

AGENDA ITEM 2 B
Action Item

MEMORANDUM

DATE: January 26, 2022

TO: El Dorado County Transit Authority
Transit Advisory Committee

FROM: Julie Petersen, Finance Manager

SUBJECT: Proposed Fiscal Year 2021/22 Mid-Year Operating Budget
Adjustments

REQUESTED ACTION:
BY MOTION,

- 1. Receive and File Fiscal Year 2021/22 Mid-Year Operating Budget**
- 2. Approve the Operating Budget Presentation for Fiscal Year 2021/22 Mid-Year to the Board on February 3, 2022**

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) 2021/22 Mid-Year Operating Budget adjustments include an overall decrease in Revenue, Salary & Benefits and Service & Supply expenditure accounts. These reductions to actual expenses trigger an increase to the available Contingency line item requiring Board approval.

DISCUSSION

The following mid-year adjustments to the El Dorado Transit FY 2021/22 Operating Budget will be 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 a decrease of \$308,115 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. The addition of CRRSAA Act funding and increases in fares allows for this transfer.

2. Account 4270.01 State Transit Assistance (STA)/State of Good Repair: The decrease of \$7,087 is due to the revised allocation provided by the State Controllers' Office.
3. Account 4970.00 Interest Income: Decrease due to actual interest received.
4. Account 4310.00 Contract Services: Increase based on first six (6) months actual income; revised to \$104,000. 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.
5. Account 4330.00 Commuter Route Fare Media: Revised to \$162,000 as client purchasing patterns evolve from the COVID-19 pandemic.
6. Account 4350.00: Revised to \$25,000 as client purchasing patterns evolve from the COVID-19 pandemic.
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.
9. Account 5060.00 Offset Reserve Fund (ORF) - CalTIP (restricted): Increased to actual amount as provided by CalTIP for future premium offset.

Salary and Benefits Accounts

Net change is a decrease of \$603,000 in expenses

10. Account 5010.00 Regular Employees: Decreased to \$2,919,384 based on first six (6) months actual expenses and projections for the final six (6) months.
11. Account 5010.02 Temporary Employees: Decreased to \$50,000 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.
12. Account 5010.07 Overtime: Increased to \$100,000 bases on first six (6) months actual expenses and projections for the final six (6) months. Fewer Temporary Employees are available to cover regular employees for vacations, sick leave, etc. Therefore, regular employees are working to cover.
13. Account 5020.01 Employee Retirement: Decrease of \$40,000 is based on six month actual and final projections. This is directly related to the decrease in account 5010.00.
14. Account 5020.02 Health Insurance: Decrease of \$78,000 is based on six month actual and final projections.
15. Account 5020.03 Unemployment Insurance: Decrease of \$85,000 is based on the first six (6) months actual expenses.

Service and Supply Accounts

Net change is an increase of \$294,845 in expenses

The adjustments in each line item presented are based on actual costs for the first six (6) months of fiscal year 2021/22 and a projection for the remaining six (6) months.

16. Account 5090.02 Clothing & Supplies: Increase of \$1,500 based on first six (6) month actual.

17. Account 5060.03 Insurance Premiums/Commercial: Decrease of \$2,488 based on actual premium charged for calendar year 2022.
18. Account 5060.03 Insurance Premiums EPLI Package: Increase of \$50,000 based on expenses under self-insured retention level.
19. Account 5040.80 Vehicle Maintenance/Sales Tax/Fuel & Lubricants: increase of \$15,000 based on first six (6) month actual.
20. Account 5090.05 Safety Equipment/Training: decreased to \$40,000 in additional expenses based on first six (6) months actual expenses.
21. Account Fuel Purchase: Increase by \$125,000 based on first six (6) month actual.
22. Account 6270.00 Contingency: Increased by \$190,833. The increase in contingency funds is facilitated by a combination of revenue account adjustments.

FISCAL IMPACT

The overall fiscal outlook for El Dorado Transit remains secure. The proposed Fiscal Year (FY) 2021/22 Mid-Year Operating Budget reflects a balanced reduced budget of \$308,155 based on 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 jurisdiction. 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 2021/2022**

OPERATING BUDGET		FY 2021/2022 Final	FY 2021/2022 Mid-Year	Difference
		Adopted 06/03/2021	Proposed 02/03/2022	
REVENUE ACCOUNTS				
4000.00	Transportation Development Act (TDA/LTF)	\$5,566,463	\$5,566,463	\$0
4270.00	State Transit Assistance (TDA/STA)	\$523,523	\$0	-\$523,523 1
4270.01	State Transit Assistance (TDA/STA)/State of Good Repair (SGR)	\$273,467	\$266,380	-\$7,087 2
4970.00	Interest Income	\$10,000	\$3,000	-\$7,000 3
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$558,840	\$558,840	\$0
4100.00	Federal Transit Administration (FTA) CRRSAA Act Section 5311 Grant	\$738,717	\$738,717	\$0
4300.00	Cash Fares	\$77,000	\$77,000	\$0
4310.00	Contract Services	\$24,720	\$104,000	\$79,280 4
4320.00	Charter Services	\$0	\$0	\$0
4330.00	Commuter Route Fare Media	\$61,800	\$162,000	\$100,200 5
4350.00	Local Route Fare Media	\$25,750	\$56,000	\$30,250 6
4360.00	Paper Scrip	\$7,210	\$7,210	\$0
4400.00	Advertising Revenue	\$5,000	\$0	-\$5,000 7
4990.00	Misc. Revenue	\$400	\$0	-\$400 8
4107.03	Fair Shuttle AB2766 Grant	\$0	\$0	\$0
4109.04	Low Carbon Transit Operations Program (LCTOP) Grant	\$50,000	\$50,000	\$0
4112.00	FTA Section 5307 Grant Income - Preventative Maintenance (PM)	\$43,520	\$43,520	\$0
4112.00	Federal Transit Administration (FTA) CRRSAA Act Section 5307 Grant	\$183,509	\$183,509	\$0
5060.00	Offset Reserve Fund - CalTIP (restricted)	\$48,365	\$73,490	\$25,125 9
TOTAL REVENUES		\$8,198,284	\$7,890,129	-\$308,155
SALARY & BENEFIT ACCOUNTS				
5010.00	Regular Employees	\$3,319,384	\$2,919,384	-\$400,000 10
5010.02	Temporary Employees	\$100,000	\$50,000	-\$50,000 11
5010.07	Overtime	\$50,000	\$100,000	\$50,000 12
5010.08	On Call Pay	\$7,000	\$7,000	\$0
5010.09	CRDI and Shift Pay	\$20,000	\$20,000	\$0
5020.01	Employee Retirement	\$600,000	\$560,000	-\$40,000 13
5070.01	(OASDI - Payroll Tax) FICA	\$4,000	\$4,000	\$0
5070.02	MEDICARE - Payroll Tax	\$50,000	\$50,000	\$0
5020.02	Health Insurance	\$1,078,000	\$1,000,000	-\$78,000 14
5020.03	Unemployment Insurance	\$100,000	\$15,000	-\$85,000 15
5020.04	LT Disability/Life Ins	\$32,000	\$32,000	\$0
5020.05	Worker's Comp	\$350,000	\$350,000	\$0
TOTAL SALARY & BENEFITS		\$5,710,384	\$5,107,384	-\$603,000
SERVICE & SUPPLY ACCOUNTS				
5090.02	Clothing & Supplies	\$3,500	\$5,000	\$1,500 16
5090.05	Uniforms - Other	\$12,000	\$12,000	\$0
5050.01	Communications - Phone	\$35,000	\$35,000	\$0
5090.20	Communications - Radio	\$1,000	\$1,000	\$0
5090.01	Household Expenses	\$16,500	\$16,500	\$0
5060.01	Insurance Premiums/Public Liability	\$394,000	\$394,000	\$0
5060.02	Insurance Premiums/Physical Damage	\$27,000	\$27,000	\$0
5060.03	Insurance Premiums/Commercial	\$14,700	\$12,212	-\$2,488 17
5060.04	Insurance Premium EPLI Package	\$22,000	\$72,000	\$50,000 18
5090.06	Service Contracts/Equipment	\$190,000	\$190,000	\$0
5160.07	Park and Ride Maintenance	\$14,000	\$14,000	\$0
5160.01	Maintenance/Buildings	\$7,500	\$7,500	\$0
5160.03	Maintenance/Equipment	\$4,000	\$4,000	\$0
5160.05	Maintenance/Grounds	\$6,500	\$6,500	\$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)	\$376,000	\$376,000	\$0
5040.02	Vehicle Maintenance/Tires & Tubes	\$99,000	\$99,000	\$0
5040.03	Vehicle Maintenance/Lubricants	\$29,700	\$29,700	\$0
5040.04	Vehicle Maintenance/Small Tools - Shop	\$5,000	\$5,000	\$0
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$23,000	\$38,000	\$15,000 19
5090.50	Safety Equipment/Training	\$125,000	\$40,000	-\$85,000 20
5090.40	Memberships	\$5,800	\$5,800	\$0
5090.70	Office Expense	\$15,000	\$15,000	\$0
5090.80	Postage	\$4,000	\$4,000	\$0
5090.00	Operating Expense - Other	\$2,000	\$2,000	\$0
5030.00	Professional Services	\$250,000	\$250,000	\$0
5030.10	Employee Medical Exams	\$8,500	\$8,500	\$0
5030.30	Background Checks	\$2,000	\$2,000	\$0
5090.08	Pubs/Legal Notices	\$2,500	\$2,500	\$0
5090.75	Printing	\$14,000	\$14,000	\$0
5120.02	Rents/Leases - Equipment	\$23,000	\$23,000	\$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	\$12,000	\$12,000	\$0
5090.30	Staff Development/Travel	\$15,000	\$15,000	\$0
5040.01	Fuel Purchase	\$345,000	\$470,000	\$125,000 21
5090.72	Bank Charges	\$400	\$400	\$0
5090.73	Credit Card Charge Fees	\$3,500	\$3,500	\$0
5090.74	Connect Card Administration Expenses	\$34,000	\$34,000	\$0
5050.02	Utilities	\$56,000	\$56,000	\$0
5050.03	Utilities/ Park & Rides	\$22,000	\$22,000	\$0
4108.03	Fair Shuttle AB2766 Grant	\$0	\$0	\$0
6270.00	Contingency	\$249,000	\$439,833	\$190,833 22
TOTAL SERVICES AND SUPPLIES		\$2,487,900	\$2,782,745	\$294,845
TOTAL OPERATING EXPENSES		\$8,198,284	\$7,890,129	-\$308,155