training: Increased to \$125,000 in additional expenses to address increased COVID-19 cleaning and PPE supplies.
22. Account 5090.04 Memberships: Increased by \$1,800 bases on first six (6) months actual expenses and projections for the final six (6) months.
23. Account Fuel Purchase: Decrease by \$200,000 based on first six (6) month actual.
24. Account 6270.00 Contingency: Increased by \$472,340. The increase in contingency funds is facilitated by a combination of revenue account adjustments. Projected expenses for the proposed South Lake Tahoe route are included in this line item.

FISCAL IMPACT

The overall fiscal outlook for El Dorado Transit remains positive. The proposed Fiscal Year (FY) 2020/21 Mid-Year Operating Budget reflects a balanced \$1,051,265 increase in revenue versus expenses necessary to maintain 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 2020/2021**

OPERATING BUDGET		FY 2020/2021 Final Adopted 07/09/2020	FY 2020/2021 Mid-Year Proposed 02/04/2021	Difference	
REVENUE ACCOUNTS					
4000.00	Transportation Development Act (TDA/LTF)	\$3,258,206	\$4,257,455	\$999,249	1
4000.00	Transportation Development Act (TDA/LTF) Deferred FY 2019/20	\$0	\$1,337,803	\$1,337,803	2
4270.00	State Transit Assistance (TDA/STA)	\$951,503	\$0	-\$951,503	3
4270.00	State Transit Assistance (TDA/STA) From Capital	\$1,237,208	\$0	-\$1,237,208	4
4270.01	State Transit Assistance (TDA/STA)/State of Good Repair (SGR)	\$253,381	\$273,902	\$20,521	5
4970.00	Interest Income	\$10,000	\$10,000	\$0	
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$538,231	\$538,231	\$0	
4100.00	Federal Transit Administration (FTA) CARES Act Section 5311 Grant	\$0	\$1,081,553	\$1,081,553	6
4300.00	Cash Fares	\$43,750	\$75,000	\$31,250	7
4310.00	Contract Services	\$115,500	\$24,000	-\$91,500	8
4320.00	Charter Services	\$0	\$0	\$0	
4330.00	Commuter Route Fare Media	\$196,500	\$60,000	-\$136,500	9
4350.00	Local Route Fare Media	\$19,000	\$25,000	\$6,000	10
4360.00	Paper Scrip	\$7,000	\$7,000	\$0	
4400.00	Advertising Revenue	\$8,000	\$0	-\$8,000	11
4990.00	Misc. Revenue	\$400	\$0	-\$400	12
4107.03	Fair Shuttle AB2766 Grant	\$32,000	\$32,000	\$0	
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant	\$334,181	\$334,181	\$0	
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$250,000	\$250,000	\$0	
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$25,068	\$25,068	\$0	
TOTAL REVENUES		\$7,279,928	\$8,331,193	\$1,051,265	
SALARY & BENEFIT ACCOUNTS					
5010.00	Regular Employees	\$2,270,000	\$2,969,000	\$699,000	13
5010.02	Temporary Employees	\$60,000	\$80,000	\$20,000	14
5010.07	Overtime	\$50,000	\$50,000	\$0	
5010.08	On Call Pay	\$7,000	\$7,000	\$0	
5010.09	CRDI and Shift Pay	\$15,000	\$15,000	\$0	
5020.01	Employee Retirement	\$511,000	\$540,000	\$29,000	15
5070.01	(OASDI - Payroll Tax) FICA	\$3,800	\$3,800	\$0	
5070.02	MEDICARE - Payroll Tax	\$34,000	\$44,000	\$10,000	16
5020.02	Health Insurance	\$1,052,200	\$980,000	-\$72,200	17
5020.03	Unemployment Insurance	\$175,000	\$175,000	\$0	
5020.04	LT Disability/Life Ins	\$29,000	\$29,000	\$0	
5020.05	Worker's Comp	\$388,493	\$388,493	\$0	
TOTAL SALARY & BENEFITS		\$4,595,493	\$5,281,293	\$685,800	
SERVICE & SUPPLY ACCOUNTS					
5090.02	Clothing & Supplies	\$3,240	\$3,240	\$0	
5090.05	Uniforms - Other	\$10,000	\$10,000	\$0	
5050.01	Communications - Phone	\$28,800	\$32,000	\$3,200	18
5090.20	Communications - Radio	\$900	\$900	\$0	
5090.01	Household Expenses	\$14,175	\$16,000	\$1,825	19
5060.01	Insurance Premiums/Public Liability	\$620,000	\$620,000	\$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	\$20,000	\$20,000	\$0	
5090.06	Service Contracts/Equipment	\$170,000	\$170,000	\$0	
5160.07	Park and Ride Maintenance	\$13,000	\$13,000	\$0	
5160.01	Maintenance/Buildings	\$6,200	\$6,200	\$0	
5160.03	Maintenance/Equipment	\$3,000	\$3,000	\$0	
5160.05	Maintenance/Grounds	\$5,500	\$5,500	\$0	
5160.09	Maintenance/Bus Stop	\$2,000	\$2,000	\$0	
5160.00	Maintenance/Other	\$2,500	\$2,500	\$0	
5040.00	Vehicle Maintenance (In-House)	\$342,000	\$342,000	\$0	
5040.02	Vehicle Maintenance/Tires & Tubes	\$90,000	\$90,000	\$0	
5040.03	Vehicle Maintenance/Lubricants	\$27,900	\$27,900	\$0	
5040.04	Vehicle Maintenance/Small Tools - Shop	\$3,870	\$3,870	\$0	
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$38,700	\$20,000	-\$18,700	20
5090.50	Safety Equipment/Training	\$20,000	\$125,000	\$105,000	21
5090.40	Memberships	\$3,600	\$5,400	\$1,800	22
5090.70	Office Expense	\$13,500	\$13,500	\$0	
5090.80	Postage	\$3,600	\$3,600	\$0	
5090.00	Operating Expense - Other	\$1,350	\$1,350	\$0	
5030.00	Professional Services	\$250,000	\$250,000	\$0	
5030.10	Employee Medical Exams	\$8,100	\$8,100	\$0	
5030.30	Background Checks	\$1,800	\$1,800	\$0	
5090.08	Pubs/Legal Notices	\$2,000	\$2,000	\$0	
5090.75	Printing	\$13,500	\$13,500	\$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	\$1,800	\$1,800	\$0	
5150.00	Special Department Expense	\$1,500	\$1,500	\$0	
5150.01	Marketing	\$9,000	\$9,000	\$0	
5090.30	Staff Development/Travel	\$15,000	\$15,000	\$0	
5040.01	Fuel Purchase	\$500,000	\$300,000	-\$200,000	23
5090.72	Bank Charges	\$400	\$400	\$0	
5090.73	Credit Card Charge Fees	\$3,500	\$3,500	\$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	\$20,000	\$20,000	\$0	
4108.03	Fair Shuttle AB2766 Grant	\$38,000	\$38,000	\$0	
6270.00	Contingency	\$212,000	\$684,340	\$472,340	24
TOTAL SERVICES AND SUPPLIES		\$2,684,435	\$3,049,900	\$365,465	
TOTAL OPERATING EXPENSES		\$7,279,928	\$8,331,193	\$1,051,265	