

AGENDA ITEM 2A
Action Item

MEMORANDUM

DATE: September 2, 2021

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Final Amended Operating Budget for Fiscal Year 2020/21

REQUESTED ACTION:
BY MOTION,

1. **Receive and File the Final Amended Operating Budget for Fiscal Year 2020/21 as Proposed**
2. **Acknowledge the budget amount of \$1,308,646 in Deferred Local Transportation Funds (LTF) from Contingency**
3. **Authorize the use of Deferred LTF for Fiscal Year 2020/21 Capital Expenses**

BACKGROUND

As of August 25, 2021, most work related to posting was accomplished to close the internal fiscal year (FY) 2020/21 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 2020/21 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 2020/21 Operating Budget reflects an overall decrease 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 Final Amended FY 2020/21 Operating Budget sheet presents the adopted mid-year budget amounts for comparison and shows the net changes proposed.

The proposed Final Amended FY 2020/21 Operating Budget includes one-time revenue from emergency CARES Act funding in the amount of \$1,081,553 allocated under the Federal Transit Administration (FTA) Section 5311 program. The Joint Exercise of Powers Agreement (JPA) of the El Dorado County Transit Authority (El Dorado Transit) Section 11.3 states the following:

“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...”

Maximum use of Federal CARES Act funds in FY 2020/21 has allowed for a one-time deferral of LTF for use in the FY 2021/22 Operating and Capital Budgets. The final amount will be determined after today’s requested action.

El Dorado Transit management and staff worked well within the overall mid-year budget expense projections. The continued effects of COVID-19 related service reductions and temporary fare policies are on-going.

Due primarily to the infusion of the emergency CARES Act funding, an increase of \$624,306 in Contingency Funds now totaling \$1,308,646 has been realized. Staff is recommending the use of these Local Transportation Funds (LTF) for matching funds in the Capital Budget to preserve State Transit Assistance (STA) funds in FY 2020/21. Any remaining funds will represent 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 \$112,497 in revenue accounts.

- 1 Interest Income decreased to accurately reflect receipts.
- 2 Annual FTA Section 5311 increased to reflect the actual allocation.
- 3 Cash Fares decreased to accurately reflect receipts.
- 4 Contract Services increased to accurately reflect receipts.
- 5 Commuter Route Fare Media increased to accurately reflect receipts.
- 6 Local Route Fare Media increased to accurately reflect receipts.
- 7 Paper Scrip decreased to accurately reflect receipts.
- 8 Fair Shuttle AB2766 Grant funding is reallocated to FY 2021/22
- 9 FTA Section 5307 Grant – PM decreased to grant amount.

SALARY & BENEFITS EXPENSE ACCOUNTS

Overall, the total Salary and Benefits expenditures were managed below mid-year budget adjustment projections by \$226,243.

- 10 Regular Employee salary expenses decreased to reflect actuals. Some positions were understaffed prior to the pandemic and some operational staff hours were reduced because of the pandemic related service reductions.
- 11 Temporary Employee costs decreased to reflect actual usage of the extra help employees.
- 12 Overtime decreased to accurately reflect costs.
- 13 CRDI and Shift Pay decreased to reflect actual costs.
- 14 Employee Retirement increased to reflect actual costs. Enrollment in the California Employers’ Pension Prefunding Trust (CEPPT) Fund increased this line item by

\$200,000. Additional Unfunded Liability payments of \$65,683 and \$5,234 were also made to the Classic and PEPRAs funds respectively.

- 15 Social Security (FICA) Payroll Tax reduced to accurately reflect actual costs. These costs are driven by the actual hours worked by extra help employees.
- 16 Medicare Payroll Tax reduced to accurately reflect actual costs.
- 17 Health Insurance increased to reflect actual premium expenses.
- 18 Unemployment Insurance decreased to reflect actual reimbursement costs.
- 19 Long Term Disability/Life insurance decreased to reflect actual premium costs.
- 20 Workers' Compensation reduced to reflect actual premiums paid.

SERVICE & SUPPLY EXPENSE ACCOUNTS

Total Services and Supplies accounts (including the Contingency line item) increased by \$113,746.

- 21 Clothing & Supplies increased closer to actual expenses.
- 22 Uniforms – Other decreased closer to actual expenses.
- 23 Communications – Phone increased closer to actual expenses.
- 24 Communications – Radio decreased closer to actual expenses.
- 25 Household Expenses increased closer to actual expenses.
- 26 Insurance Premiums/Public Liability decreased to reflect the two (2) month pre-paid allocation of FY 2021/22 premiums in FY 2020/21.
- 27 Insurance Premiums/Physical Damage increased to reflect the two (2) month pre-paid allocation of FY 2021/22 premiums in FY 2020/21.
- 28 Insurance Premiums/Commercial decreased to reflect actual.
- 29 Insurance Premiums/Employer Practices Liability Insurance (EPLI) increased to reflect the two (2) month pre-paid allocation of FY 2021/22 premiums in FY 2020/21.
- 30 Service Contracts/Equipment increased closer to actual expenses.
- 31 Park & Ride Maintenance decreased closer to actual expenses.
- 32 Maintenance/Buildings increased closer to actual expenses.
- 33 Maintenance/Equipment increased closer to actual expenses.
- 34 Maintenance/Grounds increased closer to actual expenses.
- 35 Maintenance/Bus Stops decreased closer to actual expenses.
- 36 Maintenance/Other increased closer to actual expenses.
- 37 Vehicle Maintenance (In-House) decreased closer to actual expenses.
- 38 Vehicle Maintenance/Tires & Tubes decreased closer to actual expenses.
- 39 Vehicle Maintenance/ Lubricants decreased closer to actual expenses.
- 40 Vehicle Maintenance/ Small Tools - Shop increased closer to actual expenses.
- 41 Vehicle Maintenance/Sales Tax/Fuel & Lubricants - increased closer to actual expenses.
- 42 Safety Equipment/Training decreased closer to actual expenses. Additional COVID-19 related expenses associated with enhanced cleaning protocols, protective equipment and supply purchases are captured under this account.
- 43 Memberships increased closer to actual expenses.
- 44 Office Expenses decreased closer to actual expenses.
- 45 Postage decreased closer to actual expenses.
- 46 Operating Expenses – Other increased closer to actual expenses.

- 47 Professional Services decreased closer to actual expenses.
- 48 Employee Medical Exams decreased closer to actual expenses.
- 49 Background Checks decreased closer to actual expenses.
- 50 Publications/Legal Notices decreased closer to actual expenses.
- 51 Printing decreased closer to actual expenses.
- 52 Rents/Leases – Equipment decreased closer to actual expenses.
- 53 Rents/Leases – Park & Rides decreased closer to actual expenses.
- 54 Equipment Purchase – Data Processing decreased closer to actual expenses.
- 55 Equipment Purchase – Office increased closer to actual expenses.
- 56 Special Department Expenses - increased closer to actual expenses.
- 57 Marketing decreased closer to actual expenses.
- 58 Staff Development/Travel decreased closer to actual expenses.
- 59 Fuel Purchase increased closer to actual expenses.
- 60 Bank Charges decreased closer to actual expenses.
- 61 Credit Card Charge Fees decreased closer to actual expenses.
- 62 Connect Card administration Fees decreased closer to actual expenses.
- 63 Utilities decreased closer to actual expenses.
- 64 Utilities/Park & Ride increased closer to actual expenses.
- 65 AB2766 Fair Shuttle zeroed as service was not provided due to COVID-19.
- 66 Contingency increased to reflect the estimated offset of State funding for the FY 2020/21 Operating Budget. If approved with this staff report, Capital expenses for the current year will be subtracted from this amount, as applicable to preserve Capital funding.

FISCAL IMPACT

Staff is presenting a balanced Final Amended Operating Budget for FY 2020/21 totaling \$8,218,696 which is approximately 1.4% under the mid-year projections. El Dorado Transit's final FY 2020/21 financials will be adjusted in the independent audit process and presented during the December 2021 regularly scheduled Board meeting.

**EL DORADO COUNTY TRANSIT AUTHORITY
PROPOSED FINAL AMENDED OPERATING BUDGET 2020/2021**

OPERATING BUDGET		FY 2020/2021 Mid-Year Adopted 02/04/2021	FY 2020/2021 Final Amended Proposed 09/02/2021	Difference	
REVENUE ACCOUNTS					
4000.00	Transportation Development Act (TDA/LTF)	\$4,257,455	\$4,257,455	\$0	
4000.00	Transportation Development Act (TDA/LTF) Deferred FY 2019/20	\$1,337,803	\$1,337,803	\$0	
4270.00	State Transit Assistance (TDA/STA)	\$0	\$0	\$0	
4270.00	State Transit Assistance (TDA/STA) From Capital	\$0	\$0	\$0	
4270.01	State Transit Assistance (TDA/STA)/State of Good Repair (SGR)	\$273,902	\$273,902	\$0	
4970.00	Interest Income	\$10,000	\$8,400	-\$1,600	1
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$538,231	\$558,840	\$20,609	2
4100.00	Federal Transit Administration (FTA) CARES Act Section 5311 Grant	\$1,081,553	\$1,081,553	\$0	
4300.00	Cash Fares	\$75,000	\$62,500	-\$12,500	3
4310.00	Contract Services	\$24,000	\$45,500	\$21,500	4
4320.00	Charter Services	\$0	\$0	\$0	
4330.00	Commuter Route Fare Media	\$60,000	\$61,000	\$1,000	5
4350.00	Local Route Fare Media	\$25,000	\$45,700	\$20,700	6
4360.00	Paper Scrip	\$7,000	\$6,000	-\$1,000	7
4400.00	Advertising Revenue	\$0	\$0	\$0	
4990.00	Misc. Revenue	\$0	\$0	\$0	
4107.03	Fair Shuttle AB2766 Grant	\$32,000	\$0	-\$32,000	8
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	\$120,794	-\$129,206	9
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$25,068	\$25,068	\$0	
TOTAL REVENUES		\$8,331,193	\$8,218,696	-\$112,497	
SALARY & BENEFIT ACCOUNTS					
5010.00	Regular Employees	\$2,969,000	\$2,730,000	-\$239,000	10
5010.02	Temporary Employees	\$80,000	\$60,000	-\$20,000	11
5010.07	Overtime	\$50,000	\$35,500	-\$14,500	12
5010.08	On Call Pay	\$7,000	\$7,000	\$0	
5010.09	CRDI and Shift Pay	\$15,000	\$10,000	-\$5,000	13
5020.01	Employee Retirement	\$540,000	\$806,000	\$266,000	14
5070.01	(OASDI - Payroll Tax) FICA	\$3,800	\$1,550	-\$2,250	15
5070.02	MEDICARE - Payroll Tax	\$44,000	\$41,000	-\$3,000	16
5020.02	Health Insurance	\$980,000	\$1,051,000	\$71,000	17
5020.03	Unemployment Insurance	\$175,000	\$75,000	-\$100,000	18
5020.04	LT Disability/Life Ins	\$29,000	\$26,500	-\$2,500	19
5020.05	Worker's Comp	\$388,493	\$211,500	-\$176,993	20
TOTAL SALARY & BENEFITS		\$5,281,293	\$5,055,050	-\$226,243	
SERVICE & SUPPLY ACCOUNTS					
5090.02	Clothing & Supplies	\$3,240	\$3,400	\$160	21
5090.05	Uniforms - Other	\$10,000	\$6,800	-\$3,200	22
5050.01	Communications - Phone	\$32,000	\$33,000	\$1,000	23
5090.20	Communications - Radio	\$900	\$700	-\$200	24
5090.01	Household Expenses	\$16,000	\$16,100	\$100	25
5060.01	Insurance Premiums/Public Liability	\$620,000	\$584,500	-\$35,500	26
5060.02	Insurance Premiums/Physical Damage	\$25,000	\$29,500	\$4,500	27
5060.03	Insurance Premiums/Commercial	\$14,000	\$13,000	-\$1,000	28
5060.04	Insurance Premium EPLI Package	\$20,000	\$22,500	\$2,500	29
5090.06	Service Contracts/Equipment	\$170,000	\$184,000	\$14,000	30
5160.07	Park and Ride Maintenance	\$13,000	\$11,500	-\$1,500	31
5160.01	Maintenance/Buildings	\$6,200	\$6,450	\$250	32
5160.03	Maintenance/Equipment	\$3,000	\$15,500	\$12,500	33
5160.05	Maintenance/Grounds	\$5,500	\$6,100	\$600	34
5160.09	Maintenance/Bus Stop	\$2,000	\$1,850	-\$150	35
5160.00	Maintenance/Other	\$2,500	\$2,800	\$300	36
5040.00	Vehicle Maintenance (In-House)	\$342,000	\$123,000	-\$219,000	37
5040.02	Vehicle Maintenance/Tires & Tubes	\$90,000	\$41,000	-\$49,000	38
5040.03	Vehicle Maintenance/Lubricants	\$27,900	\$18,000	-\$9,900	39
5040.04	Vehicle Maintenance/Small Tools - Shop	\$3,870	\$5,400	\$1,530	40
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$20,000	\$21,000	\$1,000	41
5090.50	Safety Equipment/Training	\$125,000	\$88,000	-\$37,000	42
5090.40	Memberships	\$5,400	\$5,750	\$350	43
5090.70	Office Expense	\$13,500	\$7,200	-\$6,300	44
5090.80	Postage	\$3,600	\$2,200	-\$1,400	45
5090.00	Operating Expense - Other	\$1,350	\$2,900	\$1,550	46
5030.00	Professional Services	\$250,000	\$163,500	-\$86,500	47
5030.10	Employee Medical Exams	\$8,100	\$4,800	-\$3,300	48
5030.30	Background Checks	\$1,800	\$600	-\$1,200	49
5090.08	Pubs/Legal Notices	\$2,000	\$400	-\$1,600	50
5090.75	Printing	\$13,500	\$6,000	-\$7,500	51
5120.02	Rents/Leases - Equipment	\$21,000	\$11,000	-\$10,000	52
5120.03	Rents/Leases Park and Rides	\$9,000	\$8,500	-\$500	53
5140.01	Equipment Purchase - Data Processing	\$1,000	\$150	-\$850	54
5140.05	Equipment Purchase - Office	\$1,800	\$4,200	\$2,400	55
5150.00	Special Department Expense	\$1,500	\$1,700	\$200	56
5150.01	Marketing	\$9,000	\$1,100	-\$7,900	57
5090.30	Staff Development/Travel	\$15,000	\$12,000	-\$3,000	58
5040.01	Fuel Purchase	\$300,000	\$305,000	\$5,000	59
5090.72	Bank Charges	\$400	\$200	-\$200	60
5090.73	Credit Card Charge Fees	\$3,500	\$2,200	-\$1,300	61
5090.74	Connect Card Administration Expenses	\$40,000	\$15,500	-\$24,500	62
5050.02	Utilities	\$54,000	\$43,500	-\$10,500	63
5050.03	Utilities/ Park & Rides	\$20,000	\$22,500	\$2,500	64
4108.03	Fair Shuttle AB2766 Grant	\$38,000	\$0	-\$38,000	65
6270.00	Contingency	\$684,340	\$1,308,646	\$624,306	66
TOTAL SERVICES AND SUPPLIES		\$3,049,900	\$3,163,646	\$113,746	
TOTAL OPERATING EXPENSES		\$8,331,193	\$8,218,696	-\$112,497	