



AGENDA

TRANSIT ADMINISTRATIVE OVERSIGHT COMMITTEE of the BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

**Friday, February 27, 2015
10:00 a.m.**

**BCAG Conference Room
2580 Sierra Sunrise Terrace, Suite 100, Chico CA
(530) 879-2468**

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1. Introductions
 2. Minutes from January 29, 2015 Finance Workshop Meeting

ITEMS FOR INFORMATION

3. FY 2015/16 Proposed Draft Budget - **Julie**
4. Other Items

PERSONS WISHING TO ADDRESS AGENDA ITEMS OR COMMENT ON ANY ITEM NOT ON THE AGENDA MAY DO SO AT THIS TIME. COMMENTS ARE LIMITED TO THREE MINUTES PER PERSON. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.

FOR ITEMS NOT ON THE AGENDA, NO ACTION WILL BE TAKEN AT THIS TIME. IF IT REQUIRES ACTION, IT WILL BE REFERRED TO STAFF AND OR PLACED ON THE NEXT AGENDA.

COPIES OF STAFF REPORTS OR OTHER WRITTEN DOCUMENTATION RELATING TO ITEMS OF BUSINESS REFERRED TO ON THE AGENDA ARE ON FILE IN THE OFFICE OF BUTTE COUNTY ASSOCIATION OF GOVERNMENTS (BCAG). PERSONS WITH QUESTIONS CONCERNING AGENDA ITEMS MAY CALL BCAG TO MAKE INQUIRIES REGARDING THE NATURE OF THE ITEM DESCRIBED ON THE AGENDA.



ITEM # 2

**Butte County Association of Governments
Transit Administrative Oversight Committee (TAOC)
Summary Meeting Minutes
For January 29, 2015**

MEMBERS PRESENT

Linda Herman	City of Chico
Frank Fields	City of Chico
Scott Dowell	City of Chico
Ruth Wright	City of Oroville
Gina Will	Town of Paradise
Cindy Jones	Butte County Public Works

STAFF PRESENT

Jon Clark	Executive Director
Andy Newsum	Deputy Director
Julie Quinn	Chief Fiscal Officer
Mike Rosson	Transit Manager
Jim Peplow	Transit Planning Manager
Lance Atencio	General Manager (Transdev)

The following minutes are a summary of the TAOC.

The Transit Administrative Oversight Committee (TAOC) – Finance Workshop meeting of the Butte County Association of Governments (BCAG) was held at the BCAG Conference Room on January 29, 2015, located at 2580 Sierra Sunrise Terrace in Chico.

Item #1 – Introductions

Self-introductions were made

Item #2 – FY 2015/16 Preliminary Draft Budget

Staff reviewed the budget and covered the differences between FY 14/15 and FY 15/16. There is approximately 3% increase from FY 14/15 to FY 15/16. Committee questioned if the 3% was an estimate or actual and staff stated the 3% was an estimate. Staff explained the budget takes into account the farebox ratio and would need to meet the ratio based on TDA standards.

It was discussed that Urban Fixed Route fare revenue is not as high as expected due to the current agreement with Chico State University (CSU) being a 5 year fixed contract. Committee wanted to know the current average fare cost for the riders of CSU; the average cost is less than \$1.00. Staff informed the Committee that BCAG will begin meeting with CSU to review the contract and revise the fares where they are more in-line with the BCAG's fare increases. Committee was in agreement with increasing the fares for CSU.

Committee asked several highlighted questions on the line items of the budget:

- a) Are printing costs based on actual cost?
 - a. The printing costs are based on an estimate of the upcoming needs for maps, schedules and ticket stock. Because of the fare increase and route changes, we anticipate greater printing costs for the 15/16 year.
- b) What is the BRT Ops Facility Lease?
 - a. The lease was added last year as part of the funding agreement with the New Market Tax Credit which seeks funding for the Ops Facility construction. This funding scheme has not yet transpired and as such the cost of the lease has not been expensed, but it was not removed because it is anticipated that the funding will be secured in the 15/16 fiscal year. Staff will clarify with the New Market Tax Credit consultant, the lease amount and the cash flow process. Staff pointed out that historically transit expenses comes in under budget.
- c) Why did the Software License increase?
 - a. The increase was due to STREETS software license agreement which begin FY14/15. The prior software license had been included in the original 5 year contract agreement.
- d) Why did the Transit Center Maintenance increase?
 - a. The increase is to provide Security services for the Oroville Transit Center (OTC). Committee wondered if the cost would spread over the Jurisdictions or only Oroville. Staff informed that the cost would spread over the Jurisdictions. Linda Herman stated the City of Chico has a contract with a security company but they may have a need for security service for after hours at the Chico Transit Center (CTC). Committee agreed that it would be a good idea to look at providing security services at both transit centers but agree the OTC is the first major need. City of Chico Public Works will also look into the cost of adding an additional security person under their current contract for the after-hours service at the CTC and will provide the cost to the TAOC

Committee would like to have a Year-to-Date Financial Report and included with the budget. Committee inquired if Staff reviews the fare ratio every month or every year during budget process – Staff informed the Committee the Fare Ratio is reviewed every Qtr. for the Quarterly report that is presented to the BCAG Board.

Item #3 – Bus Replacement Schedule

Committee would like to have the Maintenance Cost for the Revenue Vehicles added to the Bus Replacement Schedule. Committee would like staff to inform them when new grants are obtained for the purchase of the buses – Staff agreed. Committee enquired if staff would consider replacing 2 or 3 buses rather than all 5 buses due to the current recession with the

economy – Staff could consider that option in the future, it is still dependent upon the *reliability of the current fleet and what is most economical*. The committee requested that the bus replacement schedule include a record of historical maintenance cost. Staff is collecting that information and will include in future bus replacement reviews.

Item #4 – Estimated Bus Replacement/Capital Funding Analysis

Staff covered the funding analysis and stated that it is a working document that will give approximately 8 years insight into the availability of capital reserves and the shortfall in reserves, which will be covered by TDA allocation. Staff will continue to stay aggressive in searching for other funding sources to assist with covering capital costs as well as operational costs. Currently, staff is applying for a 5310 Expanded grant through Caltrans and will apply for the 5311(f) grant through Caltrans to assist with operations.

Committee asked if staff complied with the TDA regulations on allocating TDA. Staff is following the TDA regulations, using the population to allocate revenues. The transit service obligation is determined based upon the funding formula. The draft analysis takes the capital expenses off-the-top rather than through the formula.

Committee discussed some potential procedures on allocating the funds to the Jurisdictions:

- 1) Look at revising the funding formula for the Jurisdictions
- 2) Consider taking transit obligation off the top
- 3) Look at moving to transit obligation off the top over a 5 –10 year period, based on a percentage allocated to the Jurisdictions.

Gina Will (Town of Paradise) was concerned with the cost of service increasing; Town of Paradise may exhaust their TDA reserves need to use general funds. It was noted by staff that TDA funds would be reallocated before a jurisdiction would need to use general funds to cover transit.

At the request of the County, staff presented a comparison of TDA allocations based on taking capital funding through the funding formula. There was general discussion regarding the effects. BCAG staff suggests that capital costs do not serve transit based upon service areas and capital costs support the system as a whole. As such, BCAG will recommend the draft to the board with capital funding off-the-top.

Staff will set-up a meeting in February with the TAOC Committee to go over BCAG's FY 2015/16 Proposed Draft Budget.



BCAG Transit Administrative Oversight Committee

Item #3 Information

February 27, 2015

FY 2015/16 PROPOSED DRAFT BUDGET

PREPARED BY: Michael Rosson, Transit Manager

ISSUE: BCAG is responsible for the preparation of the Annual Budget for Butte Regional Transit (B-Line) which is scheduled for adoption at the BCAG Board of Directors meeting.

DISCUSSION: Staff has prepared the attached 2015/16 Proposed Draft Budget for the Transit Administrative Oversight Committee's review and comments. The final Annual Service Plan and Budget will be presented to the BCAG Board of Directors for adoption.

In summary, the 2015/16 Proposed Draft Budget identifies a total operating budget of **\$9,743,787**, including contingency, for both Fixed Route service and Paratransit service in the urban and rural areas of Butte County. The 2015/16 budget is \$94,368 less than prior year in total dollars; however, when adjusted for capital reserve payments, the increase in operational expense is 2.16%. The increase to the transit services contract hourly rate for the year is approximately 4%. Changes from the preliminary draft include removal of the BRT ops facility lease and an increase in fuel expense to prior year amounts. This equates to \$78,153 less than the preliminary draft from January.

The following items are major changes from the 2014/15 Budget:

1. Increase of \$300,971 in Purchased Transportation Services.
2. Decrease of \$45,000 for administrative services. Reallocation of the IT position to Transdev.
3. Increase in Fleet Insurance of \$14,425. Increase is directly tied to the transit services contract.
4. Increase of \$60,000 for the maintenance of the transit centers, in part to provide security services for the Oroville Transit Center.
5. Increase of \$41,200 for the Software License agreements for the STREETS software (Mapping/GPS software for Fixed Route and Paratransit Service). The first 5 years were included in the initial contract.
6. Decrease of \$168,000 for the BRT ops facility lease. This item is tabled until the new facility is operational or until funding mechanisms require such.

STAFF RECOMMENDATION: Staff requests that committee members review and provide comments on the proposed budget at the committee meeting.

Key Staff: Mike Rosson, Transit Manager
Julie Quinn, Chief Fiscal Officer
Jon Clark, Executive Director

FISCAL YEAR 2015/16 BUDGET

FY 2013/14 ACTUAL COST	FY 2014/15 APPROVED BUDGET	FY 2014/15 ACTUAL 2Q COST	2015/16 DRAFT BUDGET	<i>Difference</i>
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OPERATING BUDGET

OPERATING EXPENSES

ADMINISTRATION					
Printing	\$ 19,264	\$ 60,000	\$ 2,861	\$ 60,000	\$ -
Transportation and Travel (training)	4,648	4,000	3,083	4,000	-
Public Relations	61,653	69,000	20,683	69,000	-
Software License	13,788	15,000	55,009	56,200	41,200
Paratransit ADA Certification	-	25,000	14,111	25,000	-
Support Services	332,845	382,000	165,611	337,000	(45,000)
TOTAL ADMINISTRATION	\$ 432,198	\$ 555,000	\$ 261,358	\$ 551,200	\$ (3,800)
OPERATIONS AND MAINTENANCE					
Fleet Insurance	\$ 376,987	\$ 360,626	\$ 189,755	\$ 375,051	\$ 14,425
Maintenance - Vehicle	331,627	225,000	187,114	225,000	-
Maintenance - Non-vehicle	-	25,000	36,925	25,000	-
Transit Center Maintenance	25,265	23,000	27,081	83,000	60,000
Bus Stop Signage	5,770	14,600	12,460	14,600	-
Transit Center Staffing	14,854	46,100	23,442	46,100	-
Lease	21,588	18,000	11,722	18,000	-
BRT Ops Facility Lease	-	168,000	-	-	(168,000)
Purchased Transportation-Fixed Route	3,767,099	3,854,751	1,936,026	4,051,410	196,659
Purchased Transportation-Paratransit	2,648,972	2,763,141	1,367,245	2,867,453	104,312
Fuel	1,406,079	1,390,500	666,670	1,390,500	-
TOTAL OPERATIONS AND MAINTENANCE	\$ 8,598,241	\$ 8,888,718	\$ 4,458,440	\$ 9,096,114	\$ 207,396
SUB-TOTAL OPERATING EXPENSES	\$ 9,030,439	\$ 9,443,718	\$ 4,719,798	\$ 9,647,314	\$ 203,596
APPROPRIATION FOR CONTINGENCIES	\$ -	\$ 94,437	\$ -	\$ 96,473	\$ 2,036
CAPITAL RESERVE CONTRIBUTIONS	\$ 440,084	\$ 300,000	\$ 150,000	\$ -	\$ (300,000)
TOTAL OPERATING REQUIREMENTS	\$ 9,470,523	\$ 9,838,155	\$ 4,869,798	\$ 9,743,787	\$ (94,368)

FISCAL YEAR 2015/16 BUDGET

FY 2013/14 ACTUAL COST	FY 2014/15 APPROVED BUDGET	FY 2014/15 ACTUAL 2Q COST	2015/16 DRAFT BUDGET	<i>Difference</i>
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OPERATING BUDGET CONTINUED

OPERATING REVENUES

Fixed Route Passenger Fares	\$	1,319,529	\$	1,337,380	\$	684,719	\$	1,407,967	\$	70,587
Paratransit Fares		348,241		360,277		176,872		353,744		(6,533)
TOTAL OPERATING REVENUE		\$ 1,667,770		\$ 1,697,657		\$ 861,591		\$ 1,761,711		\$ 64,054

NON-OPERATING REVENUE

LOCAL SUPPORT:

County	\$	1,244,290	\$	1,535,153	\$	767,577	\$	1,496,819	\$	(38,334)
Biggs		5,420		7,289		3,645		6,993		(296)
Chico		1,838,215		2,256,705		1,128,353		2,146,343		(110,362)
Gridley		16,354		22,371		11,186		21,462		(909)
Oroville		490,575		583,220		291,610		576,775		(6,445)
Paradise		816,306		935,760		467,880		933,683		(2,077)
TOTAL LOCAL SUPPORT		\$ 4,411,160		\$ 5,340,498		\$ 2,670,249		\$ 5,182,075		\$ (158,423)
 FTA GRANTS-OPERATING/OTHER		 \$ 2,951,509		 \$ 2,800,000		 \$ -		 \$ 2,800,000		 \$ -
TOTAL REVENUES		\$ 9,030,439		\$ 9,838,155		\$ 3,531,840		\$ 9,743,786		\$ (94,369)

FISCAL YEAR 2015/16 BUDGET

FY 2013/14 ACTUAL COST	FY 2014/15 APPROVED BUDGET	FY 2014/15 ACTUAL 2Q COST	2015/16 DRAFT BUDGET	<i>Difference</i>
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CAPITAL OUTLAY BUDGET

CAPITAL OUTLAY

Construction in Progress - BRT Ops Facility	\$	108,707	\$ -	\$ 25,367	\$ -
Equipment/ Structures		35,300	-		-
Fixed Route Vehicles		170,753	1,440,000	2,945,309	2,325,000
Paratransit Vehicles		961,716	-		-
TOTAL CAPITAL OUTLAY		\$ 1,276,476	\$ 1,440,000	\$ 2,970,676	\$ 2,325,000

CAPITAL OUTLAY FUNDING SOURCES

TDA OFF TOP	\$	-	\$ 960,000	\$ -	\$ 885,000
TDA CAPITAL RESERVES		335,787	480,000	25,367	1,440,000
FTA GRANT 5310		865,462	-	-	-
PROP 1B FUNDS		75,227	-	-	-
CMAQ GRANTS - CAPITAL ACQUISITIONS		-	-	2,945,309	-
TOTAL CAPITAL OUTLAY FUNDING SOURCES		\$ 1,276,476	\$ 1,440,000	\$ 2,970,676	\$ 2,325,000