

SOUTH COUNTY TRANSIT

Fiscal Year 2018/2019 Budget



Projected Five Year Capital Budget

April 25, 2018



Vision Statement

The SoCo Transit of the future will help meet residents' and visitor's diverse transportation needs in the Five Cities Area.

Mission Statement

South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

Strategic Direction

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled (VMT).
- Improve SoCo Transit's farebox recovery ratio to avoid Transportation Development Act (TDA) penalties.

- Embrace technological improvements that will positively impact efficiency and quality of service.

Goals

1. Provide market-driven service that meets the needs of the communities that we serve but that will also attract discretionary riders.
2. Provide transportation services that are safe, reliable, economical and accessible in an efficient manner with innovative management practices and technological advancements.
3. Lead and participate in the analysis of the integration of transit operations throughout the county to ensure that customers are provided seamless transit alternatives and services that attract discretionary riders from every community that SoCo Transit serves.
4. Promote the value of SoCo Transit and public transportation to the quality of life in the Five Cities Area and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

SOUTH COUNTY TRANSIT
April 25, 2018
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2018-19 Operating and Capital Budget

ACTION: Adopt Fiscal Year 2018-19 Budget as Presented

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

**EXECUTIVE COMMITTEE
RECOMMENDATION:**

BACKGROUND

We are pleased to present the proposed South County Transit Fiscal Year 2018-19 Operating and Capital Budget. The operating budget is proposed at \$1,470,440 and the capital budget at \$275,160. The budget is balanced, based on proposed service levels and anticipated funding levels. Staff is presenting this budget plan based on several significant assumptions regarding the Local Transportation Fund (LTF) and the State Transit Assistance (STA) programs, which will be discussed in the Revenue section below.

SoCo Transit faces a Transportation Development Act (TDA) financial penalty in FY18-19 because the SoCo Transit farebox recovery ratio (FFR) falls below the 20% mandate. At the January 17th SoCo Transit Board meeting, staff reported that consolidation into the RTA would result in an annual net savings to the SoCo Transit jurisdictions. At its March 7th meeting, the RTA Board considered SoCo Transit's request to consolidate into the RTA, and directed staff to move forward with twelve "next steps" as the region considers consolidation. As part of that process, a mock consolidated budget will be presented to the RTA and SoCo Transit Boards in May.

The SoCo Transit FY18-19 budget assumes the same levels of fixed route revenue service hours and miles for all routes, including the Beach Trolley service, although this program is funded entirely by the County. Staff will also continue to evaluate service modifications during the year to improve efficiencies, and any such change would be brought back to the SoCo Transit Board for consideration.

In April 2014 SCT adopted a reserve policy – one for cash flow purposes and one for capital projects. During prior fiscal years, SoCo Transit came in under the adopted budget, and the fund balance increased more than original budget projections. The result of the savings, as well as a decrease in fuel prices, has resulted in staff is projecting a strong fund balance at the beginning of FY18-19. As noted during the budget assumptions presentation in January 2018, due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy.

In summary, staff has done a tremendous job of holding the line on expenses.

It should be noted that the County-contracted Beach Trolley service is presented in a separate column from the core SoCo Transit fixed-route services in the monthly farebox reports to assist decision-makers in monitoring the performance of core SoCo Transit services. Any farebox or other shortfalls in the Beach Trolley are the responsibility of the County.

Revenue

Since FY13-14, the *Arroyo Grande – Grover Beach Urbanized Area* designation has resulted in SoCo Transit's ability to access to Federal Transit Administration (FTA) Section 5307 Urbanized Area reimbursement funds. In total, the FY18-19 budget assumes that \$532,510 of FTA 5307 funds will be used for operating purposes, which will reduce the need for LTF from the SoCo Transit jurisdictions. Although this amount is lower than in prior years, it helps maintain a balance of operating and capital funds.

We are predicating the revenue stream for the FY18-19 budget on the latest information that we have available on Local Transportation Funds (LTF) and State Transit Assistance (STA) funding for the region. LTF funds are derived from the statewide ¼ percent sales tax, while STA is derived from the sales tax on diesel fuel. LTF has traditionally been used to fund operations, but can be used for capital projects as well. STA traditionally was only used for capital projects but staff is evaluating opportunities to apply it to operating based on capital vs. operating needs.

The LTF program continues to be volatile and staff is unsure of what the projection for this revenue stream should be for the coming years. SLOCOG's current countywide LTF projection for FY18-19 is 16% higher in comparison to final FY17-18 amounts. The original assumption presented in January included an estimated LTF request unchanged from FY17-18 but based on projected operating costs for FY18-19 staff is requesting an increase between 9% and 14%, based on population. Although it is a significant increase over recent years, it is similar to the amount request in FY14-15 when there was not a significant fund balance carryover, and significantly lower than the amount requested in FY12-13 of \$677,788.

STA funding for FY18-19 includes Senate Bill 1 – Road Repair and Accountability Act of 2017 (SB1) STA Augmentation funds. These funds are being allocated to capital replacement reserves in order to match federal funds for planned fixed route vehicle replacements. Due to reduced federal funding from the FTA Section 5307 Small Transit Intensive Cities program, the two vehicles originally planned are being split between FY20-21 and 21-22 in order to allow additional time to secure federal or state funding for the second vehicle, without holding up the one vehicle for which funding has been identified. Should SB1 be repealed in November 2018, the local match for the vehicle purchase in FY21-22 would need to be funded from another local funding source, likely LTF.

As noted in the April 4th SLOCOG staff report, the SoCo Transit STA allocation for regional integration (due to impending consolidation into the RTA) has been increased to 100% for FY18-19. Staff also appreciates SLOCOG lowering the farebox recovery

ratio (FRR) requirement in the Arroyo Grande-Grover Beach Urbanized Area from 20% to 15% under consolidation; this will help the consolidated services achieve a more feasible FRR requirement.

The revenue apportionment for the Low-Carbon Transit Operations Program (LCTOP) used to partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) came in higher than FY17-18 (by \$66,000).

Expenditures

The overall operating expense for SoCo Transit core services are up slightly, just over 5%. The primary reasons for this increase are described below.

SoCo Transit currently employs four full-time hourly Bus Operators, several part-time/casual hourly Bus Operators, and one part-time hourly Utility Worker – all of whom are covered by a Collective Bargaining Agreement (CBA) with Teamsters Local 986. It should be noted that the SoCo Transit Board ratified the current CBA in January 2018, which runs through December 31, 2021. No changes to the mix of full-time and part-time employees are assumed in FY18-19. For budgetary planning purposes, the FY18-19 operating budget assumes the current benefits levels; should consolidation be completed during the fiscal year, net health insurance benefit costs would increase primarily due to the addition of six part-time/health-benefited employees.

For consistency purposes, the two full-time Road Supervisors are transitioning from being employed by SoCo Transit, with RTA contributing a portion in exchange for supervision support of RTA services operated in the South County, to being employed by RTA with SoCo Transit contributing a portion in exchange for supervision support of SoCo Transit services operated in the South County. This will ensure coverage for greater schedule coverage and flexibility for South County services, while also .

The CBA identifies annual increases based upon longevity for Bus Operators and Utility Workers. Of note, the increase in the minimum wage in January 2019 of \$1/hour has a significant impact on our agency. Wage and benefit changes make up a significant portion of the increase in the FY18-19 over FY17-18.

With regard to County-contracted Beach Trolley service in the Pismo Beach and Avila Beach areas, the service change implemented in 2017 will continue. The service is three days per week with later service on Saturday nights to match the Friday schedule during the peak months. This service model seems to provide a good balance between providing high-quality services during peak tourism periods and in providing necessary linkages between the communities for residents. In the past, low-levels of service were provided year-round and the result was very low ridership during the non-peak months. This service model has been accepted by our partners at the County.

The three new replacement buses that were delivered in the summer of 2013 and spring of 2015 resulted in somewhat of a “vacation” in maintenance repairs during the warranty period. Overall, the net effect is that staff has projected FY18-19 maintenance costs to increase from the actual FY16-17 expenditure, but the projected cost increases

have leveled off. Staff is satisfied with the reliability and cost-effectiveness of these new buses in comparison to the 2003 buses that have been replaced.

Staff has included preliminary numbers for the CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage provided through ERMA. Although we anticipate that there will significant rate increases again this year, the CalTIP policies offer the best economic and risk management service value in today's market. While final numbers are not available for the Executive Committee meeting, they will be available for the SoCo Transit Board on April 25th. Should consolidation move forward, refined numbers for insurance will be provided in budget amendments, and would reduce duplicative administrative charges.

Workers compensation insurance provided by CSAC Excess Insurance Authority and the cost had leveled off during FY17-18, and the most recent premium estimates for FY18-19 include a premium decrease. Staff continues to monitor claims diligently, with the realization that worker's compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. We continue to work with our employee committee that has evaluated workplace safety and have a proactive program to address the number of claims and severity of the claims. Should consolidation move forward, refined numbers for insurance will be provided in budget amendments, and would reduce duplicative administrative charges.

Due to the unrest in Eastern Europe, Northern Africa and the Middle East, fuel prices continue to fluctuate. Staff is budgeting fuel at \$3.25 per gallon, but we may need to adjust it if fuel prices rise significantly during the fiscal year. It should be noted that diesel-powered buses manufactured after 2009 also require the use of Diesel Exhaust Fluid (DEF) to meet emissions requirements. DEF costs more than diesel fuel, and it is used at a roughly 5% ratio DEF to diesel; its use is included in the fuel line item.

RTA provides oversight services on an annual fixed cost basis to SoCo Transit. These services include program administration, operations management, financial reporting and oversight, human resources, marketing, grants management, accounts payable, and Board meeting administration. The proposed *Administration - Staff Time* charge for FY18-19 is \$81,110 – an annual increase of \$3,510 (4.5%) in comparison to FY17-18. This equates to approximately 1,150 hours (the same hours as FY17-18) of administrative staff time. Items to note in this line item include the time for consolidation into RTA that may be occurring in FY18-19, whereas administrative time in FY17-18 focused on labor negotiations. The proposed *Finance - Staff Time* charge is \$14,320. The *Marketing - Staff Time* charge of \$5,530 is proposed, and is based on 10 hours/month. *Dispatch - Staff Time* costs are also proposed at \$23,700 to account for actual proportional time spent by RTA dispatchers, schedulers and road supervisors handling SoCo Transit's needs.

It should be noted that staff implemented a new safety reward program in FY16-17 to both heighten awareness of how work injuries and vehicle collisions affect the bottom line, and to reward safe behaviors. This type of program is used across the transit industry, and is based on the one used at RTA. This cost is reflected in the *Office Expense/Miscellaneous* line-item.

Capital Budget

The FY15-16 budget included the transfer of Bus 1011 and 1012 from RTA in lieu of purchasing a replacement bus that was originally scheduled for delivery in June 2016. This allowed SCT to spread the vehicle replacements over a longer time period, as these vehicles are eligible for replacement in FY20-21 when those two buses reach the end of their FTA-defined economically useful lives.

Staff will present multiple budget amendments to the Board to address consolidation into the RTA and to carry over any capital funds that were not fully expended during FY17-18. All carryover capital projects are fully funded and no additional funds will be needed.

Budget Notes

Staff has segregated the budget document into sections, so that each section can be explained in relation to the total budget. The paragraph numbers below relate to the boxed numbers in the first column of the budget.

1. ESTIMATED FUND BALANCE – This amount includes carryover funds and general reserves. This amount represents the fund balance available according to the June 30, 2017 audited results, plus projected revenues for the fiscal year ending June 30, 2018, less projected expenses for the fiscal year ending June 30, 2018. The resulting amount is the projected fund balance, which will be available on July 1, 2018.
2. REQUIRED RESERVES – In April 2014, the SoCo Transit Board approved a new reserve policy, in accordance with TDA requirements, that maintains an operating reserve equivalent to one quarter of net annual operating expenses. Equipment replacement reserves have been calculated based on funding the local match on the average five-year vehicle replacement plan.
3. FUND BALANCE AVAILABLE – This is the fund balance or reserves used in the current year budget to fund operating and capital expenditures.
4. TOTAL NON-LTF FUNDS – This section details all the sources of operating revenue by type, except LTF. Included are fares, advertising revenues, and federal, state and local sources.
5. LOCAL TRANSPORTATION FUNDS – This is the total amount of LTF required to balance the budget. A population-based formula is used to distribute the amount among the four SoCo Transit JPA members. This formula applies to all SoCo Transit services. It is not tied to any one route or any one type of service.
6. TOTAL OPERATING REVENUES – This is the total of LTF and Non-LTF funds, excluding reserves.
7. TOTAL NON-OPERATING RESOURCES – This is the total of Capital Funds, Interest Revenue and other contributions.

8. TOTAL RESOURCES – This is the total of all funding sources, including reserves. It equals the Total Use of Resources proposed in the budget.
9. TOTAL OPERATING EXPENDITURES – This is the total of operating expenditures as detailed in the budget.
10. TOTAL USE OF RESOURCES – This is the total of all funding uses and equals the amount of funding sources.

Staff Recommendation

Adopt the Fiscal Year 2018-19 Budget as presented by staff.

SOUTH COUNTY TRANSIT
January 17, 2018
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2018-19 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Assumptions to Enable Staff to Begin Development of FY18-19 Operating and Capital Budgets

BACKGROUND/DISCUSSION:

Each year in connection with the annual budget process, staff reviews SoCo Transit operations to determine what, if any, operational changes will be recommended for implementation in the following fiscal year. Based on those recommended changes, staff develops the operational data, revenue and cost projections for presentation in the proposed Operating Budget. For Fiscal Year 2018-19, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY18-19 Budget Assumptions that will provide staff the necessary policy guidance to prepare the appropriate operating and capital program for presentation to the Board at its April meeting.

KEY ISSUES

1. SoCo Transit faces a Transportation Development Act (TDA) financial penalty in FY18-19, estimated to be on the order of \$70,000. Staff is working with SLOCOG officials to determine a more concrete figure that the jurisdictions should consider holding back in General Fund or other non-TDA sources.
2. STA funds used for capital projects are projected to be up slightly.
3. LTF used for operating purposes is projected to be flat.
4. Liability costs continue to escalate, despite SoCo Transit's good safety record.
5. Fleet replacement and related funding requirements including SB1 funds.
6. Fuel costs continue to remain low; this also results in declining ridership & fares.

Note that the first issue above is the greatest one facing the agency in the immediate future, and is something that has been on the forefront of decision-makers' minds ever since the State-mandated higher 20% farebox recovery ratio was triggered by the 2010 US Census.

Three options exist to address this issue:

1. **Option 1 – Do Nothing:** if the Board decides to maintain the status quo in terms of service levels, SLOCOG will reduce each jurisdiction's Local Transportation Fun (LTF) annual allocation by their proportion of the overall fare receipt shortcoming. In that scenario, General Fund or other non-TDA or non-Federal funds would have to make up the shortfall.
2. **Option 2 – Reduce Service Levels:** the Board could choose to reduce services equal to the TDA penalty amount. This Option would require an extensive public outreach process. However, as indicated during discussions on fare and service changes in 2016, there are no obviously low-performing segments of the system that could be easily eliminated. In short, eliminating portions of the service would likely have far-reaching impacts that could result in an even lower farebox recover ratio.
3. **Option 3 – Consolidate into the RTA:** this would eliminate any financial penalty levied against the SoCo Transit jurisdictions, and is the preferred alternative by the three City Managers.

Mission Statement

The Mission of South County Transit is to provide safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Objectives and Revenue Impacts

1. Maintain service levels and hours of service that meet the standards of productivity and demands of our customers and communities through the effective and efficient delivery of SoCo Transit Fixed Route core services, as well as contracted Senior Shuttle and Trolley services.
 - a. SoCo Transit received just over \$78,500 in State Transit Assistance (STA) capital project funding in FY17-18. Staff will work with SLOCOG staff to determine a realistic estimate for FY18-19.
 - b. Continue to monitor the results and impacts of the July 2016 fare increase. In addition, slightly higher fare revenues are expected because of the RTA's December 31, 2017 increase to Regional fare media that is shared with SoCo Transit.
 - c. Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue.

- d. To partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) services, SoCo Transit will apply in January 2018 for Low-Carbon Transit Operations Program (LCTOP) grant to fund the service in FY18-19. The Oceano area's demographic profile suggests this service will continue to rank relatively high in San Luis Obispo County for these LCTOP grant funds.
 - e. As noted above, a financial penalty will likely be assessed by SLOCOG for failing to achieve the mandated 20% farebox recovery ratio in FY18-19. After this amount is determined and local non-TDA sources are identified at each jurisdiction's level, the now-reduced LTF will be budgeted to balance the SoCo Transit budget based on maintaining service levels for SoCo Transit Routes 21, 24, 27 and 28 operations. Note that tripper service on Routes 27 and 28 only operates when Arroyo Grande High School is in full session. The FY18-19 will likely be in line with FY17-18 LTF amount, which is greater than in recent fiscal years, but SoCo Transit has used annual savings that had been carried forward as fund balance available to offset prior year requested LTF. Staff believes SoCo Transit will have a small amount that it will be able to carry forward savings in FY17-18 due to budgetary restraint and lower than budgeted fuel costs.
 - i. Under Option 3, no financial penalty would be assessed.
 - f. Detailed miles/hours and span of service for each SoCo core fixed route will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will be provided separately for Beach Trolley service.
 - g. Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the SoCo Transit jurisdictions and/or adjust service levels.
 - h. Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy, which was originally adopted in April 2014.
2. Work with the SLOCOG in evaluating region-wide service efficiencies.
- a. Continue to evaluate the TDA Triennial Audit recommendation for SoCo Transit to consolidate with RTA. Consolidation would have the effect of eliminating the TDA financial penalty.
 - b. Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel, affecting SoCo Transit's farebox recovery ratio. Other factors also include changes to the California minimum wage.

Staff will work with SLOCOG to determine the appropriate farebox ratio requirements for SoCo Transit.

- i. Under Option 3, RTA would require that the farebox recovery ratio be modified.
 - c. Review the tasks and financial impacts included in the SoCo Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with the RTA.
 - i. Under Option 3, some services such as payroll and finance would be reduced, resulting in cost savings.
 - d. Staff will use the results of the October 2017 Customer Perception and Employee Survey to make recommendations for a 2018-20 SoCo Transit Strategic Business Plan as well as the move forward with a Short Range Transit Plan during FY18-19 to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
- a. Staff will work with SLOCOG on appropriate projects for the Augmented STA portion of SB1 funds for SoCo Transit projects. Staff is anticipating the funding will be used to match federal funds for vehicle procurements.

Expenses Impacts

1. The Beach Trolley will operate from early-April through early-June on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). From mid-June to early-October, the Beach Trolley will operate on Friday through Sunday (Friday and Saturday from 10 am to 9 pm and Sunday from 10 a, to 6 pm). These services are provided through a contract with RTA and entirely funded through the County. Staff will continue to evaluate service levels based on ITS data to determine if service levels should be adjusted.
2. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.25 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed Route vehicles.
3. Operations facility rental costs will not increase in FY18-19, as we will be entering the third year of a three-year lease extension.
4. Insurance Expenses:

- a. CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time as CalTIP actuaries are still working on May 1, 2018 through April 30, 2019 rates. Estimates should be received from CalTIP in time to include in the SoCo Transit April 2017 budget. Although the number of SoCo Transit losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members.
 - i. Under Option 3, there will be savings annually in reduced administrative costs and the per-mile cost for SoCo Transit miles operated will initially decline.
- b. CalTIP vehicle physical damage will increase minimally due to the added asset value of new vehicles in the fleet.
- c. As of July 1, 2017 CalTIP no longer provides employment practices liability insurance coverage as part of the premiums paid for general liability coverage. SoCo Transit was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$2,500 with a \$50,000 self-insured retention.
- d. Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims.
 - i. Under Option 3, there would be a relatively similar cost due to RTA having a higher loss ratio than SoCo Transit but cost increases would be offset by eliminating the duplicative carrier's administrative costs.
- e. Property insurance will increase minimally.
- f. For budget-making purposes, staff is assuming health insurance premiums will increase 5% in comparison to current rates. This will have a minimal impact on the budget due to the low number of employees under the plan. At this time, the Affordable Care Act has no impact on the budget, since SoCo Transit employs fewer than 50 employees. Nonetheless, staff will continue to monitor legislation should that provision change.

- i. Under Option 3, health insurance costs would increase due to the Affordable Care Act provisions for employees who work greater than 30 hours per week.

5. Staffing Expenses:

- a. The RTA Board ratified the CBA with the Teamsters at its November 2017 meeting, and this analysis presumes that the same financial impacts would ultimately be accepted by SoCo Transit employees.

Proposed Budget Calendar

January 9	Detailed budget assumptions and revenue forecast to Executive Committee
January 17	Obtain Board concurrence on proposed draft budget assumptions
March 31	FY18-19 Budget Draft complete
April 10	Draft FY18-19 Budget presentation to Executive Committee
April 25	Final Board Budget presentation; Board adoption of FY18-19 Budget
May – June	SLOCOG notifies all JPA members of TDA allotment for member agency budget consideration
July 1	Start of new fiscal year

Staff Recommendation

Approve the budget assumptions and budget calendar so that a detailed work plan and budget may be developed.

SOUTH COUNTY TRANSIT 2018-19 Proposed Budget

	FY 16/17 Actual	FY 17/18 Adopted Operating	FY 17/18 Adopted Capital	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	Net Increase (Decrease) In Budgets
Funding Sources						
Beginning Fund Balance						
1 Estimated Fund Balance	\$ 673,935	\$ 320,810	\$ 127,110	\$ 332,960	\$ 206,940	\$ 91,980
	\$ 673,935	\$ 320,810	\$ 127,110	\$ 332,960	\$ 206,940	\$ 91,980
2 Less Required Reserves:						
TDA Required Operating Reserve	\$ 244,230	\$ 274,990	\$ -	\$ 294,240	\$ -	\$ 19,250
Equipment Replacement Reserve	109,340	-	164,840	-	305,070	140,230
Total Reserves	\$ 353,570	\$ 274,990	\$ 164,840	\$ 294,240	\$ 305,070	\$ 159,480
3 Fund Balance Available (Required)	\$ 320,365	\$ 45,820	\$ (37,730)	\$ 38,720	\$ (98,130)	\$ (67,500)
Operating Revenues						
Fares	\$ 145,021	\$ 141,700	\$ -	\$ 142,190	\$ -	\$ 490
STA Including STA SB1 Augmentation	71,050	-	71,500	-	156,810	85,310
Low Carbon Transit Grant	97,348	134,420	-	200,000	-	65,580
Federal Transit Adm (FTA) 5307 Operating	440,019	562,020	-	532,510	-	(29,510)
SLO County Trolley Operations & SRTP Match	51,569	57,660	-	49,300	22,750	14,390
RTA Operations Supervisor Contribution	-	8,490	-	13,650	-	5,160
Advertising and other income	4,848	-	-	10,000	-	10,000
4 Total Non-TDA Funds	\$ 809,855	\$ 904,290	\$ 71,500	\$ 947,650	\$ 179,560	\$ 151,420
5 Local Transportation Funds	\$ 168,670	\$ 441,640	\$ -	\$ 485,490	\$ -	\$ 43,850
Arroyo Grande	64,095	166,057	-	180,602	-	14,546
Grover Beach	48,577	125,426	-	136,908	-	11,482
Pismo Beach	28,505	76,404	-	83,990	-	7,586
SLO County	27,493	73,754	-	83,990	-	10,236
6 Total Operating Revenues	\$ 1,298,890	\$ 1,345,930	\$ 71,500	\$ 1,433,140	\$ 179,560	\$ 195,270
Non-Operating Resources						
Interest	\$ 4,791	\$ 7,370	\$ -	\$ 5,660	\$ -	\$ (1,710)
Prop 1B - Vehicle Replacement/ITS	32,429	-	-	-	-	-
Federal Transit Adm (FTA) 5307 Capital	100,000	-	129,080	-	193,730	64,650
Federal Transit Adm (FTA) 5339 Capital	-	-	-	-	-	-
7 Total Non-Operating Resources	\$ 137,220	\$ 7,370	\$ 129,080	\$ 5,660	\$ 193,730	\$ 62,940
8 Total Resources	\$ 1,436,110	\$ 1,399,120	\$ 162,850	\$ 1,477,520	\$ 275,160	\$ 190,710

SOUTH COUNTY TRANSIT 2018-19 Proposed Budget

	FY 16/17 Actual	FY 17/18 Adopted Operating	FY 17/18 Adopted Capital	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	Net Increase (Decrease) In Budgets
Funding Sources						
Beginning Fund Balance						
1 Estimated Fund Balance	\$ 673,935	\$ 320,810	\$ 127,110	\$ 332,960	\$ 206,940	\$ 91,980
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Less Required Reserves:						
TDA Required Operating Reserve	\$ 244,230	\$ 274,990	\$ -	\$ 294,240	\$ -	\$ 19,250
Equipment Replacement Reserve	109,340	-	164,840	-	305,070	140,230
Total Reserves	\$ 353,570	\$ 274,990	\$ 164,840	\$ 294,240	\$ 305,070	\$ 159,480
	\$ 320,365	\$ 45,820	\$ (37,730)	\$ 38,720	\$ (98,130)	\$ (67,500)
3 Fund Balance Available (Required)						
<u>Operating Revenues</u>						
Fares	\$ 145,021	\$ 141,700	\$ -	\$ 142,190	\$ -	\$ 490
STA Including STA SB1 Augmentation	71,050	-	71,500	-	156,810	85,310
Low Carbon Transit Grant	97,348	134,420	-	200,000	-	65,580
Federal Transit Adm (FTA) 5307 Operating	440,019	562,020	-	532,510	-	(29,510)
SLO County Trolley Operations & SRTP Match	51,569	57,660	-	49,300	22,750	14,390
RTA Operations Supervisor Contribution	-	8,490	-	13,650	-	5,160
Advertising and other income	4,848	-	-	10,000	-	10,000
4 Total Non-TDA Funds	\$ 809,855	\$ 904,290	\$ 71,500	\$ 947,650	\$ 179,560	\$ 151,420
	\$ 168,670	\$ 441,640	\$ -	\$ 485,490	\$ -	\$ 43,850
5 Local Transportation Funds						
Arroyo Grande	64,095	166,057	-	180,602	-	14,546
Grover Beach	48,577	125,426	-	136,908	-	11,482
Pismo Beach	28,505	76,404	-	83,990	-	7,586
SLO County	27,493	73,754	-	83,990	-	10,236
	\$ 1,298,890	\$ 1,345,930	\$ 71,500	\$ 1,433,140	\$ 179,560	\$ 195,270
6 Total Operating Revenues						
<u>Non-Operating Resources</u>						
Interest	\$ 4,791	\$ 7,370	\$ -	\$ 5,660	\$ -	\$ (1,710)
Prop 1B - Vehicle Replacement/ITS	32,429	-	-	-	-	-
Federal Transit Adm (FTA) 5307 Capital	100,000	-	129,080	-	193,730	64,650
Federal Transit Adm (FTA) 5339 Capital	-	-	-	-	-	-
	\$ 137,220	\$ 7,370	\$ 129,080	\$ 5,660	\$ 193,730	\$ 62,940
7 Total Non-Operating Resources						
	\$ 1,436,110	\$ 1,399,120	\$ 162,850	\$ 1,477,520	\$ 275,160	\$ 190,710
8 Total Resources						

SOUTH COUNTY TRANSIT 2018-19 Proposed Budget

	FY 16/17 Actual	FY 17/18 Adopted Operating	FY 17/18 Adopted Capital	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	Net Increase (Decrease) In Budgets
Use of Resources						
<u>Administrative Expenditures</u>						
Insurance	\$ 82,593	\$ 99,200	\$ -	\$ 115,280	\$ -	\$ 16,080
Liability & Physical Damage	54,056	71,180	-	51,000	-	(20,180)
Workers Compensation	701	740	-	740	-	-
Property Insurance	30,600	30,600	-	30,600	-	-
Rent	8,603	8,980	-	8,980	-	-
Utilities	1,236	1,240	-	1,240	-	-
Radio Expense	-	3,000	-	1,590	-	(1,410)
Legal Services	1,362	1,280	-	760	-	(520)
Payroll Processing	74,750	77,600	-	81,110	-	3,510
Administration - Staff Time	13,200	13,700	-	14,320	-	620
Finance - Staff Time	5,100	5,290	-	5,530	-	240
Marketing - Staff Time	9,950	12,790	-	7,150	-	(5,640)
Office Expense/Miscellaneous	3,020	3,150	-	3,310	-	160
Audit	24,171	16,000	-	16,000	-	-
Marketing/Community Relations/Printing	9,892	9,740	-	5,660	-	(4,080)
Uniforms/Laundry/Physicals						
<u>Operating Expenditures</u>						
Salaries/Benefits	\$ 568,810	\$ 611,270	\$ -	\$ 667,510	\$ -	\$ 56,240
Maintenance	166,134	197,550	-	226,920	-	29,370
Dispatch - Staff Time	21,850	22,680	-	23,700	-	1,020
SCT Bus Fuel	140,573	199,280	-	201,490	-	2,210
Contingency	6,006	13,850	-	14,630	-	780
9 Total Operating Expenditures	\$ 1,222,607	\$ 1,399,120	\$ -	\$ 1,477,520	\$ -	\$ 78,400
<u>Capital Service</u>						
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ 33,000	\$ 105,000
Short Range Transit Plan	-	-	-	-	105,000	(1,500)
Computer Upgrade	-	-	1,500	-	-	-
Vehicles/ITS	129,669	-	-	-	-	-
Facility Improvements/Bus Stop Amenities	7,389	-	41,350	-	43,410	2,060
Transit Centers Improvements	-	-	120,000	-	93,750	(26,250)
Total Capital Service	\$ 137,058	\$ -	\$ 162,850	\$ -	\$ 275,160	\$ 112,310
10 Total Use of Resources	\$ 1,359,665	\$ 1,399,120	\$ 162,850	\$ 1,477,520	\$ 275,160	\$ 190,710

SOUTH COUNTY TRANSIT 2018-19 Proposed Budget

	FY 16/17 Actual	FY 17/18 Adopted Operating	FY 17/18 Adopted Capital	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	Net Increase (Decrease) In Budgets
Use of Resources						
<u>Administrative Expenditures</u>						
Insurance	\$ 82,593	\$ 99,200	\$ -	\$ 115,280	\$ -	\$ 16,080
Liability & Physical Damage	54,056	71,180	-	51,000	-	(20,180)
Workers Compensation	701	740	-	740	-	-
Property Insurance	30,600	30,600	-	30,600	-	-
Rent	8,603	8,980	-	8,980	-	-
Utilities	1,236	1,240	-	1,240	-	-
Radio Expense	-	3,000	-	1,590	-	(1,410)
Legal Services	1,362	1,280	-	760	-	(520)
Payroll Processing	74,750	77,600	-	81,110	-	3,510
Administration - Staff Time	13,200	13,700	-	14,320	-	620
Finance - Staff Time	5,100	5,290	-	5,530	-	240
Marketing - Staff Time	9,950	12,790	-	7,150	-	(5,640)
Office Expense/Miscellaneous	3,020	3,150	-	3,310	-	160
Audit	24,171	16,000	-	16,000	-	-
Marketing/Community Relations/Printing	9,892	9,740	-	5,660	-	(4,080)
Uniforms/Laundry/Physicals						
<u>Operating Expenditures</u>						
Salaries/Benefits	\$ 568,810	\$ 611,270	\$ -	\$ 667,510	\$ -	\$ 56,240
Maintenance	166,134	197,550	-	226,920	-	29,370
Dispatch - Staff Time	21,850	22,680	-	23,700	-	1,020
SCT Bus Fuel	140,573	199,280	-	201,490	-	2,210
Contingency	6,006	13,850	-	14,630	-	780
9 Total Operating Expenditures	\$ 1,222,607	\$ 1,399,120	\$ -	\$ 1,477,520	\$ -	\$ 78,400
<u>Capital Service</u>						
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ 33,000	\$ 105,000
Short Range Transit Plan	-	-	-	-	105,000	(1,500)
Computer Upgrade	-	-	1,500	-	-	-
Vehicles/ITS	129,669	-	-	-	-	-
Facility Improvements/Bus Stop Amenities	7,389	-	41,350	-	43,410	2,060
Transit Centers Improvements	-	-	120,000	-	93,750	(26,250)
Total Capital Service	\$ 137,058	\$ -	\$ 162,850	\$ -	\$ 275,160	\$ 112,310
10 Total Use of Resources	\$ 1,359,665	\$ 1,399,120	\$ 162,850	\$ 1,477,520	\$ 275,160	\$ 190,710

SOUTH COUNTY TRANSIT **Five Year Capital Projection**

	FY 16/17 Actual Capital	FY 17/18 Adopted Capital	FY 18/19 Proposed Capital	FY 19/20 Projected Capital	FY 20/21 Projected Capital	FY 21/22 Projected Capital	FY 22/23 Projected Capital
<u>Capital Service</u>							
Support Vehicle	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ -	\$ -
Short Range Transit Plan	-	-	105,000	-	-	-	-
Computer Upgrade	-	1,500	-	-	1,500	-	-
Vehicles/ITS	129,669	-	-	-	631,750	631,750	2,089,500
Bus Stop Amenities	-	41,350	43,410	45,590	47,860	49,060	50,290
Passenger Protection 1300 buses	-	-	-	-	-	-	-
Facility Improvements	7,389	-	-	-	-	-	-
Transit Centers Improvements/Ticket Machine	-	120,000	93,750	-	-	-	-
Large Vehicle Repairs	-	-	-	-	-	50,000	-
Total Capital Service	\$ 137,058	\$ 162,850	\$ 275,160	\$ 45,590	\$ 681,110	\$ 730,810	\$ 2,139,790
Increase Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Use of Resources	\$ 137,058	\$ 162,850	\$ 275,160	\$ 45,590	\$ 681,110	\$ 730,810	\$ 2,139,790

SOUTH COUNTY TRANSIT
2018-19 Proposed Budget
By Route

	Route 21	Route 24	Route 27	Route 28	Avila Trolley
Miles	68,330	51,990	40,750	56,200	11,730
Hours	3,570	3,490	2,760	3,940	550
<u>Administrative Expenditures</u>					
Insurance	\$ 34,400	\$ 26,170	\$ 20,510	\$ 28,300	\$ 5,900
Liability & Physical Damage	15,220	11,580	9,070	12,520	2,610
Workers Compensation	190	180	140	200	30
Property Insurance	7,920	7,360	5,820	8,250	1,250
Rent	2,320	2,160	1,710	2,420	370
Utilities	320	300	240	330	50
Radio Expense	410	380	300	430	60
Legal Services	200	180	140	200	30
Payroll Processing	21,000	19,520	15,420	21,860	3,320
Administration - Staff Time	3,710	3,450	2,720	3,860	590
Finance - Staff Time	1,430	1,330	1,050	1,490	230
Marketing - Staff Time	1,850	1,720	1,360	1,930	290
Office Expense/Miscellaneous	860	800	630	890	140
Audit	4,140	3,850	3,040	4,310	650
Marketing/Community Relations/Printing	1,470	1,360	1,080	1,530	230
Uniforms/Laundry/Physicals					
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 166,580	\$ 162,770	\$ 128,800	\$ 183,690	\$ 25,660
Maintenance	56,630	55,330	43,790	62,450	8,720
Dispatch - Staff Time	5,910	5,780	4,570	6,520	910
SCT Bus Fuel	60,120	45,740	35,850	49,450	10,320
Contingency	4,370	3,320	2,600	3,590	750
9 Total Operating Expenditures	\$ 389,050	\$ 353,280	\$ 278,840	\$ 394,220	\$ 62,110
<u>Capital Service</u>					
Support Vehicle	\$ 8,570	\$ 8,370	\$ 6,620	\$ 9,450	\$ -
Short Range Transit Plan	27,250	26,630	21,070	30,050	-
Facility Improvements/Bus Stop Amenities	11,270	11,010	8,710	12,420	-
Transit Centers Improvements	24,330	23,770	18,810	26,830	-
Total Capital Service	\$ 71,420	\$ 69,780	\$ 55,210	\$ 78,750	\$ -
10 Total Use of Resources	\$ 460,470	\$ 423,060	\$ 334,050	\$ 472,970	\$ 62,110