

South County Transit

-Fiscal Year 2019/2020 Budget

-Projected Five Year Capital Budget




SoCoTransit

April 24, 2019

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.

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**SOUTH COUNTY TRANSIT
APRIL 24, 2019
STAFF REPORT**

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2019-20 Operating and Capital Budget

ACTION: Adopt Fiscal Year 2019-20 Budget as Presented

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

**EXECUTIVE COMMITTEE
RECOMMENDATION:** No Quorum

BACKGROUND

We are pleased to present the proposed South County Transit Fiscal Year 2019-20 Operating and Capital Budget. The operating budget is proposed at \$1,513,000 and the capital budget at \$45,590. 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 faced 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. While this process stalled in FY18-19, staff expects to resolve the RTA's underlying retirement-based issues soon and to resume efforts to consolidate on January 1, 2020.

The SoCo Transit FY19-20 budget assumes the same levels of fixed-route revenue service hours and miles for all routes, including the Beach Trolley service (which 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. This is a real possibility, since the Short-Range Transit Plan study begun in December 2018 will be completed during FY19-20 and the consultant may discover service changes that could have an immediate impact.

In April 2014 SoCo Transit 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. During the last two fiscal years, budget projections have been in line with results, which have resulted in more consistent fund balances available at the start of each year. As

noted during the budget assumptions presentation in January 2019, due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy. This is a carryover item that staff has not been able to adequately address due to staffing shortages.

It should be noted that the County-funded 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 and its funding partners.

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 FY19-20 budget assumes that \$559,140 of FTA 5307 funds will be used for operating purposes, which will reduce the need for LTF from the SoCo Transit jurisdictions.

We are predicating the revenue stream for the FY19-20 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 relatively 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 FY19-20 is similar in comparison to final FY18-19 amounts. For the FY19-20 budget, staff is requesting a slight decrease of approximately 6% for a FY19-20 LTF total of \$456,464 (\$485,490 in FY18-19. 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 FY19-20 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. As noted during the FY18-19 budget presentation, due to reduced federal funding from the FTA Section 5307 Small Transit Intensive Cities program for FY17-18, the two vehicles originally planned for FY20-21 were split between FY20-21 and FY21-22 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. Staff is working to identify funding for two vehicles scheduled for replacement in FY22-23 and might include the first battery-electric vehicles procured as part of the SoCo Transit fleet. This allows time to establish the required infrastructure and for the battery-electric bus technology to be further refined.

As noted in the April 4, 2018 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) that has been used to partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) came in higher than FY18-19, at \$300,000. Please note that these funds will only be available until FY20-21, after which local or other funds will be needed in order to continue its operation.

Expenditures

The overall operating expense for SoCo Transit core services are up slightly, just over 2%. 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 the FY19-20 budget. For budgetary planning purposes, the FY19-20 operating budget assumes the current health benefits levels provided under SoCo Transit's plan; 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 were transitioned from being employed by SoCo Transit, with the 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.

The CBA identifies annual increases based upon longevity for Bus Operators and Utility Workers. Of note, the increase in the minimum wage in January 2020 of \$1/hour has a significant impact on our agency. Wage and benefit changes make up a significant portion of the increase in the FY19-20 over FY18-19.

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 operates 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 and at the Avila Foundation.

The three new replacement buses that were delivered in the summer of 2013 and one in the 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 FY19-20 maintenance costs to increase from the actual FY17-18 expenditure, but the projected cost increases have leveled off during FY18-19. 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 pooled CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage provided through the ERMA pool. 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. Should consolidation move forward, refined numbers for insurance will be provided in budget amendments, and would eliminate duplicate administrative charges.

Workers compensation insurance provided by the CSAC Excess Insurance Authority pool, and the cost had leveled off during FY17-18, with a decrease in FY18-19. Due largely to the increase in wages under the CBA, staff is anticipating an increase in FY19-20 back to a level similar to FY17-18. 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 eliminate duplicate 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 \$3.30 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.

The 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 FY19-20 is \$82,190 – an annual increase of \$1,080 (just over 1%) in comparison to FY18-19. This equates to approximately 1,200 hours of administrative staff time. Items to note in this line item include the time for consolidation into the RTA that could occur in late 2019, whereas administrative time in FY18-19 focused on overseeing the Short Range Transit Plan. The proposed *Finance - Staff Time* charge is \$14,520. The *Marketing - Staff Time* charge of \$5,610 is proposed, and is based on 10 hours/month. *Dispatch - Staff Time* costs are also proposed at \$24,030 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 the 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 SoCo Transit 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. In addition, staff will pursue both formula and discretionary capital funding sources to replace two remaining 2004 buses with diesel-powered buses. Staff will also begin the grant application process to replace the two 2010 buses with Battery Electric Buses and related recharging infrastructure.

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 FY18-19. 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, 2018 audited results, plus projected revenues for the fiscal year ending June 30, 2019, less projected expenses for the fiscal year ending June 30, 2019. The resulting amount is the projected fund balance, which will be available on July 1, 2019.
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 2019-20 Budget as presented by staff.

**SOUTH COUNTY TRANSIT
JANUARY 16, 2019
STAFF REPORT**

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2019-20 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 FY19-20 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 2019-20, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY19-20 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, estimated to be on the order of \$70,000, which SLOCOG has delayed imposing due to the consideration of consolidation into the RTA.
2. STA funds used for capital projects.
3. LTF used for operating purposes.
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.
7. Transit agencies across California are struggling to attract a sufficient number of qualified Bus Operator candidates, including all of the transit agencies in our County.

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.

It should also be noted that, in conjunction with the consultant team, staff kicked-off the Joint Short Range Transit Plans for SoCo Transit and area Dial a Rides on December 11th. This study will be completed in 18 months, and will provide a “roadmap” for the next 5 to 7 years. The consultants are currently reviewing a long list of requested data related to SoCo Transit operating, capital and institutional elements. A comprehensive on-bus passenger survey will be conducted in March 2019, and will be followed by a “state of the agency” report prior to developing operations, capital, institutional and financial alternatives that will be presented in late summer 2019.

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 Cites 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, and \$158,040 in FY18-19 which includes SB1 funding. Staff will work with SLOCOG staff to determine a realistic estimate for FY19-20.
 - b. Continue to monitor the results and impacts of the July 2016 fare increase and the regional fare media increase as part of the RTA fare increase in December 2017. The RTA obtained regional Prop 1B Safety and Security funds to implement a SmartPhone-based fare-paying system that will be implemented in early 2019. Staff will monitor its use to determine if this system relieves pressure on placing expensive and time-consuming electronic Ticket Vending Machines at high-use bus stops throughout the county, including in South County.
 - 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 applied in January 2019 for Low-Carbon Transit Operations Program (LCTOP) grant to fund the service in FY19-20. 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 be assessed by SLOCOG for failing to achieve the mandated 20% farebox recovery ratio if South County Transit does not consolidate with RTA. If assessed, 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 FY19-20 amount will likely be in line with FY18-19 LTF amount, which is greater than in recent fiscal years, because SoCo Transit has used up savings generated in prior years that had been carried forward as fund balance available to offset LTF in the following year.
 - f. Detailed miles/hours and span of service for each SoCo Transit 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 the County-funded 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, as part of the budget process.
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 the RTA. Consolidation would have the effect of eliminating the TDA financial penalty.
 - b. Transit agencies across the country have experienced ridership declines and, although those declines have recently slowed, they are still affecting SoCo Transit's farebox recovery ratio. Other factors also include changes to the California minimum wage, which increased over 9% in January 2019. Staff will work with SLOCOG to determine the appropriate farebox ratio requirements for SoCo Transit under possible consolidation with the RTA.
 - 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. With consolidation, some services such as payroll and finance will be reduced, resulting in cost savings.

- d. Monitor the results of the 2018-20 SoCo Transit Strategic Business Plan as well as the current Short Range Transit Plan effort to evaluate potential efficiencies.
3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.

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-September, 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). From mid-September to the end of September, the Beach Trolley will operate on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). 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. Staff is assuming the operations facility rental costs will not increase in FY19-20 pending negotiation with County Real Estate Services. Staff will be providing evidence regarding the improvements completed, namely the extensive pavement repairs to the yard that have been completed. Note, there is a carryover of improvement projects that staff will address with the County as part of negotiations.
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, 2019 through April 30, 2020 rates. Estimates should be received from CalTIP in time to include in the SoCo Transit budget that will be presented in April 2019. Although the number of SoCo Transit liability claims 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. Under consolidation,

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.
- 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 minimally, 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. Under consolidation, there will 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. With consolidation 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 South County Transit Board ratified the CBA with the Teamsters at its Special Board January 2018 meeting.

Proposed Budget Calendar

January 8	Detailed budget assumptions and revenue forecast to Executive Committee
January 16	Obtain Board concurrence on proposed draft budget assumptions
March 31	FY19-20 Budget Draft complete
April 9	Draft FY19-20 Budget presentation to Executive Committee
April 24	Final Board Budget presentation; Board adoption of FY19-20 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 2019-20 Proposed Budget

	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	FY 19/20 Proposed Operating	FY 19/20 Proposed Capital	Net Increase (Decrease) In Budgets
Funding Sources							
Beginning Fund Balance							
1 Estimated Fund Balance	\$ 673,935	\$ 447,920	\$ 332,960	\$ 206,940	\$ 292,536	\$ 305,070	\$ 57,706
	\$ 673,935	\$ 447,920	\$ 332,960	\$ 206,940	\$ 292,536	\$ 305,070	\$ 57,706
2 Less Required Reserves:							
TDA Required Operating Reserve	\$ 244,230	\$ 274,990	\$ 294,240	\$ -	\$ 305,840	\$ -	\$ 11,600
Equipment Replacement Reserve	109,340	164,840	-	305,070	-	536,830	231,760
Total Reserves	\$ 353,570	\$ 439,830	\$ 294,240	\$ 305,070	\$ 305,840	\$ 536,830	\$ 243,360
3 Fund Balance Available (Required)	\$ 320,365	\$ 8,090	\$ 38,720	\$ (98,130)	\$ (13,304)	\$ (231,760)	\$ (185,654)
Operating Revenues							
Fares	\$ 145,021	\$ 162,511	\$ 142,190	\$ -	\$ 142,960	\$ -	\$ 770
STA Including STA SB1 Augmentation	71,050	113,598	-	156,810	-	240,880	84,070
Low Carbon Transit Grant	97,348	135,648	200,000	-	300,000	-	100,000
Federal Transit Adm (FTA) 5307 Operating	440,019	483,000	532,510	-	559,140	-	26,630
SLO County Trolley Operations & SRTP Match	51,569	51,972	49,300	22,750	49,990	-	(22,060)
RTA Operations Supervisor Contribution	-	8,490	13,650	-	-	-	(13,650)
Advertising and other income	4,848	13,370	10,000	-	5,000	-	(5,000)
4 Total Non-TDA Funds	\$ 809,855	\$ 968,589	\$ 947,650	\$ 179,560	\$ 1,057,090	\$ 240,880	\$ 151,420
5 Local Transportation Funds	\$ 168,670	\$ 441,640	\$ 485,490	\$ -	\$ 456,464	\$ -	\$ (29,026)
Arroyo Grande	64,095	166,057	180,602	-	171,630	-	(8,972)
Grover Beach	48,577	125,426	136,908	-	129,636	-	(7,272)
Pismo Beach	28,505	76,404	83,990	-	78,968	-	(5,022)
SLO County	27,493	73,754	83,990	-	74,404	-	(9,586)
6 Total Operating Revenues	\$ 1,298,890	\$ 1,418,319	\$ 1,433,140	\$ 179,560	\$ 1,513,554	\$ 240,880	\$ 195,270
Non-Operating Resources							
Interest	\$ 4,791	\$ 6,377	\$ 5,660	\$ -	\$ 12,750	\$ -	\$ 7,090
Prop 1B - Vehicle Replacement/ITS	32,429	-	-	-	-	-	-
Federal Transit Adm (FTA) 5307 Capital	100,000	-	-	193,730	-	36,470	(157,260)
Federal Transit Adm (FTA) 5339 Capital	-	-	-	-	-	-	-
7 Total Non-Operating Resources	\$ 137,220	\$ 6,377	\$ 5,660	\$ 193,730	\$ 12,750	\$ 36,470	\$ 62,940
8 Total Resources	\$ 1,436,110	\$ 1,424,696	\$ 1,477,520	\$ 275,160	\$ 1,513,000	\$ 45,590	\$ 190,710

SOUTH COUNTY TRANSIT 2019-20 Proposed Budget

Use of Resources

Administrative Expenditures
Insurance
 Liability & Physical Damage
 Workers Compensation
 Property Insurance
Rent
Utilities
Radio Expense
Legal Services
Payroll Processing
Administration - Staff Time
Finance - Staff Time
Marketing - Staff Time
Office Expense/Miscellaneous
Audit
Marketing/Community Relations/Printing
Uniforms/Laundry/Physicals

Operating Expenditures
Salaries/Benefits
Maintenance
Dispatch - Staff Time
SCT Bus Fuel
Contingency

Total Operating Expenditures

Capital Service
Support Vehicle
Short Range Transit Plan
Computer Upgrade
Vehicles/ITS
Facility Improvements/Bus Stop Amenities
Transit Centers Improvements

Total Capital Service

9

10

FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Proposed Operating	FY 18/19 Proposed Capital	FY 19/20 Proposed Operating	FY 19/20 Proposed Capital	Net Increase (Decrease) In Budgets
\$ 82,593	\$ 101,135	\$ 115,280	\$ -	\$ 118,990	\$ -	\$ 3,710
54,056	57,997	51,000	-	59,710	-	8,710
701	638	740	-	740	-	-
30,600	32,555	30,600	-	30,600	-	-
8,603	8,684	8,980	-	11,270	-	2,290
1,236	1,133	1,240	-	1,240	-	-
-	3,875	1,590	-	1,590	-	-
1,362	876	760	-	450	-	(310)
74,750	77,600	81,110	-	82,190	-	1,080
13,200	13,700	14,320	-	14,520	-	200
5,100	5,290	5,530	-	5,610	-	80
9,950	7,207	7,150	-	6,450	-	(700)
3,020	3,105	3,310	-	3,380	-	70
24,171	13,902	16,000	-	16,050	-	50
9,892	4,936	5,660	-	8,270	-	2,610
\$ 568,810	\$ 616,662	\$ 667,510	\$ -	\$ 710,090	\$ -	\$ 42,580
166,134	182,755	226,920	-	211,530	-	(15,390)
21,850	22,680	23,700	-	24,030	-	330
140,573	166,972	201,490	-	191,310	-	(10,180)
6,006	750	14,630	-	14,980	-	350
\$ 1,222,607	\$ 1,322,452	\$ 1,477,520	\$ -	\$ 1,513,000	\$ -	\$ 35,480
\$ -	\$ -	\$ -	\$ 33,000	\$ -	\$ -	\$ (33,000)
-	-	-	105,000	-	-	(105,000)
-	843	-	-	-	-	-
129,669	-	-	-	-	-	-
7,389	-	-	43,410	-	45,590	2,180
-	-	-	93,750	-	-	(93,750)
\$ 137,058	\$ 843	\$ -	\$ 275,160	\$ -	\$ 45,590	\$ (229,570)
\$ 1,359,665	\$ 1,323,295	\$ 1,477,520	\$ 275,160	\$ 1,513,000	\$ 45,590	\$ (194,090)

Total Use of Resources

SOUTH COUNTY TRANSIT
Five Year Capital Projection

	FY 17/18 Actual Capital	FY 18/19 Adopted Capital	FY 19/20 Proposed Capital	FY 20/21 Projected Capital	FY 21/22 Projected Capital	FY 22/23 Projected	FY 23/24 Projected
<u>Capital Service</u>							
Support Vehicle	\$ -	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -
Short Range Transit Plan	-	105,000	-	-	-	-	-
Computer Upgrade	843	-	-	1,500	-	-	-
Vehicles/ITS	-	-	-	631,750	631,750	2,089,500	-
Bus Stop Amenities	-	43,410	45,590	47,860	49,060	50,290	51,550
Passenger Protection 1300 buses	-	-	-	-	-	-	-
Facility Improvements	-	-	-	-	-	-	-
Transit Centers Improvements/Ticket Machine	-	93,750	-	-	-	-	-
Large Vehicle Repairs	-	-	-	-	50,000	-	-
Total Capital Service	\$ 843	\$ 275,160	\$ 45,590	\$ 681,110	\$ 730,810	\$ 2,139,790	\$ 51,550
Increase Capital Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Use of Resources	\$ 843	\$ 275,160	\$ 45,590	\$ 681,110	\$ 730,810	\$ 2,139,790	\$ 51,550

SOUTH COUNTY TRANSIT
2019-20 Proposed Budget
By Route

	Route 21	Route 24	Route 27	Route 28	Avila Trolley
Miles	68,200	52,520	41,400	57,060	13,710
Hours	3,580	3,530	2,820	3,960	620
<u>Administrative Expenditures</u>					
Insurance	\$ 35,150	\$ 27,070	\$ 21,340	\$ 29,410	\$ 6,030
Liability & Physical Damage	17,640	13,580	10,710	14,760	3,030
Workers Compensation	190	180	140	200	30
Property Insurance	7,850	7,390	5,900	8,240	1,230
Rent	2,890	2,720	2,170	3,030	450
Utilities	320	300	240	330	50
Radio Expense	410	380	310	430	60
Legal Services	120	110	90	120	20
Payroll Processing	21,090	19,850	15,840	22,120	3,290
Administration - Staff Time	3,730	3,510	2,800	3,910	580
Finance - Staff Time	1,440	1,350	1,080	1,510	220
Marketing - Staff Time	1,660	1,560	1,240	1,740	260
Office Expense/Miscellaneous	870	820	650	910	140
Audit	4,120	3,880	3,090	4,320	640
Marketing/Community Relations/Printing	2,120	2,000	1,590	2,230	330
Uniforms/Laundry/Physicals					
<u>Operating Expenditures</u>					
Salaries/Benefits	\$ 176,210	\$ 173,670	\$ 138,890	\$ 194,520	\$ 26,800
Maintenance	52,490	51,730	41,370	57,950	7,980
Dispatch - Staff Time	5,960	5,880	4,700	6,580	910
SCT Bus Fuel	56,510	43,520	34,310	47,280	9,690
Contingency	4,430	3,410	2,690	3,700	760
9 Total Operating Expenditures	\$ 395,200	\$ 362,910	\$ 289,150	\$ 403,290	\$ 62,500
<u>Capital Service</u>					
Support Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -
Short Range Transit Plan	-	-	-	-	-
Facility Improvements/Bus Stop Amenities	11,760	11,590	9,270	12,980	-
Transit Centers Improvements	-	-	-	-	-
Total Capital Service	\$ 11,760	\$ 11,590	\$ 9,270	\$ 12,980	\$ -
10 Total Use of Resources	\$ 406,960	\$ 374,500	\$ 298,420	\$ 416,270	\$ 62,500