

AGENDA ITEM 8 A
Information Item

MEMORANDUM

DATE: March 26, 2008

TO: El Dorado County Transit Authority
Transit Advisory Committee

FROM: Mindy Jackson, Transit Director
Julie Petersen, Fiscal Administration Manager

SUBJECT: Review Approved Fiscal Year 2008/2009 Preliminary Operating Budget; Mission Statement; Personnel Allocation and Organizational Chart

REQUESTED ACTION:

BY MOTION,

1. Review Adopted Mission Statement and Goal for Fiscal Year 2008/2009
2. Review Approved Preliminary Operating Budget for Fiscal Year 2008/2009
3. Review Approved Proposed Personnel Allocation for Fiscal Year 2008/2009
4. Review Approved Proposed Organizational Chart for Fiscal Year 2008/2009

BACKGROUND

The Bylaws of the El Dorado County Transit Authority (El Dorado Transit) require submission of a preliminary budget to the board on or before March 1 each year. Historically, the preliminary budgets are submitted for adoption at the regularly scheduled March meeting. The Board shall adopt a preliminary operating budget and a preliminary capital budget by April 15 of each year. Final budgets are to be submitted to the Board on or before June 15 of each year.

The preliminary budget was presented and approved by the Board on March 6, 2008. El Dorado Transit staff anticipates returning a revised budget for approval upon receipt of firm

insurance quotes, formal revenue estimates from the State Controllers Office and CalTrans, as well as other revenues and expenses.

This is presented to the Transit Advisory Committee for review and comment.

DISCUSSION

1. ADOPTED MISSION STATEMENT AND GOAL

The El Dorado Transit mission statement:

“To provide effective public transit, coordinate transit services, reduce vehicle miles traveled on the Western Slope of El Dorado County and actively support reducing emissions to improve air quality”

The adopted goal is:

“To provide safe, reliable, courteous, attractive and comfortable public transit”

El Dorado Transit management and staff are committed to the mission and goal and strive to achieve an annual 3% increase in passenger trips. During fiscal year 2006/2007 El Dorado Transit provided 360,659 passenger trips – an 11% increase in passenger trips. For the first six months of the current fiscal year (07/08) passenger trips are up 9% representing an additional 16,067 trips over the same period in fiscal year 2006/2007.

El Dorado Transit buses are safe, reliable, attractive and comfortable. Safety for passengers, drivers and the general public is a high priority and well-managed by all transit employees. The fleet is reliable when measured by the fact that maintenance staff averaged one (1) road call for every 10,313 miles.

2. APPROVED PRELIMINARY OPERATING BUDGET

El Dorado Transit presents the budget in a format that compares prior year approved budget to preliminary budget. The annual preliminary budget is based on the following criteria:

- Per budget line item – Prepare an analysis of the first six (6) months of current fiscal year actual expenses and access following years’ needs. Adjustments are entered according to planned costs and labor agreement obligations.
- Preliminary budget assumes maintaining current level of service

- Renewals for insurance are not available in February; most renewals go into effect on July 1 of each year.
- Contingency is set at ten percent (10 %) of budget per board direction.

Revenue Accounts

The preliminary budget for fiscal year 2008/2009 includes 71% of operating funds to be claimed under the Transportation Development Act (TDA). The TDA provides two (2) funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide. These funds are collected in each county then returned to each county's LTF.
2. State Transit Assistance fund (STA), which is derived from the statewide sales on gasoline and diesel fuel. These funds are allocated according to population and El Dorado Transit is the only eligible recipient on the Western Slope of El Dorado County.

LTF retail sales tax revenue receipts are 5.73% less than projected in the current fiscal year (07/08). The loss of projected revenue in the current fiscal year was covered with mid-year budget adjustments. Those adjustments included reducing TDA revenue; reduction in various expense line items and the use of \$433,572 of contingency funds to cover the budget adjustments.

The El Dorado County Auditor estimates a 4% decrease in LTF monies available for public transit in fiscal year 2008/2009. With a projected decrease in LTF revenue for a second year, El Dorado Transit management prepared a preliminary budget for fiscal year 2008/2009 to continue the existing level of service. At this time, El Dorado Transit staff is not recommending service changes or a review of the fare structure. The *Short Range Transit Plan for El Dorado County* is a planning document being developed by the El Dorado County Transportation Commission. This plan will provide the El Dorado Transit Board with recommended service changes; analysis of fare structure and other transit program issues to be considered before July 1, 2008.

During fiscal year 2007/2008 STA funds were diverted from transit-related allocations by the State of California resulting in 60% less STA available than projected for the 2007/2008 El Dorado Transit budget. El Dorado Transit recommends claiming \$1,089,503 of State Transit Assistance (STA) funds for operating revenue. The projected amount of STA available is

\$1,574,791 however; the actual allocation available will be not be known until the State of California budget is approved.

Contract Services revenue is based on a rate agreement with ALTA Regional California (ALTA) to transport ALTA clients to the Motherlode Rehabilitation Enterprises, Inc. (M.O.R.E.). El Dorado Transit successfully renegotiated a rate increase in 2007/2008 and is receiving approximately 80% of the cost of this service from ALTA.

The projected fares are anticipated to remain static unless there is a fare increase.

The Apple Hill Shuttle and Fair Shuttle are typically funded with grants from the El Dorado County Air Quality Management District. A call for projects for these programs has been received and El Dorado Transit staff is currently working on project submissions.

Salary and Benefits Accounts

Regular Employees and Overtime. The regular employees and overtime accounts include funding for eligible merit step increases; longevity and labor agreement obligations.

Employee Retirement. Employee Retirement is based on the PERS formula for the employer portion (13.309 %) plus the employee portion paid by El Dorado Transit (7%). PERS is paid as a percentage of regular hours worked.

Health Insurance. Health Insurance includes the El Dorado Transit portion of providing health, vision and dental coverage to eligible employees. The El Dorado Transit employer contribution for all employees is benchmarked on a specific product of the CalPERS plan covering unrepresented employees. The CalPERS plan coverage is for each calendar year therefore; premium increases would occur in January 2009. At current staffing levels, El Dorado Transit conservatively expects to maintain costs at 2007/2008 levels.

Workers Compensation. El Dorado Transit manages two (2) types of workers compensation coverage.

- Effective April 1, 2002, El Dorado Transit was covered through a Joint Powers Agreement as a member of the Special Districts Risk Management Authority (SDRMA). Final premium renewals/quotes are not available at this time.
- The new pool did not accept workers compensation claims open on May 30, 2002 therefore; El Dorado Transit was required to self-insure and hold funds for those claims. El Dorado Transit deposited the refunded funds from the initial pool to a trust fund to cover open claims. Bragg and Associates is the third party administrator managing the trust account and handling these claims. Bragg and Associates has closed nine (9) of the initial thirteen (13) open claims.

Service and Supply Accounts

Increases in these accounts are based on operational needs associated with continuing the current level of service and a projection calculated on actual expenses for the first six (6) months of fiscal year 2007/2008. Accounts with significant changes are discussed below.

Communications – Phone

El Dorado Transit is experiencing an increase to the demands of the current phone system. In fiscal year 2005/2006 a system upgrade was completed to provide increased service. This product has the capability for reprogramming to expand services beyond today's usage. In order to accomplish the needed improvement, additional incoming phone lines are needed. Fiscal year 2008/2009 will see an increase to monthly service charges for the additional lines.

Vehicle Maintenance. El Dorado Transit provides in-house maintenance for all services except bodywork and windshields. Each large maintenance project is reviewed and may be contracted out if necessary, to meet timeframes for returning vehicles to revenue service.

Service Contracts / Equipment

This account includes:

- Trapeze - Trip Scheduling Software
- VoicePro - Phone System Equipment and Software
- Squarerigger – Vehicle Maintenance Software
- Zonar – Vehicle Tracking and Maintenance Software
- Alarm Services
- Various office equipment service contracts

Marketing. This account has been increased per the marketing plan approved on February 2, 2006.

Fuel Purchases continue to fluctuate. El Dorado Transit currently fuels gas and diesel powered vehicles at three (3) card lock companies. The projection increases this account by \$17,370.

Contingency is set at ten percent (10%) of budget. This account is to offset unplanned costs or cost increases during fiscal year 2008/2009.

EL DORADO COUNTY TRANSIT AUTHORITY FISCAL YEAR 2008/2009

OPERATING BUDGET		FY 2007/2008	FY 2008/2009
		Mid-Year Adjustment	Preliminary
REVENUE ACCOUNTS		Approved 02/07/08	Approved 03/06/08
4000.00	Transportation Development Act (LTF)	\$3,706,607	\$3,555,076
	Excess Local Transportation Fund (LTF) FY 2006/2007	-\$440,134	\$0
4270.00	State Transit Assistance (STA)	\$669,429	\$1,089,503
4970.00	Interest Income	\$150,000	\$150,000
4100.00	FTA Section 5311 Grant	\$429,437	\$464,750
4300.00	Farebox	\$129,000	\$129,000
4310.00	Contract Services	\$288,000	\$288,000
4320.00	Farebox - Charter	\$5,000	\$5,000
4330.00	Sac Commute Route Passes	\$525,000	\$525,000
4350.00	Bus Passes	\$56,000	\$59,000
4360.00	Scrip	\$71,000	\$73,000
4990.00	Misc Revenue	\$2,000	\$2,000
4107.00	Apple Hill Shuttle AB2766 Grant	\$37,900	Pending
4107.02	Spare the Air AB2766 Grant	\$13,558	\$37,100
4112.00	FTA Section 5307 Grant FY 06/07	\$88,800	\$0
4112.00	FTA Section 5307 Grant FY 07/08	\$0	\$200,000
4107.03	Fair Shuttle AB2766 Grant	\$25,200	Pending
4109.03	FTA Section 5313 Grant - Design Manual	\$20,703	\$0
TOTAL REVENUES		\$5,777,500	\$6,577,429
SALARY & BENEFIT ACCOUNTS			
5010.00	Regular Employees	\$2,324,236	\$2,524,574
5010.02	Temporary Employees	\$191,000	\$184,618
5010.07	Overtime	\$80,000	\$100,000
5010.08	Stand By Pay	\$15,000	\$15,000
5010.09	Skill and Shift Pay	\$28,500	\$28,500
5020.01	Employee Retirement	\$492,366	\$512,716
5070.01	(OASDI - Payroll Tax) FICA	\$11,550	\$12,075
5070.02	MEDICARE - Payroll Tax	\$33,600	\$35,280
5020.02	Health Insurance	\$553,049	\$553,049
5020.03	Unemployment Insurance	\$6,682	\$0
5020.04	LT Disability/Life Ins	\$23,217	\$23,217
5020.05	Worker's Comp	\$230,039	\$313,290
TOTAL SALARY & BENEFITS		\$3,989,239	\$4,302,319
SERVICE & SUPPLY ACCOUNTS			
5090.02	Clothing & Supplies	\$4,600	\$4,000
5090.05	Uniforms - Other	\$14,700	\$15,435
5050.01	Communications - Phone	\$22,050	\$32,550
5090.20	Communications - Radio	\$7,650	\$8,033
5090.01	Household Expenses	\$14,366	\$15,084
5060.01	Insurance Premiums/Public Liability	\$152,626	\$152,626
5060.02	Insurance Premiums/Physical Damage	\$17,370	\$20,844
5060.03	Insurance Premiums/Commercial Property	\$9,011	\$9,452
5090.06	Service Contracts/Equipment	\$12,265	\$29,844
5160.07	Park and Ride Maintenance	\$26,700	\$28,035
5160.01	Maintenance/Buildings	\$8,000	\$8,000
5160.05	Maintenance/Grounds	\$2,867	\$4,813
5160.09	Maintenance/Bus Stop	\$4,536	\$4,536
5160.00	Maintenance/Other	\$1,500	\$1,500
5040.00	Vehicle Maintenance (In-House)	\$242,000	\$254,100
5040.02	Vehicle Maintenance/Tires & Tubes	\$32,000	\$33,600
5040.03	Vehicle Maintenance/Lubricants	\$15,800	\$16,590
5040.04	Vehicle Maintenance/Small Tools - Shop	\$3,400	\$3,700
5040.80	Vehicle Maintenance/Sales Tax/ Fuel & Lub.	\$42,000	\$44,365
5090.40	Memberships	\$4,079	\$4,264
5090.70	Office Expense	\$21,000	\$22,050
5090.80	Postage	\$7,000	\$7,000
5030.00	Professional Services	\$150,000	\$150,000
5030.02	Background Checks	\$10,000	\$5,000
5090.08	Pubs/Legal Notices	\$5,513	\$5,513
5090.75	Printing	\$26,000	\$27,300
5120.02	Rents/Leases - Equipment	\$19,425	\$20,396
5120.03	Rents/Leases Park and Rides	\$21,802	\$21,802
5140.01	Equipment Purchase - Data Processing	\$3,150	\$3,465
5140.05	Equipment Purchase - Office	\$1,575	\$1,733
5150.00	Special Department Expense	\$1,470	\$1,617
5150.01	Marketing	\$50,000	\$60,000
5090.30	Staff Development/Travel	\$14,700	\$15,435
5040.01	Fuel Purchase	\$578,000	\$595,340
5090.72	Bank Charges	\$500	\$500
5050.02	Utilities	\$38,000	\$39,900
5050.03	Utilities/ MMTF	\$8,324	\$8,740
8500.00	Interest Expense	\$0	\$0
4108.00	Apple Hill Shuttle AB2766 Grant	\$41,049	Pending
4110.03	FTA Section 5313 Grant - Design Manual	\$23,023	\$0
4108.03	Fair Shuttle AB2766 Grant	Pending	Pending
6270.00	Contingency	\$130,210	\$597,948
TOTAL SERVICES AND SUPPLIES		\$1,788,261	\$2,275,110
TOTAL OPERATING EXPENSES		\$5,777,500	\$6,577,429

3. ***APPROVED PERSONNEL ALLOCATION TABLE***

To maintain the current level of public transit services, the Personnel Allocation Table for fiscal year 2008/2009 is unchanged from prior year 2007/2008.

Classification	EDCTA Approved FY 2007/2008	EDCTA Proposed FY 2008/2009
Accounting Technician I	2	2
Equipment Mechanic I/II	3	3
Fiscal Administration Manager	1	1
Information Technology Analyst	1	1
Maintenance Technician	2	2
Office Assistant II	2	2
Admin Services/Human Resources Manager	1	1
Operations Manager	1	1
Senior Equipment Mechanic	1	1
Transit Director	1	1
Transit Dispatcher	5	4
Transit Scheduler	0	1
Transit Driver	31 (fte*)	31 (fte*)
Transit Services Assistant	1	1
Transit Trainer	1	1
Transportation Supervisor	2	2
<i>TOTAL ALLOCATED POSITIONS</i>	55	55

* fte = Full Time Equivalent

4. APPROVED ORGANIZATIONAL CHART (See Next Page)

The proposed organizational structure remains static with no proposed changes for fiscal year 2008/2009.