

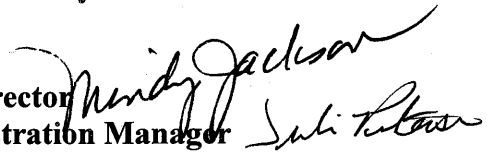
AGENDA ITEM 7 B  
Action Item

**MEMORANDUM**

**DATE:** January 28, 2009

**TO:** El Dorado County Transit Authority  
Transit Advisory Committee

**FROM:** Mindy Jackson, Executive Director  
Julie Petersen, Fiscal Administration Manager



**SUBJECT:** Fiscal Year 2008/09 Mid-Year Operating Budget  
Adjustments

**REQUESTED ACTION:**

**BY MOTION,**

- 1. Accept Fiscal Year 2008/09 Mid-Year Operating Budget Adjustment Report**
- 2. Authorize Executive Director to Reduce Contingency fund by \$486,388 to offset Revenue Accounts**

**BACKGROUND**

The Proposed Fiscal Year 2008/09 Mid-Year Adjusted Operating Budget is presented to consider the status of the El Dorado County Transit Authority's (El Dorado Transit) budget at the six (6) month closing. Section 8.9 of the Joint Exercise of Powers Agreement of the El Dorado County Transit Authority states that the Executive Director has the power "to execute transfers within major budget units, as long as the total expenditures of each major budget unit remain unchanged." This year's Mid-Year adjustments include overall decreases in both Revenue and Expense Accounts, with a \$486,388 budget reduction in the Contingency account. This reduction is required, most notably, due to the loss of State Transit Assistance (STA) funds. This income is derived from local sales tax on fuel and is a component of the Transportation Development Act (TDA). The California State Legislature released only first quarter funds. All recent State budget proposals include elimination of the STA program for transit. The Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide, is labeled as Transportation Development Act (TDA) in the El Dorado Transit budget. The initial projection of available TDA/LTF funds for El Dorado County is prepared by the El Dorado County Auditor. FY 2008/09 Mid-Year budget report shows that the initial projection remains static. Federal Transit Administration (FTA) Section 5307 funds are reduced to reallocate of \$100,000 into capital projects. All requested adjustments are outlined in the discussion portion of this report.

Account adjustments requested as a part of this staff report are noted in bold on the budget report.

## **DISCUSSION**

### **Revenue Accounts**                      **Net change is a decrease of \$835,416 in revenue**

- Account 4270.00 Transportation Tax: STA Fund reflects the revised estimate of \$162,666 of funds available as projected from information provided by the State of California. This is a loss of \$926,837 in operating revenue.
- Account 4970.00 Interest Income: Decrease based on first six (6) months actual. Use of deferred capital income and lower interest rate have decreased account balances.
- Account 4100.00 FTA Section 5311: FTA operating assistance funding is allocated by formula based on population and urbanized/rural designation. The initial \$464,750 projection was based on the actual from the prior year budget. The increase to \$491,432 is based on actual amount programmed through Caltrans for FY 2008/09.
- Account 4300.00 Farebox: Increase based on first six (6) months actual receipts and anticipated two (2) month increase to local route farebox recovery pending the approval of the proposed fare increase. Work furloughs proposed at the State level may cause a decrease in commuter pass sales while increasing cash receipts.
- Account 4310.00 Contract Services: Increase based on first six (6) months actual income. Ridership for these services has remained static.
- Account 4330.00 Sacramento Commuter Route Passes: Increase based on six (6) months actual receivables. Commuter services experienced a record increase in ridership due to high gas prices.
- Account 4350.00 Bus Passes: Increase based on six (6) months actual receivables and anticipated increase in receipts pending approval of the proposed fare increase.
- Account 4360.00 Scrip: Decrease is based on six (6) months actual.
- Account 4107.00 Apple Hill Shuttle Grant: This adjustment reflects the actual reimbursable grant funding amount approved by El Dorado County Air Quality Management District (EDCAQMD) with a "Match-In-Kind" from the Apple Hill® Growers Association.
- Account 4107.02 Spare the Air Grant: This adjustment reflects the actual reimbursable grant funding amount as invoiced to the EDCAQMD.
- Account 4112.00 FTA Section 5307: EDCTA was awarded grant funding to offset designated Preventive Maintenance costs for fiscal year 07/08. Funding will be received during this fiscal year cycle. \$100,000 of original amount has been reallocated to capital projects.
- Account 4107.02 EDC Fair Shuttle: This amount reflects the actual reimbursable grant funding amount approved by EDCAQMD.

### **Salary and Benefits Accounts**                      **Net change is a decrease of \$262,839 in expenses**

- Account 5010.00 Regular Employees: Decrease based on two (2) allocated but unfilled positions and the retirement of several long term employees paid at higher salary rates.
- Account 5020.07 Overtime: Decrease is based on six (6) months actual by implementation of stringent policy oversight.
- Account 5010.08 Stand By Pay: Decrease is based on first six (6) months actual by elimination of on-call mechanic for weekend periods.
- Account 5020.01 Employee Retirement: Decrease based on six (6) month actual and reduction in the Regular Employee salary line item.
- Account 5070.02 Medicare Payroll Tax: Increase based on six (6) month actual.
- Account 5020.02 Health Insurance: Original budget number was held at the FY 2007/08 budget amount. Increase based on six (6) month actual expenses.
- Account 5020.03 Unemployment Insurance: Increase is based on first six (6) months actual. This account is a reimbursable account based on actual costs.
- Account 5020.05 Workers Compensation Insurance: Decrease is based on reduction of payroll expenses and first six (6) month actual premiums.

**Service and Supply Accounts                      Net change is a decrease of \$572,577 in expenses**

The adjustments in each line item presented, are based on actual costs for the first six (6) months of fiscal year 2008/09 and a projection for the remaining six (6) months. El Dorado Transit staff has been aggressively working towards an overall reduction in costs as of the last quarter of fiscal year 2007/08.

- Account 5090.05 Uniforms - Other: Decrease based on first six (6) month actual having purchased the bulk of needed items at the beginning of the fiscal year for quantity pricing breaks.
- Account 5050.01 Communications - Phone: Decrease based on first six (6) month actual with additional savings anticipated from the recently negotiated CALNET II contract effective 12/03/08.
- Account 5060.01 Insurance Premiums/Public Liability: Increase is based on actual premium.
- Account 5060.02 Insurance Premiums/Physical Damage: Decrease is based on actual premium.
- Account 5060.03 Insurance Premiums/Commercial Property: Decrease is based on actual premium.
- Account 5160.07 Service Contracts/Equipment: Increase based on first six (6) month actual, capital projects implemented midway last fiscal year increased this account with premiums now incurred for full fiscal period.
- Account 5160.07 Park and Ride Maintenance: Decrease based on first six (6) month actual with deferral of planned cost-sharing projects.
- Account 5160.01 Maintenance Buildings: Decrease based on first six (6) month actual.

- Account 5090.80 Office Expenses: Decrease based on first six month actual with stricter purchasing controls set in place.
- Account 5090.80 Postage: Decrease based on first six (6) month actual.
- Account 5030.00 Professional Services: Decrease based on first six (6) month actual and diminished commercial and residential development.
- Account 5030.02 Background Checks: Decrease based on first six month actual and reduction of new hires.
- Account 5090.08: Publications and Legal Notices: Decrease based on reduction in publications and costs associated with Human Resources requirements.
- Account 5090.75 Printing: Increase based on first six (6) month actual and anticipated cost for fare increase requiring new printed fare media.
- Account 5120.03 Rents/Leases Park and Rides: Decrease based on first six (6) month actual with planned cost-sharing projects stalled.
- Account 5150.00 Special Department: Increase based on six (6) month actual.
- Account 5150.01 Marketing: Decrease based on deferring planned projects in anticipation of funding loss. Costs associated with proposed fare increase will be charged to this account.
- Account 4108.00 Apple Hill Grant: Based on actual costs for Shuttle 2008.
- Account 6270.00 Contingency: Decrease includes loss of revenue from STA and other funds.

### **FISCAL IMPACT**

The loss of STA program receipts has had a major impact to the El Dorado Transit Fiscal Year 2008/09 budget. The reduction of \$835,416 in the revised budget reflects a 12.7% decline from the original operating budget approved on June 5, 2008.

El Dorado Transit is a joint powers agency and as such is not a general fund recipient from member agency's - County of El Dorado and City of Placerville and does not draw funding from the general funds of either member agency. Further revenue deduction may require El Dorado Transit to access agency reserve funds or reduce service.

**EL DORADO COUNTY TRANSIT AUTHORITY**  
**FISCAL YEAR 2008/2009**

OPERATING BUDGET		FY 2008/2009 Final Approved 06/05/2008	FY 2008/2009 Mid Year Presented 02/05/2009	Change in Account Line Item
<b>REVENUE ACCOUNTS</b>				
4000.00	Transportation Development Act (TDA/LTF)	\$3,555,076	\$3,555,076	\$0
4270.00	State Transit Assistance (STA)	\$1,089,503	<b>\$162,666</b>	-\$926,837
4970.00	Interest Income	\$150,000	<b>\$110,000</b>	-\$40,000
4100.00	Federal Transit Administration (FTA) Section 5311 Grant	\$464,750	<b>\$491,432</b>	\$26,682
4300.00	Farebox	\$129,000	<b>\$155,000</b>	\$26,000
4310.00	Contract Services	\$288,000	<b>\$315,000</b>	\$27,000
4320.00	Farebox - Charter	\$5,000	\$5,000	\$0
4330.00	Sac Commute Route Passes	\$525,000	<b>\$610,000</b>	\$85,000
4350.00	Bus Passes	\$59,000	<b>\$69,000</b>	\$10,000
4360.00	Scrip	\$73,000	<b>\$69,000</b>	-\$4,000
4990.00	Misc Revenue	\$2,000	\$2,000	\$0
4107.00	Apple Hill Shuttle AB2766 Grant	Pending	<b>\$47,128</b>	\$47,128
4107.02	Spare the Air AB2766 Grant	\$37,100	<b>\$26,190</b>	-\$10,910
4112.00	FTA Section 5307 Grant FY 07/08	\$200,000	<b>\$100,000</b>	-\$100,000
4107.03	Fair Shuttle AB2766 Grant	Pending	<b>\$24,521</b>	\$24,521
<b>TOTAL REVENUES</b>		<b>\$6,577,429</b>	<b>\$5,742,013</b>	-\$835,416
<b>SALARY &amp; BENEFIT ACCOUNTS</b>				
5010.00	Regular Employees	\$2,524,574	<b>\$2,404,574</b>	-\$120,000
5010.02	Temporary Employees	\$184,618	\$184,618	\$0
5010.07	Overtime	\$100,000	<b>\$80,000</b>	-\$20,000
5010.08	Stand By Pay	\$15,000	<b>\$10,000</b>	-\$5,000
5010.09	Skill and Shift Pay	\$28,500	\$28,500	\$0
5020.01	Employee Retirement	\$512,716	<b>\$482,716</b>	-\$30,000
5070.01	(OASDI - Payroll Tax) FICA	\$12,075	\$12,075	\$0
5070.02	MEDICARE - Payroll Tax	\$35,280	<b>\$36,780</b>	\$1,500
5020.02	Health Insurance	\$553,049	<b>\$575,000</b>	\$21,951
5020.03	Unemployment Insurance	\$0	<b>\$10,000</b>	\$10,000
5020.04	LT Disability/Life Ins	\$23,217	\$23,217	\$0
5020.05	Worker's Comp	\$313,290	<b>\$192,000</b>	-\$121,290
<b>TOTAL SALARY &amp; BENEFITS</b>		<b>\$4,302,319</b>	<b>\$4,039,480</b>	-\$262,839
<b>SERVICE &amp; SUPPLY ACCOUNTS</b>				
5090.02	Clothing & Supplies	\$4,000	\$4,000	\$0
5090.05	Uniforms - Other	\$15,435	<b>\$10,435</b>	-\$5,000
5050.01	Communications - Phone	\$32,550	<b>\$26,000</b>	-\$6,550
5090.20	Communications - Radio	\$8,033	\$8,033	\$0
5090.01	Household Expenses	\$15,084	\$15,084	\$0
5060.01	Insurance Premiums/Public Liability	\$152,626	<b>\$171,821</b>	\$19,195
5060.02	Insurance Premiums/Physical Damage	\$20,844	<b>\$11,635</b>	-\$9,209
5060.03	Insurance Premiums/Commercial Property	\$9,452	<b>\$9,010</b>	-\$442
5090.06	Service Contracts/Equipment	\$29,844	<b>\$34,000</b>	\$4,156
5160.07	Park and Ride Maintenance	\$28,035	<b>\$18,035</b>	-\$10,000
5160.01	Maintenance/Buildings	\$8,000	<b>\$3,000</b>	-\$5,000
5160.05	Maintenance/Grounds	\$4,813	\$4,813	\$0
5160.09	Maintenance/Bus Stop	\$4,536	\$4,536	\$0
5160.00	Maintenance/Other	\$1,500	\$1,500	\$0
5040.00	Vehicle Maintenance (In-House)	\$254,100	\$254,100	\$0
5040.02	Vehicle Maintenance/Tires & Tubes	\$33,600	\$33,600	\$0
5040.03	Vehicle Maintenance/Lubricants	\$16,590	\$16,590	\$0
5040.04	Vehicle Maintenance/Small Tools - Shop	\$3,700	\$3,700	\$0
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$44,365	\$44,365	\$0
5090.40	Memberships	\$4,264	\$4,264	\$0
5090.70	Office Expense	\$22,050	<b>\$15,000</b>	-\$7,050
5090.80	Postage	\$7,000	<b>\$4,000</b>	-\$3,000
5030.00	Professional Services	\$150,000	<b>\$80,000</b>	-\$70,000
5030.02	Background Checks	\$5,000	<b>\$1,500</b>	-\$3,500
5090.08	Pubs/Legal Notices	\$5,513	<b>\$3,000</b>	-\$2,513
5090.75	Printing	\$27,300	<b>\$37,300</b>	\$10,000
5120.02	Rents/Leases - Equipment	\$20,396	\$20,396	\$0
5120.03	Rents/Leases Park and Rides	\$21,802	<b>\$2,500</b>	-\$19,302
5140.01	Equipment Purchase - Data Processing	\$3,465	\$3,465	\$0
5140.05	Equipment Purchase - Office	\$1,733	\$1,733	\$0
5150.00	Special Department Expense	\$1,617	<b>\$2,500</b>	\$883
5150.01	Marketing	\$60,000	<b>\$30,000</b>	-\$30,000
5090.30	Staff Development/Travel	\$15,435	\$15,435	\$0
5040.01	Fuel Purchase	\$595,340	\$595,340	\$0
5090.72	Bank Charges	\$500	\$500	\$0
5050.02	Utilities	\$39,900	\$39,900	\$0
5050.03	Utilities/ MMTF	\$8,740	\$8,740	\$0
8500.00	Interest Expense	\$0	\$0	\$0
4108.00	Apple Hill Shuttle AB2766 Grant	Pending	<b>\$51,143</b>	\$51,143
4108.03	Fair Shuttle AB2766 Grant	Pending	\$0	\$0
6270.00	Contingency	\$597,948	<b>\$111,560</b>	-\$486,388
<b>TOTAL SERVICES AND SUPPLIES</b>		<b>\$2,275,110</b>	<b>\$1,702,533</b>	-\$572,577
<b>TOTAL OPERATING EXPENSES</b>		<b>\$6,577,429</b>	<b>\$5,742,013</b>	-\$835,416

**This Page Intentionally Left Blank**