

AGENDA ITEM 2B
Action Item

MEMORANDUM

DATE: September 1, 2022

TO: El Dorado County Transit Authority

FROM: Julie Petersen, Finance Manager

SUBJECT: Final Amended Operating Budget for Fiscal Year 2021/22

REQUESTED ACTION:
BY MOTION,

1. **Receive and File the Final Amended Operating Budget for Fiscal Year 2021/22 as Proposed**
2. **Acknowledge the budget amount of \$868,638 in Deferred Local Transportation Funds (LTF) from Contingency**
3. **Authorize the use of Deferred LTF for Fiscal Year 2021/22 Capital Expenses**

BACKGROUND

As of August 25, 2022, most work related to posting was accomplished to close the internal fiscal year (FY) 2021/22 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 2021/22 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 2021/22 Operating Budget reflects an overall increase to revenue and salary and benefit accounts and a decrease to general expenses. Outlined below are the recommended adjustments by line item with comments. The attached Final Amended FY 2021/22 Operating Budget sheet presents the adopted mid-year budget amounts for comparison and shows the net changes proposed.

The proposed Final Amended FY 2021/22 Operating Budget includes limited-time revenue from emergency CRRSAA Act funding in the amount of \$738,717 allocated under the Federal Transit Administration (FTA) Section 5311 program and FTA Section 5307. 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 CRRSAA Act funds in FY 2021/22 has allowed for a deferral of LTF for use in the FY 2022/23 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 CRRSAA Act funding, an increase of \$576,005 in Contingency Funds now totaling \$868,638 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 2021/22. Any remaining funds will represent the projected amount of conventional State funding offset for use in the FY 2022/23 operating budget.

REVENUE ACCOUNTS

El Dorado Transit saw an overall increase of approximately \$235,321 in revenue accounts.

- 1 State of Good Repair (SGR) increased to reflect award
- 2 Interest Income increased to accurately reflect receipts.
- 3 Annual FTA Section 5311 increased to reflect the actual allocation.
- 4 Cash Fares increased to accurately reflect receipts.
- 5 Contract Services increased to accurately reflect receipts.
- 6 Commuter Route Fare Media decreased to accurately reflect receipts.
- 7 Local Route Fare Media decreased to accurately reflect receipts.
- 8 Paper Scrip decreased to accurately reflect receipts.
- 9 Addition of account to reflect South Lake Tahoe separately from Commuter
- 10 Fair Shuttle AB2766 Grant funding award for FY 2021/22
- 11 Restricted Offset Reserve Fund (ORF) for future insurance premiums

SALARY & BENEFITS EXPENSE ACCOUNTS

Overall, the total Salary and Benefits expenditures were managed below mid-year budget adjustment projections by \$192,716.

- 12 Regular Employee salary expenses decreased to reflect actuals. Short staffing continues to be an issue for several departments
- 13 Temporary Employee costs increased to reflect actual usage of the extra help employees.
- 14 Overtime decreased to accurately reflect costs.
- 15 CRDI and Shift Pay decreased to reflect actual costs.
- 16 Employee Retirement increased to reflect actual costs. Contributions to the California Employers’ Pension Prefunding Trust (CEPPT) Fund increased this line item by

\$200,000. Additional Unfunded Liability payments of \$117,359 and \$11,520 were also made to the Classic and PEPRAs funds, respectively.

- 17 Social Security (FICA) Payroll Tax reduced to accurately reflect actual costs. These costs are driven by the actual hours worked by extra help employees.
- 18 Medicare Payroll Tax reduced to accurately reflect actual costs.
- 19 Health Insurance increased to reflect actual premium expenses. This includes the continued participation in the CalPERS OPEB fund.
- 20 Unemployment Insurance decreased to reflect actual reimbursement costs.
- 21 Long Term Disability/Life insurance increased to reflect actual premium costs.

SERVICE & SUPPLY EXPENSE ACCOUNTS

Total Services and Supplies accounts (including the Contingency line item) increased by \$167,605.

- 22 Clothing & supplies increased closer to actual expenses.
- 23 Uniforms – Other decreased closer to actual expenses.
- 24 Communications – Phone decreased closer to actual expenses.
- 25 Communications – Radio decreased closer to actual expenses.
- 26 Insurance Premiums/Public Liability decreased to reflect the two (2) month pre-paid allocation of FY 2022/23 premiums in FY 2021/22.
- 27 Insurance Premiums/Employer Practices Liability Insurance (EPLI) decreased to reflect the two (2) month pre-paid allocation of FY 2022/23 premiums in FY 2021/22.
- 28 Service Contracts/Equipment decreased closer to actual expenses.
- 29 Park & Ride Maintenance increased closer to actual expenses.
- 30 Maintenance/Buildings decreased closer to actual expenses.
- 31 Maintenance/Equipment increased closer to actual expenses.
- 32 Maintenance/Grounds decreased closer to actual expenses.
- 33 Maintenance/Bus Stops increased closer to actual expenses.
- 34 Maintenance/Other decreased closer to actual expenses.
- 35 Vehicle Maintenance (In-House) decreased closer to actual expenses.
- 36 Vehicle Maintenance/Tires & Tubes decreased closer to actual expenses.
- 37 Vehicle Maintenance/ Lubricants decreased closer to actual expenses.
- 38 Safety Equipment/Training decreased closer to actual expenses.
- 39 Memberships decreased closer to actual expenses.
- 40 Office Expenses increased closer to actual expenses.
- 41 Operating Expenses – Other increased closer to actual expenses.
- 42 Professional Services decreased closer to actual expenses.
- 43 Publications/Legal Notices increased closer to actual expenses.
- 44 Printing decreased closer to actual expenses.
- 45 Rents/Leases – Equipment decreased to reflect closer to actual.
- 46 Equipment Purchase – Data Processing increased closer to actual expenses.
- 47 Equipment Purchase – Office increased closer to actual expenses.
- 48 Marketing increased closer to actual.
- 49 Staff Development/Travel increased closer to actual.

- 50 Fuel Purchase increased closer to actual expenses.
- 51 Bank Charges increased closer to actual expenses.
- 52 Connect Card administration Fees decreased closer to actual expenses.
- 53 Utilities decreased closer to actual expenses.
- 54 AB2766 Fair Shuttle reflects awarded grant amounts.
- 55 Contingency increased to reflect the estimated offset of Federal funding for the FY 2021/22 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 2021/22 totaling \$8,250,450 which is approximately 4.3% over the mid-year projections. El Dorado Transit's final FY 2021/22 financials will be adjusted in the independent audit process and presented during the December 2022 regularly scheduled Board meeting.

**EL DORADO COUNTY TRANSIT AUTHORITY
PROPOSED FINAL AMENDED OPERATING BUDGET 2021/2022**

OPERATING BUDGET

		FY 2021/2022 Mid-Year	FY 2021/2022 Final Amended		
		Adopted 02/03/2022	Proposed 09/01/2022	Difference	
REVENUE ACCOUNTS					
4000.00	Transportation Development Act (TDA/LTF)	\$5,566,463	\$5,566,463	0	
4270.01	State Transit Assistance (TDA/STA)/State of Good Repair (SGR)	\$266,380	\$273,467	7,087	1
4970.00	Interest Income	\$3,000	\$4,900	1,900	2
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$558,840	\$726,492	167,652	3
4100.00	Federal Transit Administration (FTA) CRRSAA Act Section 5311 Grant	\$738,717	\$738,717	0	
4300.00	Cash Fares	\$77,000	\$102,000	25,000	4
4310.00	Contract Services	\$104,000	\$128,500	24,500	5
4320.00	Charter Services	\$0	\$0	0	
4330.00	Commuter Route Fare Media	\$162,000	\$88,000	-74,000	6
4350.00	Local Route Fare Media	\$56,000	\$35,000	-21,000	7
4360.00	Paper Scrip	\$7,210	\$6,700	-510	8
4370.00	CCJPA	\$125,000	\$159,800	\$34,800	9
4400.00	Advertising Revenue	\$0	\$0	0	
4990.00	Misc. Revenue	\$0	\$0	0	
4107.03	Fair Shuttle AB2766 Grant	\$0	\$32,000	32,000	10
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)	\$73,490	\$111,382	37,892	11
TOTAL REVENUES		\$8,015,129	\$8,250,450	235,321	
SALARY & BENEFIT ACCOUNTS					
5010.00	Regular Employees	\$2,919,384	\$2,760,000	-159,384	12
5010.02	Temporary Employees	\$50,000	\$59,000	9,000	13
5010.07	Overtime	\$100,000	\$72,000	-28,000	14
5010.08	On Call Pay	\$7,000	\$7,000	0	
5010.09	CRDI and Shift Pay	\$20,000	\$14,100	-5,900	15
5020.01	Employee Retirement	\$560,000	\$876,000	316,000	16
5070.01	(OASDI - Payroll Tax) FICA	\$4,000	\$2,200	-1,800	17
5070.02	MEDICARE - Payroll Tax	\$50,000	\$41,500	-8,500	18
5020.02	Health Insurance	\$1,000,000	\$1,074,000	74,000	19
5020.03	Unemployment Insurance	\$15,000	\$11,300	-3,700	20
5020.04	LT Disability/Life Ins	\$32,000	\$33,000	1,000	21
5020.05	Worker's Comp	\$350,000	\$350,000	0	
TOTAL SALARY & BENEFITS		\$5,107,384	\$5,300,100	192,716	
SERVICE & SUPPLY ACCOUNTS					
5090.02	Clothing & Supplies	\$5,000	\$5,300	300	22
5090.05	Uniforms - Other	\$12,000	\$4,600	-7,400	23
5050.01	Communications - Phone	\$35,000	\$34,000	-1,000	24
5090.20	Communications - Radio	\$1,000	\$650	-350	25
5090.01	Household Expenses	\$16,500	\$16,500	0	
5060.01	Insurance Premiums/Public Liability	\$394,000	\$391,500	-2,500	26
5060.02	Insurance Premiums/Physical Damage	\$27,000	\$27,000	0	
5060.03	Insurance Premiums/Commercial	\$12,212	\$12,212	0	
5060.04	Insurance Premium EPLI Package	\$72,000	\$69,300	-2,700	27
5090.06	Service Contracts/Equipment	\$190,000	\$152,100	-37,900	28
5160.07	Park and Ride Maintenance	\$14,000	\$14,800	800	29
5160.01	Maintenance/Buildings	\$7,500	\$4,500	-3,000	30
5160.03	Maintenance/Equipment	\$4,000	\$9,300	5,300	31
5160.05	Maintenance/Grounds	\$6,500	\$4,000	-2,500	32
5160.09	Maintenance/Bus Stop	\$3,000	\$4,700	1,700	33
5160.00	Maintenance/Other	\$2,500	\$500	-2,000	34
5040.00	Vehicle Maintenance (In-House)	\$376,000	\$207,000	-169,000	35
5040.02	Vehicle Maintenance/Tires & Tubes	\$99,000	\$58,500	-40,500	36
5040.03	Vehicle Maintenance/Lubricants	\$29,700	\$26,500	-3,200	37
5040.04	Vehicle Maintenance/Small Tools - Shop	\$5,000	\$5,000	0	
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$38,000	\$38,000	0	
5090.50	Safety Equipment/Training	\$40,000	\$14,100	-25,900	38
5090.40	Memberships	\$5,800	\$4,400	-1,400	39
5090.70	Office Expense	\$15,000	\$18,500	3,500	40
5090.80	Postage	\$4,000	\$4,000	0	
5090.00	Operating Expense - Other	\$2,000	\$2,850	850	41
5030.00	Professional Services	\$250,000	\$214,500	-35,500	42
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	\$4,400	1,900	43
5090.75	Printing	\$14,000	\$9,500	-4,500	44
5120.02	Rents/Leases - Equipment	\$23,000	\$10,900	-12,100	45
5120.03	Rents/Leases Park and Rides	\$9,000	\$9,000	0	
5140.01	Equipment Purchase - Data Processing	\$1,000	\$8,200	7,200	46
5140.05	Equipment Purchase - Office	\$1,800	\$2,600	800	47
5150.00	Special Department Expense	\$1,500	\$1,500	0	
5150.01	Marketing	\$12,000	\$16,100	4,100	48
5090.30	Staff Development/Travel	\$15,000	\$20,500	5,500	49
5040.01	Fuel Purchase	\$470,000	\$515,000	45,000	50
5090.72	Bank Charges	\$400	\$700	300	51
5090.73	Credit Card Charge Fees	\$3,500	\$3,500	0	
5090.74	Connect Card Administration Expenses	\$34,000	\$16,000	-18,000	52
5050.02	Utilities	\$56,000	\$45,000	-11,000	53
5050.03	Utilities/ Park & Rides	\$22,000	\$22,000	0	
4108.03	Fair Shuttle AB2766 Grant	\$0	\$42,000	42,000	54
6270.00	Contingency	\$439,833	\$868,638	428,805	55
TOTAL SERVICES AND SUPPLIES		\$2,782,745	\$2,950,350	167,605	
TOTAL OPERATING EXPENSES		\$7,890,129	\$8,250,450	360,321	