

COUNCIL AGENDA: August 3, 2010

SUBJECT: TRANSIT BUDGET – FY 2010/11

SOURCE: Administration (Transit)

COMMENT: As directed at the July 27, 2010 Budget Study Session, attached is the proposed Revenue and Expenditure Budget for the Transit Fund for Council review and adoption.


For Council reference, also attached is a memo highlighting the individual segments of the Transit Budget, and the need for approval of the same.

RECOMMENDATION: That the City Council:

1. Approve the FY 2010/11 Transit Budget; and
2. Direct Staff to proceed with the implementation of the programs and projects outlined therein.

ATTACHMENT: 1. Transit Fund FY 2010/11 Revenue and Expenditure Budget
2. Memo to Council and City Manager from Administrative Analyst

DD



Appropriated/Funded MB

CM



Item No. 21

CITY OF PORTERVILLE
REVENUE BUDGET WORKSHEETS
FISCAL YEAR 2010/11

	ACTUAL			BUDGET FY 2009/10	Y-T-D DEC 09	ACTUAL		PROPOSED 2010/11 BUDGET
	FY 2006/07	FY 2007/08	FY 2008/09			PROJECTED FYE		
TRANSIT								
020 4220	(104,979)	(365,624)	(1,045,177)	(351,660)	(17,016)	(17,016)	(101,660)	
020 4502	-	-	-	-	108,214	108,214	105,000	
020 4508	443,471	393,635	360,257	1,400,000	-	593,247	787,268	
020 4509	452,282	569,241	701,131	-	288,584	434,596	-	
020 4516	-	434,207	-	241,943	241,943	241,943	243,017	
020 4517	388,269	1,904,679	846,441	2,423,011	316,245	686,151	2,012,731	
020 4518	22,292	42,400	-	40,000	-	40,000	40,000	
020 4601	12,559	23,761	8,673	-	3,592	7,184	-	
020 4607	9,027	9,420	9,420	9,600	4,710	9,420	9,600	
020 4891	16,942	20,110	11,928	12,000	421	842	12,000	
020 4896	293,720	311,869	354,612	320,000	163,681	327,361	420,000	
020 4992	-	10,000	3,628	-	-	-	-	
020 4998	180	945	(476)	-	253	505	-	
020 4999	2,865	2,958	-	-	-	-	-	
TOTAL REVENUE	1,841,608	3,723,224	2,295,614	4,446,554	1,127,642	2,510,714	3,629,616	

CITY OF PORTERVILLE
EXPENDITURE BUDGET WORKSHEETS
FISCAL YEAR 2010/11

	ACTUAL			BUDGET FY 2009/10	ACTUAL		PROPOSED 2010/11 BUDGET
	FY 2006/07	FY 2007/08	FY 2008/09		Y-T-D DEC 09	PROJECTED FYE	
TRANSIT ADMINISTRATION							
020 5011-070-010 Salaries, Regular	59,787	65,612	70,960	74,478	36,766	73,533	81,821
020 5011-070-030 Salaries, Overtime	107	-	-	-	-	-	-
020 5011-070-090 Benefits	26,174	22,254	20,648	22,102	10,921	21,842	24,296
020 5011-070-120 Building/Grounds Maintenance	10,653	10,043	9,570	15,000	4,250	8,500	12,000
020 5011-070-140 Computer Equipment Maintenance	-	-	186	-	93	186	500
020 5011-070-210 Advertising	976	4,808	1,710	7,500	983	1,967	3,000
020 5011-070-220 Printing/Copying	8,399	5,906	4,584	12,000	-	6,500	12,000
020 5011-070-230 Professional/Temp Service	79,220	77,296	43,132	75,000	35,989	71,979	75,000
020 5011-070-410 Meeting Expense	994	4,561	1,976	4,000	409	817	6,000
020 5011-070-420 Utilities	1,256	2,089	25,465	35,000	307	613	4,500
020 5011-070-450 Publication and Dues	875	1,055	891	1,200	719	1,438	1,000
020 5011-070-520 Insurance, Liability	71,644	86,598	87,530	100,000	87,445	87,445	100,000
020 5011-070-540 Insurance, Property	-	-	7,684	5,000	8,076	8,076	10,000
020 5011-070-660 Other Expense	34	190	18,014	25,000	8,426	16,852	25,000
020 5011-070-710 Office Equipment (over \$1,000)	-	-	-	-	-	-	-
TOTAL	260,119	280,413	292,348	376,280	194,384	299,747	355,116

020 5011-070-010 Salaries, Regular

020 5011-070-030 Salaries, Overtime

020 5011-070-090 Benefits

020 5011-070-120 Building/Grounds Maintenance

020 5011-070-140 Computer Equipment Maintenance

020 5011-070-210 Advertising

020 5011-070-220 Printing/Copying

020 5011-070-230 Professional/Temp Service

020 5011-070-410 Meeting Expense

020 5011-070-420 Utilities

020 5011-070-450 Publication and Dues

020 5011-070-520 Insurance, Liability

020 5011-070-540 Insurance, Property

020 5011-070-660 Other Expense

020 5011-070-710 Office Equipment (over \$1,000)

TOTAL

CITY OF PORTERVILLE
EXPENDITURE BUDGET WORKSHEETS
FISCAL YEAR 2010/11

	ACTUAL			BUDGET FY 2009/10	ACTUAL		PROPOSED 2010/11 BUDGET
	FY 2009/07	FY 2007/08	FY 2008/09		Y-T-D DEC 09	PROJECTED FYE	
68,459	65,702	57,614	65,000	19,099	38,198	36,000	
-	-	-	-	-	-	-	
344,849	336,872	365,651	305,416	142,188	284,376	329,443	
40,615	72,440	62,856	-	-	-	-	
1,084	100	-	-	-	-	-	
-	5,350	45,028	-	-	-	-	
-	-	-	-	-	-	-	
455,006	480,464	531,149	370,416	161,287	322,574	365,443	

DEMAND RESPONSE

- 020 5011-080-110 Vehicle Maintenance
- 020 5011-080-230 Professional/Temp Service
- 020 5011-080-250 Contract Services
- 020 5011-080-650 Depreciation Expense
- 020 5011-080-660 Other Expense
- 020 5011-080-720 Automotive Equip (over \$1,000)
- 020 5011-080-730 Other Mach/Equip (over \$1,000)

TOTAL

CITY OF PORTERVILLE
EXPENDITURE BUDGET WORKSHEETS
FISCAL YEAR 2010/11

	ACTUAL			BUDGET	ACTUAL		PROPOSED
	FY 2006/07	FY 2007/08	FY 2008/09		FY 2009/10	Y-T-D DEC 09	
FIXED ROUTE							
020 5011-090-110 Vehicle Maintenance	318,720	408,570	394,138	400,000	229,673	459,346	350,000
020 5011-090-230 Professional/Temp Service	-	-	-	-	-	-	-
020 5011-090-250 Contract Services	530,159	539,851	618,808	600,748	299,443	598,886	649,057
020 5011-090-650 Depreciation Expense	246,687	253,922	203,233	-	-	-	-
020 5011-090-660 Other Expense	1,916	23,391	7,891	35,000	301	601	17,500
020 5011-090-720 Automotive Equip (over \$1,000)	-	11,467	-	1,994,943	-	400,000	1,843,960
020 5011-090-730 Other Mach/Equip (over \$1,000)	142	58,908	28,525	274,650	9,745	19,490	415,088
TOTAL	1,097,624	1,296,109	1,252,596	3,305,341	539,162	1,478,323	3,275,605

FIXED ROUTE

- 020 5011-090-110 Vehicle Maintenance
- 020 5011-090-230 Professional/Temp Service
- 020 5011-090-250 Contract Services
- 020 5011-090-650 Depreciation Expense
- 020 5011-090-660 Other Expense
- 020 5011-090-720 Automotive Equip (over \$1,000)
- 020 5011-090-730 Other Mach/Equip (over \$1,000)

TOTAL

July 12, 2010

TO: Mayor and Members of the City Council
John Lollis, City Manager

FROM: Linda Clark, Administrative Analyst II

SUBJECT: Fiscal Year 2010/11 Transit Budget

There are several items pending in the Transit Budget which are in need of processing, and we would appreciate the Council's review and approval of the Transit Budget at the earliest possible convenience:

(1) **Sierra Management Agreement:** On April 6, 2010, the City Council approved the FY 2010/11 agreement with Sierra Management. As such, effective July 1, 2010, the hourly rates and fixed costs for Demand Response and Fixed Route have changed, and the contract services for the month of July will be payable on or about the 10th day of August, 2010. Even though the contract total is an increase over the prior fiscal year, the contract amount is still less than that experienced in FY 08/09. As the Council will recall, Sierra Management voluntarily decreased their FY 09/10 contract by \$100,000 to show their commitment to the City to "share the pain" during difficult times. However, Sierra Management is now facing a substantial increase in cost relating to workers compensation and other required insurance amounts, which now force them to revert back to a modest increase in their contract.

(2) **Vehicle Repair of Transit Bus No. 8159:** This equipment is a 2003 MST Freightliner awaiting a \$20,000 major repair. We have kept this repair "on hold" due to budget issues; however, it is a vital piece of equipment with a particulate filter, and it would be very beneficial to get this vehicle back "on line" as soon as possible. Our four new transit buses are not due to arrive until sometime in October, 2010, and the summer months are traditionally extremely hard on the large transit buses which then experience an increase in breakdowns and length of repairs. With this bus off-line, we do not have an adequate supply of transit vehicles for back-up to assist us through the summer months.

(3) **Annual Transportation Agreement with Tulare County:** The preparation of the annual Transportation Agreement is contingent upon the completion of the June 30th Revenue and Expenditure Report, and the end-of-the year reconciliation of the Transit

Fund. Additionally, the approved FY 2010/11 Transit Budget figures are incorporated into the calculations needed to compute the annual compensation from Tulare County payable to the City for providing transit service to county areas. We generally have this agreement completed and before the City Council by late August or early September. Once the Council approves the agreement, it is then forwarded to the County for their signatures, which can take up to several months for processing and final TCAG Board approval. Until the agreement has been finalized, the City of Porterville will not be able to file any claims with the County for LTF or STAF funds. This could lead to a further problem. By law, transit needs are mandated to be funded first, requiring all transit claims to be filed before TCAG can release any streets and roads funds to agencies. A delay in the processing of the annual Transportation Agreement would delay any streets and roads funds being released to Porterville, and other agencies, until late spring, 2011.

All revenue required to operate Transit consists of:

- Local Transportation Funds (LTF)
- State Transit Assistance Funds (STAF)
- PTMISEA Funds (State Funds generated from the sale of Proposition 1B bonds)
- Section 5307 grant funds for capital projects (funded at 80%), and \$300,000 per year for operating costs
- Section 5303 planning funds through TCAG to reimburse Federally-required Studies and Plans
- Transit Center rental fees
- Transit ticket sales, including bus passes and fare revenue.

There are no General Fund transfers for the operation of the Transit system, and Transit Revenue can only be used for Transit-related expenses.

The Transit Fund Operating Budget consists of three categories of expenses: (1) Transit Administration, (2) Demand-Response, and (3) Fixed Route.

(1) **Transit Administration:** This category covers administrative overhead expenses for City employees involved in the management of the Transit system (100% Transit Administrative Analyst salary, and 12.5% Finance Department Administrative Analyst salary); Building/Grounds Maintenance for the Transit Center; Advertising, printing, copying, publications and dues; Professional services; Meeting and training expense; Utilities; Liability and Vehicle Physical Damage Program for Transit Equipment; and miscellaneous expenses consisting of maintenance and repair items at the Transit Center, and Air Time charges for radios and GPS vehicle equipment. Just as a side note, the Liability and Vehicle Physical Damage Program insurance for FY 2010/11 amounted to \$78,511, over \$21,000 less than anticipated in the compilation of the budget. This decrease is attributed to a retrospective adjustment available to the City after six years of participation in CalTIP (California Transit Insurance Pool). This premium is almost \$50,000 less than insurance coverage previously paid by the contractor in 2003. As the result of continued rising insurance premiums, the City joined CalTIP in an effort to stabilize insurance premiums and to participate in a risk management pool to benefit from

ongoing member services and sound risk management principles. Future retrospective adjustments can be expected as long as the City can maintain its pooled rate and experience factors.

(2) **Demand Response:** This category is a breakdown of expenses dealing specifically with the Demand Response (curb-to-curb) service. Generally, the two main categories are Vehicle Maintenance for Demand Response vehicles, and contract services specifically for this portion of the service.

(3) **Fixed Route:** This category is generally the most expensive component of the Transit Fund due to the two automotive equipment accounts (72 and 73). FY 2010/11 shows \$1,843,960 in Account No. 72, which represents the purchase of four (4) CNG low-floor transit buses. Three of those buses are paid for completely through ARRA funds, approximately \$1.2 million. The remaining bus is paid through a combination of Prop. 1B funds and Local Transportation Funds (LTF), for a total of \$400,943, leaving a balance of \$243,017, which will be paid through Prop. 1B funds, once bonds are sold, and then dedicated for the purchase of a new trolley and bus stop amenities.

Account No. 73 is a combination of transit amenities, including bus turn-outs, bus stop signs and poles, electronic fare boxes, shelters and benches, and signal pre-emption equipment. All of this equipment is grant funded, with 80% of the funds provided by Section 5307 transit funding. The remaining 20% is paid for by Transit LTF funds.

The total of the Transit Fund budget for FY 2010/11 is anticipated to be approximately \$3,974,676, taking into account the \$21,000 savings in the insurance category. Fiscal Year 2009/10 preliminary budget totals were \$4,052,037, showing a slight decrease this fiscal year in operating expenses over the last fiscal year. Generally, unless vehicle maintenance, equipment purchases, contractor fees, or insurance rates change substantially, the Transit Budget remains relatively constant from year-to-year.

The Council's consideration of the passage of the FY 2010/11 Transit Budget is appreciated.