



AGENDA

**Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, March 8, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101**

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD OF DIRECTORS

Dave Davis, Chair; Chuck McQuary, Vice Chair; Olivia Rodriguez, Director; Dick Weinberg, Director; Bill Shelor, Secretary; David Tabor, Director; Roger Aceves, Director

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES-(ATTACHMENT-ACTION MAY BE TAKEN)

The Board will be asked to waive the reading of and approve the draft minutes for the meeting of February 23, 2016.

5. APPROVAL OF CASH REPORT-(ATTACHMENTS-ACTION MAY BE TAKEN)

The Board will be asked to review and approve the cash reports of February 16, 2016 through February 29, 2016.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board on items within jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk, a "Request to Speak" form including a description of the subject you wish to address. Additional public comment will be allowed during each agenda item, including closed session items. Please fill out the Request to Speak form and indicate the agenda item number that you wish to comment on.

7. DRAFT OPERATING & CAPITAL BUDGET FOR FISCAL YEAR 2016-17- (ATTACHMENTS-INFORMATIONAL)

Staff is seeking the Board's guidance on the financial priorities to be taken into account in preparation of the operating and capital budget for fiscal year 2016-17 beginning July 1, 2016.

8. GENERAL MANAGER'S REPORT UPDATE-(INFORMATIONAL)

- a) New Buses
- b) UCSB New Service
- c) Bike Racks

9. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

The Board will report on other related public transit issues and committee meetings.

RELATED TO EACH CLOSED SESSION; PUBLIC COMMENT WILL BE ALLOWED RELATED TO THE CLOSED SESSION ITEM(S) BEFORE THE RECESS

10. RECESS TO CLOSED SESSION- CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION - (ACTION MAY BE TAKEN)

The Board will meet in closed session pursuant to Government Code § 54956.9(d)(2)(1). Two cases.

11. ADJOURNMENT

AMERICAN WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



MINUTES

Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, February 23, 2016
8:30 AM
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

Chair Davis called the meeting to order at 8:30am

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Davis reported that all members were present with the exception of Director Rodriguez.

3. REPORT REGARDING POSTING OF AGENDA

Lilly Gomez, Administrative Assistant, reported that the agenda was posted on Friday, February 19th, 2016 at MTD's Administrative Office, mailed and emailed to those on the agenda list, and posted on MTD's website.

CONSENT CALENDAR

4. & 5. APPROVAL OF PRIOR MINUTES & CASH REPORT-(ATTACHMENT-ACTION MAY BE TAKEN)

Director Tabor moved to waive the reading of and approve the draft minutes for the meeting of February 9, 2016 and the cash report for the period of February 2, 2016 through February 15, 2016. Director McQuary seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Mr. Lee Moldaver spoke under public comment in which he commended our retiring driver Ted Shultz. Mr. Moldaver shared that he believed Mr. Shultz was one of our most dedicated drivers. Mr. Shultz took great pride to study each schedule for every route before departing for route, always called out each stop, and always worked hard to strike the perfect balance between safeties first and on time performance. Mr. Moldaver also wanted to confirm that the new technologies are very helpful and are working absolutely great.

7. DRAFT BUDGET REVISION FOR FISCAL YEAR 2015/16-(ATTACHMENTS-ACTION MAY BE TAKEN)

Staff recommended that the board approve: one, a \$688,624 reduction in the operating budget for the current fiscal year (FY15/16) from \$25.1 million to \$24.4 million due to wages and Benefits decreasing, a significant diesel fuel price decrease; and two, a \$22,837 increase in the use of reserves to \$242,144 to balance the revised operating budget due to a need for a devoted dispatcher that is familiar with our new AIM system, customer service representatives, maintenance staff and a Human Resources specialist. Director Aceves shared his concerns about hiring the 14th mechanic requested and moved to adopt recommendation without the 14th mechanic requested; in order to follow up with the allocation of work needed with the new fleet manager's input. Director McQuary seconded the motion. The motion passed unanimously.

8. SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) SPECIAL DISTRICT APPOINTMENT-(ATTACHMENTS-ACTION MAY BE TAKEN)

The Board will be asked to authorize a Board member to be appointed as an alternate voter for the Special District Members to SBLAFCO. The Board held a brief discussion about the importance of attending Special District meetings. Chair Davis recommended appointing the vice chair or secretary as the secondary voter. Director Aceves stated it would be a good idea to appoint a designee on day of meeting wished to attend. Leaving the option to discretion at the time allows us to ensure participation. Director Aceves directed staff to follow up with LAFCO to determine whether appointment to a designee can be determined the day of each meeting to ensure someone is available. Chair Davis moved to wait on appointment until follow up. Director Weinberg seconded the motion. The motion passed unanimously.

9. GENERAL MANAGER'S REPORT UPDATE-(INFORMATIONAL)

General Manager, Jerry Estrada shared that the Cruise Ship Season has begun and should run smoothly with the additional shuttles offered on waterfront. The Professional Development for MTD is starting off on a great foot. We had Mike Cardona, Maintenance Manager and Juan Hernandez attended the Cummins training and came back very enthusiastic about the new information provided. MTD is working industrially to invest in individuals working with MTD. In addition to staff attending the Cummins training, Planning Manager, George Amoon and staff are attending the Gold Coast Run Cutting Course on March 1st, Human Resources Manager, Mary Gregg will be attending FTA's 11th Annual Drug and Alcohol Training. Mr. Estrada and Mr. Amoon discussed the likelihood of the Bus Stop near Rusty's in Goleta moving. The City of Goleta is looking to make improvements; MTD shared its need and are awaiting final plans. Mr. Estrada also shared the Carpinteria Bus rider meeting was held and had overall pleasing responses. In addition, he briefly mentioned Community Outreach staff is gearing up for the upcoming Earth Day and attended the Cottage Health Fair last week.

10. OTHER BUSINESS AND COMMITTEE REPORTS-(ACTION MAY BE TAKEN)

Director Weinberg recommended staff draft a response to the Mass transit article that was published putting the transit agency in a broad bad light. Director Weinberg and Public speaker Lee Moldaver emphasized that this is a great opportunity to educate local riders and all public of transit facts and funding from MTD. Director Aceves motioned to move on a response. Director Tabor seconded the motion. The motion passed unanimously.

Chair Davis reported the Calle Real ADHOC met with attorneys and discussed the analysis of alternative development options and looked into the appraisal of property. There will further meetings and discussions.

Director Tabor shared that the Finance Committee met in regards to budget revisions that were brought to the Board today.

11. ADJOURNMENT

Director Aceves moved to adjourn the meeting at 10:24 a.m. Director Tabor seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of March 8, 2016
For the Period February 16, 2016 through February 29, 2016

MONEY MARKET

Beginning Balance February 16, 2016 **\$10,483,782.60**

SB-325 (LTF)	711,354.89
Measure "A"	194,028.65
Passenger Fares	144,652.86
Accounts Receivable	115,657.50
Advertising/Prepaid Deposits	111,377.90
UCSB Fares	99,131.50
LCTOP Transfers	14,525.57
Miscellaneous/Asset Sales	<u>1,054.00</u>

Total Deposits **1,391,782.87**

ACH Garn/Escrow	(3,271.42)
ACH Pensions Transfer	(32,604.10)
ACH Tax Deposit	(137,675.36)
Operations Transfer	(206,552.26)
Payroll Transfer	<u>(300,516.23)</u>

Total Disbursements **(680,619.37)**

Ending Balance **\$11,194,946.10**

CASH INVESTMENTS

LAIF Account	\$3,346,142.28
Money Market Account	<u>11,194,946.10</u>

Total Cash Balance **\$14,541,088.38**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,038,670.31)
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Working Capital **\$10,502,418.07**

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
111675	2/5/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	V
111773	2/19/2016	CRAIGLIST CORP.	EMPLOYMENT ADS - ONLINE	500.00	
111774	2/19/2016	MARY DEAILÉ	PAYROLL RELATED	106.15	
111775	2/19/2016	STATE OF CALIFORNIA/FTB	PAYROLL RELATED	81.71	
111776	2/19/2016	STATE OF CALIFORNIA	PAYROLL RELATED	572.22	
111777	2/19/2016	NATIONAL DRIVE	PAYROLL DEDUCTION	92.00	
111778	2/19/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
111779	2/19/2016	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	1,060.00	
111780	2/19/2016	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	489.46	
111781	2/19/2016	SO. CAL. EDISON CO.	UTILITIES	3,137.91	
111782	2/19/2016	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,252.53	
111783	2/19/2016	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
111784	2/19/2016	U.S. DEPARTMENT OF EDUCATION	PAYROLL RELATED	192.40	
111785	2/19/2016	VERIZON CALIFORNIA	TELEPHONES	837.25	
111786	2/19/2016	VERIZON WIRELESS	WIRELESS PHONES	516.37	
111787	2/19/2016	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	118.00	
111788	2/25/2016	ABC BUS COMPANIES INC	BUS PARTS	194.24	
111789	2/25/2016	ACCOUNTEMPS DBA	CONTRACT EMPLOYMENT	2,990.07	
111790	2/25/2016	GEORGE AMOON	PER DIEM	120.00	
111791	2/25/2016	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	258.86	
111792	2/25/2016	APPLEONE EMPLOYMENT SERVIC	CONTRACT EMPLOYMENT	3,318.81	
111793	2/25/2016	BANK OF AMERICA, N.A.	CREDIT CARD PURCHASES	11,532.52	
111794	2/25/2016	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	186.45	
111795	2/25/2016	BIG GREEN CLEANING CO. DBA	JANITORIAL SERV./SUPPLIES	75.00	
111796	2/25/2016	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	8,132.12	
111797	2/25/2016	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	128.81	
111798	2/25/2016	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	98.00	
111799	2/25/2016	MANUEL CASTANON	PER DIEM	120.00	V
111800	2/25/2016	MIKE CARDONA	TRAVEL & PER DIEM	98.50	
111801	2/25/2016	CARL WARREN & CO.	PROFESSIONAL SERVICES	299.00	
111802	2/25/2016	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	367.78	
111803	2/25/2016	NICHOLAS R. CONTI	SURVEYOR	73.00	
111804	2/25/2016	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	426.72	
111805	2/25/2016	CINTAS CORPORATION	FIRST AID SUPPLIES	362.73	
111806	2/25/2016	CIO SOLUTIONS, LP	IT SERVICES	600.00	
111807	2/25/2016	COAST TRUCK PARTS	BUS PARTS	982.10	
111808	2/25/2016	COX COMMUNICATIONS, CORP.	INTERNET & CABLE TV	107.80	
111809	2/25/2016	CUMMINS PACIFIC, LLC	BUS PARTS	13,348.77	

Check #	Date	Company	Description	Amount	Voids
111810	2/25/2016	D.B ROBERTS CO DBA	BUS PARTS	384.26	
111811	2/25/2016	DENMUN OFFICE SOLUTIONS DB	IT CONTRACT SERVICE	5,610.00	
111812	2/25/2016	ALICIA DIEHL	RETIREE HEALTH REIMBURSEMENT	490.00	
111813	2/25/2016	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	109.03	
111814	2/25/2016	EBUS, INC.	BUS PARTS	67.68	
111815	2/25/2016	4 IMPRINT, INC.	LOGO SHOPPING BAGS	1,802.87	
111816	2/25/2016	FEDEX dba	FREIGHT CHARGES	236.87	
111817	2/25/2016	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	98.00	
111818	2/25/2016	GEM EQUIPMENT CO. DBA	BUS PARTS & SUPPLIES	171.05	
111819	2/25/2016	GIBBS INTERNATIONAL INC	BUS PARTS	2,303.31	
111820	2/25/2016	GILLIG LLC	BUS PARTS	1,672.49	
111821	2/25/2016	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
111822	2/25/2016	GONZALES, JUAN A.	REIMBURSEMENT	53.00	
111823	2/25/2016	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	322.49	
111824	2/25/2016	GRAYBAR ELECTRIC COMPANY, I	REPAIRS & SUPPLIES T1 BLDG/GRDS	5,440.50	
111825	2/25/2016	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	231.90	
111826	2/25/2016	H.G. MAKELIM CO., INC.	BUS PARTS	4,985.60	
111827	2/25/2016	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	84.64	
111828	2/25/2016	INTERCON TECHNOLOGIES DBA	EV/CHARGER REPAIRS	4,894.36	
111829	2/25/2016	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	82.22	
111830	2/25/2016	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	225.92	
111831	2/25/2016	JERRY'S PLUMBING & HEATING, I	PLUMBING REPAIRS	1,625.00	
111832	2/25/2016	J n L GLASS INC.	REPLACE BUS WINDOWS	230.00	
111833	2/25/2016	JOY EQUIPMENT PROTECTION, IN	SERVICING FIRE EXTINGUISHERS	48.50	
111834	2/25/2016	KLIPPEL TOOL REPAIR DBA	COMPRESSORS MAINT/BUS PARTS	427.97	
111835	2/25/2016	LMA ARCHITECTS, CORP.	ARCHITECTURAL SERVICES	129.60	
111836	2/25/2016	LUMINATOR MASS TRANSIT	BUS PARTS	1,043.85	
111837	2/25/2016	LEO MEJIA	PROGRAMMING SERVICES	220.00	
111838	2/25/2016	MANSFIELD OIL CO.- GAINESVILL	BUS FUEL	63,035.39	
111839	2/25/2016	MC CORMIX CORP. (OIL)	LUBRICANTS	1,826.52	
111840	2/25/2016	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	1,417.36	
111841	2/25/2016	MIKE CUEVAS GARDENING SERVI	LANDSCAPE MAINTENANCE SERVICE	695.00	
111842	2/25/2016	MGB INDUSTRIAL SUPPLY	BUS & SHOP SUPPLIES	287.90	
111843	2/25/2016	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	157.14	
111844	2/25/2016	NEWEGG, INC	COMPUTER SUPPLIES & REPAIRS	1,944.23	
111845	2/25/2016	NEWARK ELECTRONICS, CORP.	BUS PARTS	545.19	
111846	2/25/2016	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	626.67	
111847	2/25/2016	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS & SOFTWARE	4,467.33	
111848	2/25/2016	OIL PRICE INFORMATION SERVICE	DIESEL FUEL PRICE INFORMATION	786.60	
111849	2/25/2016	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
111850	2/25/2016	PERFECT PATTERN DIFFERENTIAL	OVERHAULED TRANSFERS	1,294.46	

Check #	Date	Company	Description	Amount	VOIDS
111851	2/25/2016	PETTY CASH - GOMEZ, LILLY	MISC. PURCHASES	248.26	
111852	2/25/2016	PORT SUPPLY DBA	BUS PARTS	77.72	
111853	2/25/2016	POWERSTRIDE BATTERY CO.	EV BATTERIES	592.77	
111854	2/25/2016	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	153.20	
111855	2/25/2016	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	17,380.07	
111856	2/25/2016	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	98.00	
111857	2/25/2016	SANTA BARBARA TROPHY	DRIVER NAME PLATES	20.74	
111858	2/25/2016	SM TIRE, CORP.	BUS TIRE MOUNTING	104.00	
111859	2/25/2016	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	66.08	
111860	2/25/2016	SMART & FINAL	OFFICE/MEETING SUPPLIES	59.91	
111861	2/25/2016	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	154.44	
111862	2/25/2016	THE GAS COMPANY DBA	UTILITIES	227.17	
111863	2/25/2016	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	590.00	
111864	2/25/2016	SB CITY OF-REFUSE/WATER	UTILITIES	723.42	
111865	2/25/2016	SB COUNTY AIR POLLUTION	PERMIT FEE	416.59	
111866	2/25/2016	TANK TEAM INC.	TANK TESTS	372.00	
111867	2/25/2016	JENNIFER TANNER	PER DIEM	120.00	
111868	2/25/2016	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	350.00	
111869	2/25/2016	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	441.21	
111870	2/25/2016	INTERSTATE CAPITAL CORPORAT	UNIFORMS	1,204.45	
111871	2/25/2016	VALLEY POWER SYSTEMS, INC.	BUS PARTS	5,032.47	
111872	2/25/2016	JOHN J. VASQUEZ	RETIREE HEALTH REIMBURSEMENT	430.20	
111873	2/25/2016	VENTURA COUNTY STAR DBA	PUBLIC NOTICE ADS	1,805.88	
111874	2/25/2016	VERIZON CALIFORNIA	TELEPHONES	1,157.01	
111875	2/25/2016	VOLT MANAGEMENT CORP.	CONTRACT EMPLOYMENT	567.57	
111876	2/25/2016	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,066.97	
111877	2/25/2016	WURTH USA WEST INC.	SHOP SUPPLIES	615.00	
111878	2/25/2016	YELLOW (YRC) TRANSPORTATION	FREIGHT CHARGES	152.00	
				206,949.26	
Current Cash Report Voided Checks:				120.00	
Prior Cash Report Voided Checks:				277.00	
Grand Total:				\$206,552.26	

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
2/4/2016	UCSB - Contract Fares	Contract Fares - January 2016	99,131.50
2/16/2016	Montecito Bank & Trust	Advertising on Buses	7,100.00
2/18/2016	County of Santa Barbara	Passes/Token Sales	3,756.00
2/18/2016	Idea Engineering, Inc.	Advertising on Buses	2,637.00
2/18/2016	Idea Engineering, Inc.	Advertising on Buses	2,637.00
2/18/2016	KCSB - FM	Advertising on Buses	396.00
Total Accounts Receivable Paid During Period			\$115,657.50

Operating Budget

Expenses – The projected operating cost of \$25,665,860 represents a 5.2% increase from the current fiscal year budget. The main factor in the growth is a 4.6% expansion in the service level to nearly 220,000 revenue hours. Of the proposed 9,600 hour increase, 7,000 are directly funded from UCSB for the new Line 38 and the LCTOP program for the full year of enhanced AM peak service on Lines 1/2. The remaining 2,600 hours are composed of service adjustments to Lines 7, 20, 23/25/6/11; and “last mile” service for the revised Goleta Amtrak train service. Planning staff is scheduled to present the draft service plan to the Board at the next board meeting. A detailed discussion of the proposed changes is planned for that time.

The other primary assumptions driving the budget increase are a 2% cost of living adjustment to employee wages; an 8% rise in health benefit costs; and the effect of a full year of several filled existing or new employee positions. These include a maintenance manager, marketing manager, HR specialist, dispatcher, mechanic, and two part time customer service representatives. The increased payroll costs are partially offset by a decrease in contract employment expenses and a reduction of the maintenance analyst position to part time. A noteworthy savings is a \$300,000 drop in fuel costs from the current year, which is on top of a \$350,000 reduction between FY15-16 and FY14-15. Again, only key budget inputs have been addressed in this early draft of the budget. All expense line items will be reviewed by staff and take into account Board direction before bringing the budget back for approval in early June.

Revenue – Total operating revenue for FY16-17, exclusive of reserves, is projected at \$25,183,500. Approximately 30% of the funds comes from fares, 30% from LTF sales tax revenue, and 20% from FTA operating assistance. The bulk of the remaining 20% is a mixture of Measure A, local operating assistance, property tax revenue, and bus advertising. Staff has assumed that the current trend of falling cash and pass fares will continue into next year, albeit at a slower rate. Overall farebox revenue, including contract fares, is budgeted at \$7.5 million, 3% less than the current year budget and 10% below FY14-15 actual amounts. There will be further refinement of these estimates when figures from February through April are available.

LTF sale tax revenue of \$7.6 million is based upon estimates provided for next year’s TDA Claim which SBCAG obtains from the Santa Barbara County Auditor-Controller. The amount represents a 4% increase from MTD’s currently budgeted figure and will be reviewed in May taking into account additional data. The \$5 million in federal operating assistance is based on actual FTA numbers and is essentially flat relative to both the current and prior fiscal years. As previously mentioned, operating revenue includes increased local operating assistance from UCSB (\$786,000) and the state LCTOP program (\$88,000). Measure A (\$2 million) and property tax revenue (\$975,000) are anticipated to be relatively unchanged from FY15-16.

Capital Budget

Projects – The draft capital budget for FY16-17 includes projects totaling \$6,775,000. The majority of the expenses represent carryovers from the current fiscal year for bus and shuttle replacements (\$3.4 million); the Transit Center renovation (\$1.4 million); and the smart card project (\$1 million). All but the shuttle replacement projects have begun but the majority of the project expenditures will take place in FY16-17. The capital budget also includes allowances totaling \$975,000 for ongoing replacements and improvements including vehicle drivetrains and batteries, fixed facilities, shop equipment, bus stops, and IT and data systems.

Revenue – The capital budget is funded by a combination of the standard recent sources. The \$3.1 million from the state Prop 1B program provides nearly half of the funding. The remaining \$3.7 million in projects are being covered in nearly equal parts by the State Transit Assistance Fund (TDA-STA), Measure A, and an FTA Section 5339 federal grant. All capital funding is either on hand or previously approved necessitating only a request for payment.

Reserves & Financial Forecast

The draft FY16-17 budget requires the use of \$482,360 in cash reserves to cover the currently projected level of operating expenditures. The use of reserves to cover deficits is not unusual as both revenues and expenditures vary from year to year. Nonetheless, the use of deficit spending is indicative of a need to analyze the financial outlook with the (difficult) task of projecting whether the imbalance is cyclical or structural in nature. If the deficit is considered structural, the Board will be presented with the available options for bringing the District's finances back into balance. The following table shows a rough forecast of the projected operating budget and reserve levels for the next five years.

	Operating Forecast				
	Draft	Projected			
	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>FY19-20</u>	<u>FY20-21</u>
Operating Revenue	\$25,183,500	\$25,357,913	\$25,806,114	\$26,663,515	\$27,563,256
Operating Expenses	<u>25,665,860</u>	<u>26,484,348</u>	<u>27,276,779</u>	<u>28,105,366</u>	<u>28,972,397</u>
Net Operating Deficit	<u>(\$482,360)</u>	<u>(\$1,126,434)</u>	<u>(\$1,470,665)</u>	<u>(\$1,441,851)</u>	<u>(\$1,409,141)</u>
Beginning Reserve Balance	\$10,084,002	\$9,601,642	\$8,475,207	\$7,004,543	\$5,562,692
Net Operating Deficit	<u>(482,360)</u>	<u>(1,126,434)</u>	<u>(1,470,665)</u>	<u>(1,441,851)</u>	<u>(1,409,141)</u>
Ending Reserve Balance	<u>\$9,601,642</u>	<u>\$8,475,207</u>	<u>\$7,004,543</u>	<u>\$5,562,692</u>	<u>\$4,153,550</u>

The forecast¹ assumes no changes to current fare policy or the service level beyond FY16-17. The numbers indicate that the deficit appears to be more structural in nature, although estimates beyond next year become increasingly less reliable. However, the figures do provide a clear message that proactive measures to maintain MTD's financial health will likely be necessary in the near future.

Attachment:

MTD Draft Operating & Capital Budget for Fiscal Year 2016-17

¹ Not included in the above forecast is the impact of Other Post-Employment Benefits for retiree health insurance (OPEB). The District is required to record the actuarially-derived OPEB liability in its financial statements each year. Note that the effect of OPEB is included in financial forecast in the attached draft budget.



OPERATING & CAPITAL BUDGET

for

FISCAL YEAR 2016-17

Draft

**Santa Barbara Metropolitan Transit District
550 Olive Street * Santa Barbara, CA 93101
Telephone (805) 963-3364 * FAX (805) 963-3365**

March 8, 2016

**OPERATING & CAPITAL BUDGET
FISCAL YEAR 2016-17**

Draft Budget
March 8, 2016

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OPERATING BUDGET SUMMARY
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
Operating Budget				
<u>Revenue</u>				
Passenger Fares	\$7,474,277	\$7,695,634	(\$221,357)	\$8,275,150
TDA-LTF Sale Tax Revenue	7,611,094	7,321,681	289,413	7,269,606
FTA Operating Assistance	4,981,529	4,943,999	37,530	4,914,363
Measure A Sale Tax Revenue	2,014,368	2,021,193	(6,825)	1,972,107
Local Operating Assistance	1,339,522	446,317	893,205	116,288
Property Tax Revenue	975,000	975,000	0	1,028,132
Non-Transportation Income	787,710	787,710	0	781,639
<i>Unrestricted Net Position (Reserves)</i>	<u>482,360</u>	<u>209,615</u>	<u>272,745</u>	<u>(1,103,957)</u>
Total Operating Revenue	\$25,665,860	\$24,401,149	\$1,264,712	\$23,253,328
<u>Expense</u>				
Route Operations	\$15,561,095	\$14,435,306	\$1,125,789	\$13,510,762
Vehicle Maintenance	5,242,230	5,284,711	(42,482)	5,492,875
Passenger Accommodations	1,889,761	1,703,769	185,991	1,502,498
General Overhead	<u>2,972,775</u>	<u>2,977,362</u>	<u>(4,587)</u>	<u>2,747,193</u>
Total Operating Expense	\$25,665,860	\$24,401,149	\$1,264,712	\$23,253,328
	FY 2016-17	FY 2015-16		
<u>Unrestricted Net Position</u>				
Beginning Balance	\$10,084,002	\$10,293,617		
Net Change from Operating Activities	<u>(482,360)</u>	<u>(209,615)</u>		
Ending Balance *	\$9,601,642	\$10,084,002		

* Ending balance does not reflect any year-end adjustment to account for Other Post-Employment Benefits (retiree health insurance). Governmental accounting standards require the District to book the actuarially derived estimate each year.

OPERATING REVENUE DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
FAREBOX REVENUE				
Cash Fares	\$2,371,667	\$2,470,486	(\$98,819)	\$2,607,715
Downtown-Waterfront Shuttle/My Ride	1,105,345	1,105,345	0	1,089,962
UCSB Contract Fares	1,008,099	985,040	23,059	975,677
SBCC Contract Fares	917,130	931,386	(14,256)	966,051
Special Event Fares	77,294	77,294	0	93,336
Brooks Pass Program	0	0	0	1,612
Day Pass	5,280	5,280	0	4,920
Adult 10-Ride Pass	625,222	675,916	(50,694)	746,104
Youth 10-Ride Pass	373,602	383,182	(9,580)	407,426
Senior/Mobility 10-Ride Pass	110,792	110,792	0	108,945
Coastal Express - 10-Ride Pass	0	(7,361)	7,361	85,598
Adult 30-Day Pass	521,921	593,092	(71,171)	703,798
Youth 30-Day Pass	137,716	162,978	(25,262)	232,070
Senior/Mobility 30-Day Pass	220,208	220,208	0	221,645
Ventura CE - 30-Day Pass	0	(18,004)	18,004	30,291
<i>Subtotal</i>	<u>\$7,474,277</u>	<u>\$7,695,634</u>	<u>(\$221,357)</u>	<u>\$8,275,150</u>
NON-TRANSPORTATION INCOME				
Advertising on Buses	\$525,000	\$525,000	\$0	\$532,773
Interest on Investments	42,580	42,580	0	39,876
Overpass Lease & Misc. Revenue	220,130	220,130	0	208,990
<i>Subtotal</i>	<u>\$787,710</u>	<u>\$787,710</u>	<u>\$0</u>	<u>\$781,639</u>
TDA Sales Tax Revenue	\$7,611,094	\$7,321,681	\$289,413	\$7,269,606
Unrestricted Net Position	482,360	209,615	272,745	(1,103,957)
FTA Formula Assistance	4,981,529	4,943,999	37,530	4,914,363
Property Tax Revenue	975,000	975,000	0	1,028,132
Measure A	2,014,368	2,021,193	(6,825)	1,972,107
Local Operating Assistance	1,339,522	446,317	893,205	116,288
<i>Subtotal</i>	<u>\$17,403,874</u>	<u>\$15,917,805</u>	<u>\$1,486,069</u>	<u>\$14,196,539</u>
<i>Total Operating Revenue</i>	<u>\$25,665,860</u>	<u>\$24,401,149</u>	<u>\$1,264,712</u>	<u>\$23,253,328</u>

OPERATING EXPENSE SUMMARY
FISCAL YEAR 2016-17

	Draft Budget FY 2016-17	Final Budget FY 2015-16	Change from FY 2015-16	Prior Year Actual FY 2014-15
<i>ROUTE OPERATIONS</i>				
Drivers	\$11,566,433	\$10,680,754	\$885,679	\$10,310,778
Dispatch & Supervision	669,363	610,807	58,557	543,450
Hiring & Training	305,835	284,526	21,309	352,860
Risk & Safety	2,193,953	2,033,709	160,244	1,674,610
Transportation Subsidies	825,511	825,511	0	629,064
<i>Subtotal</i>	<u>\$15,561,095</u>	<u>\$14,435,306</u>	<u>\$1,125,789</u>	<u>\$13,510,762</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,237,821	\$1,151,755	\$86,066	\$1,029,836
Cleaners & Fuelers	815,744	787,242	28,502	773,664
Supervision	593,916	451,766	142,149	586,525
Vehicle Consumables	1,724,346	2,023,546	(299,200)	2,365,289
Bus Parts & Supplies	709,661	709,661	0	607,513
Vendor Services	82,500	82,500	0	51,024
Risk & Safety	78,241	78,241	0	79,024
<i>Subtotal</i>	<u>\$5,242,230</u>	<u>\$5,284,711</u>	<u>(\$42,482)</u>	<u>\$5,492,875</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$745,526	\$650,588	\$94,937	\$658,002
Transit Development	374,791	369,959	4,832	340,329
Promotion & Information	445,600	338,233	107,367	214,781
Fare Revenue Collection	323,844	344,990	(21,146)	289,386
<i>Subtotal</i>	<u>\$1,889,761</u>	<u>\$1,703,769</u>	<u>\$185,991</u>	<u>\$1,502,498</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$558,120	\$527,384	\$30,737	\$469,395
Personnel	175,017	156,090	18,927	56,579
Utilities & Communication	239,200	239,200	0	216,966
Operating Facilities	314,332	322,909	(8,578)	314,333
District Administration	1,686,106	1,731,779	(45,673)	1,689,920
<i>Subtotal</i>	<u>\$2,972,775</u>	<u>\$2,977,362</u>	<u>(\$4,587)</u>	<u>\$2,747,193</u>
<i>Total Operating Cost</i>	<u><u>\$25,665,860</u></u>	<u><u>\$24,401,149</u></u>	<u><u>\$1,264,712</u></u>	<u><u>\$23,253,328</u></u>

ROUTE OPERATIONS DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
DRIVERS				
Scheduled	\$6,574,408	\$6,139,781	\$434,627	\$5,961,153
Scheduled Overtime	319,454	333,387	(13,934)	315,277
Unscheduled Pay	253,020	168,196	84,824	173,998
Driver Lite Duty	5,043	20,710	(15,667)	4,004
FICA	618,815	576,102	42,714	551,466
Pension	934,764	892,219	42,544	891,963
Health	1,855,416	1,625,346	230,070	1,465,074
Sick Pay	133,599	133,191	408	146,983
Vacation Pay	522,514	464,421	58,093	472,765
Holiday Pay	253,344	243,344	10,000	231,138
Other Paid Leave	27,708	27,708	0	33,875
Unemployment Insurance	33,348	33,348	0	32,685
Uniforms	35,000	23,000	12,000	30,397
Drivers Subtotal	<u>\$11,566,433</u>	<u>\$10,680,754</u>	<u>\$885,679</u>	<u>\$10,310,778</u>
DISPATCH & SUPERVISION				
Supervisors	\$223,947	\$173,656	\$50,291	\$164,576
Staff	165,163	180,272	(15,109)	149,685
FICA	36,501	33,409	3,092	30,118
Pension	37,573	39,066	(1,493)	39,441
Health	116,895	100,411	16,484	78,261
Sick Pay	9,177	8,335	842	21,168
Vacation Pay	37,482	36,690	792	27,443
Holiday Pay	17,037	16,389	648	12,770
Other Paid Leave	24,336	21,382	2,953	18,553
Unemployment Insurance	1,252	1,196	56	1,435
	<u>\$669,363</u>	<u>\$610,807</u>	<u>\$58,557</u>	<u>\$543,450</u>
HIRING & TRAINING				
Staff	\$33,870	\$22,875	\$10,995	\$34,364
Student Drivers	36,606	36,312	294	42,851
Existing Drivers/Supers	135,654	133,386	2,268	162,489
FICA	16,580	15,518	1,062	16,629
Pension	10,530	9,206	1,325	17,437
Health	24,923	20,125	4,798	26,282
Sick Pay	1,949	1,765	184	6,231
Vacation Pay	4,542	4,474	68	8,335
Holiday Pay	3,415	3,355	60	6,329
Other Paid Leave	694	683	12	1,158
Unemployment Insurance	112	448	(336)	631
Medical Exams & License Fees	22,000	22,000	0	27,437
Employment Advertising	4,900	4,900	0	1,419
Training, Travel & Meetings	10,060	9,480	580	1,268
Hiring & Training Subtotal	<u>\$305,835</u>	<u>\$284,526</u>	<u>\$21,309</u>	<u>\$352,860</u>
RISK & SAFETY				
Wages & Benefits				

ROUTE OPERATIONS DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
Staff	\$144,202	\$90,531	\$53,671	\$37,242
Supervisors	298,796	292,938	5,859	280,451
Driver Accident Pay	1,765	1,731	35	1,915
FICA	38,814	34,031	4,783	27,668
Pension	48,988	43,069	5,920	35,459
Health	98,127	91,814	6,313	50,503
Sick Pay	6,148	5,666	483	7,007
Vacation Pay	33,239	28,469	4,770	25,563
Holiday Pay	18,060	19,991	(1,932)	10,751
Other Paid Leave	5,166	5,522	(356)	11,429
Unemployment Insurance	1,445	1,333	112	846
Wages & Benefits Subtotal	<u>\$694,750</u>	<u>\$615,093</u>	<u>\$79,657</u>	<u>\$488,834</u>
Public Liability				
Professional Services	\$174,066	\$119,066	\$55,000	\$163,176
Insurance	280,682	255,165	25,517	240,798
Current Year Incident Payouts	75,000	75,000	0	7,604
Current Year Incident Reserves	140,000	140,000	0	1,421
Prior Years Incident Payouts	270,000	270,000	0	32,283
Change in Prior Years Reserves	(270,000)	(270,000)	0	253,451
Public Liability Subtotal	<u>\$669,748</u>	<u>\$589,231</u>	<u>\$80,517</u>	<u>\$698,733</u>
Workers' Compensation				
Professional Services	\$174,364	\$174,364	\$0	\$210,126
Insurance	86,109	86,109	0	76,162
Current Year Incident Payouts	150,000	150,000	0	44,157
Current Year Incident Reserves	250,000	250,000	0	286,222
Prior Years Incident Payouts	275,000	275,000	0	256,955
Change in Prior Years Reserves	(131,619)	(131,619)	0	(408,895)
Miscellaneous Risk & Safety	25,601	25,531	71	22,316
Workers' Compensation Subtotal	<u>\$829,455</u>	<u>\$829,385</u>	<u>\$71</u>	<u>\$487,043</u>
<i>Risk & Safety Subtotal</i>	<u><u>\$2,193,953</u></u>	<u><u>\$2,033,709</u></u>	<u><u>\$160,244</u></u>	<u><u>\$1,674,610</u></u>
TRANSPORTATION SUBSIDIES				
Dial-a-Ride (Easy Lift)	\$825,511	\$825,511	\$0	\$629,064
Transportation Subsidies Subtotal	<u>\$825,511</u>	<u>\$825,511</u>	<u>\$0</u>	<u>\$629,064</u>
TOTAL ROUTE OPERATIONS	<u><u>\$15,561,095</u></u>	<u><u>\$14,435,306</u></u>	<u><u>\$1,125,789</u></u>	<u><u>\$13,510,762</u></u>

VEHICLE MAINTENANCE DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
MECHANICS				
Mechanics	\$710,464	\$660,878	\$49,585	\$615,340
Less Mechanic Labor Capitalization	(30,072)	(29,531)	(541)	(14,828)
Mechanics-OT	26,024	25,556	468	24,665
FICA	69,177	64,857	4,320	56,154
Pension	92,953	91,229	1,725	77,694
Health	172,282	149,041	23,241	114,265
Sick Pay	19,407	19,534	(127)	35,699
Vacation Pay	113,355	109,156	4,199	60,402
Holiday Pay	33,516	31,276	2,240	25,253
Other Paid Leave	1,504	1,403	100	1,369
Unemployment Insurance	2,912	2,767	145	3,374
Uniforms	12,000	12,000	0	15,050
Tool Allowance	14,300	13,589	711	15,399
Mechanics Subtotal	<u>\$1,237,821</u>	<u>\$1,151,755</u>	<u>\$86,066</u>	<u>\$1,029,836</u>
CLEANERS & FUELERS				
Service Workers	\$443,411	\$437,870	\$5,541	\$434,061
FICA	38,050	37,147	903	37,069
Pension	72,839	71,410	1,428	71,783
Health	174,786	161,850	12,936	151,057
Sick Pay	9,494	9,289	206	9,673
Vacation Pay	37,997	31,015	6,981	36,398
Holiday Pay	23,928	23,459	469	18,118
Other Paid Leave	1,972	1,934	39	866
Unemployment Insurance	2,940	2,940	0	2,665
Uniforms	7,098	7,098	0	8,285
Medical Exams & License Fees	3,230	3,230	0	3,689
Cleaners & Fuelers Subtotal	<u>\$815,744</u>	<u>\$787,242</u>	<u>\$28,502</u>	<u>\$773,664</u>
SUPERVISION				
Staff	\$351,460	\$244,290	\$107,169	\$341,746
FICA	30,264	22,081	8,184	30,130
Pension	39,561	28,864	10,698	40,040
Health	119,219	100,904	18,315	112,237
Sick Pay	5,066	4,259	806	6,065
Vacation Pay	21,211	25,542	(4,331)	31,295
Holiday Pay	14,065	10,537	3,528	14,822
Other Paid Leave	2,813	2,834	(21)	3,379
Unemployment Insurance	896	1,008	(112)	1,120
Training, Travel & Meetings	9,360	11,447	(2,087)	5,691
Supervision Subtotal	<u>\$593,916</u>	<u>\$451,766</u>	<u>\$142,149</u>	<u>\$586,525</u>

VEHICLE MAINTENANCE DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
VEHICLE CONSUMABLES				
Fuel & Lubricants	\$1,473,173	\$1,772,373	(\$299,200)	\$2,121,991
Electric Vehicle Power	84,000	84,000	0	79,001
Tire Lease	157,173	157,173	0	155,752
Tire Mounting	10,000	10,000	0	8,545
<i>Vehicle Consumables Subtotal</i>	<u>\$1,724,346</u>	<u>\$2,023,546</u>	<u>(\$299,200)</u>	<u>\$2,365,289</u>
VEHICLE PARTS & SUPPLIES				
Bus Parts Issued	\$594,661	\$594,661	\$0	\$521,732
Shop Supplies	85,000	85,000	0	70,908
Bus Servicing Supplies	20,000	20,000	0	9,851
Hazmat Disposal & Compliance	10,000	10,000	0	5,022
<i>Vehicle Part & Supplies Subtotal</i>	<u>\$709,661</u>	<u>\$709,661</u>	<u>\$0</u>	<u>\$607,513</u>
VENDOR BUS REPAIRS				
Vandalism Repairs	\$45,000	\$45,000	\$0	\$10,547
Accident Damage Repairs	7,500	7,500	0	17,671
Accident Claim Collections	(5,000)	(5,000)	0	(18,497)
Other Vendor Repairs	35,000	35,000	0	41,303
<i>Vendor Bus Repairs Subtotal</i>	<u>\$82,500</u>	<u>\$82,500</u>	<u>\$0</u>	<u>\$51,024</u>
RISK & SAFETY				
Workers' Comp Services	\$9,177	\$9,177	\$0	\$55,608
Workers' Comp Insurance	9,064	9,064	0	7,258
Current Year Incident Payouts	10,000	10,000	0	6,403
Current Year Incident Reserves	25,000	25,000	0	151,116
Prior Years Incident Payouts	75,000	75,000	0	10,082
Change in Prior Years Reserves	(50,000)	(50,000)	0	(151,443)
<i>Risk & Safety Subtotal</i>	<u>\$78,241</u>	<u>\$78,241</u>	<u>\$0</u>	<u>\$79,024</u>
TOTAL VEHICLE MAINTENANCE	<u><u>\$5,242,230</u></u>	<u><u>\$5,284,711</u></u>	<u><u>(\$42,482)</u></u>	<u><u>\$5,492,875</u></u>

PASSENGER ACCOMMODATIONS DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
PASSENGER FACILITIES				
Wages & Benefits				
Supervisors	\$186,493	\$182,836	\$3,657	\$190,091
TC Advisors	141,321	116,034	25,287	106,689
Staff	40,286	39,273	1,012	42,481
FICA	31,290	29,003	2,287	28,816
Pension	26,301	26,315	(14)	26,033
Health	203,864	141,532	62,332	129,273
Sick Pay	4,207	4,150	57	24,751
Vacation Pay	19,772	20,047	(275)	22,751
Holiday Pay	14,594	14,448	146	12,624
Other Paid Leave	2,348	2,337	11	6,240
Unemployment Insurance	2,237	1,800	437	2,285
Wages & Benefits Subtotal	\$672,713	\$577,776	\$94,937	\$592,034
Buildings & Grounds				
TC Contract Maintenance	\$47,720	\$47,720	\$0	\$50,354
TC Repairs/Supplies	10,000	10,000	0	6,705
Bus Stop Repairs/Supplies	10,000	10,000	0	6,014
TC Property Insurance	5,093	5,093	0	2,895
Buildings & Grounds Subtotal	\$72,813	\$72,813	\$0	\$65,968
Passenger Facilities Subtotal	<u>\$745,526</u>	<u>\$650,588</u>	<u>\$94,937</u>	<u>\$658,002</u>
TRANSIT DEVELOPMENT				
Staff	\$222,394	\$213,376	\$9,019	\$215,591
FICA	19,326	18,555	771	18,517
Pension	25,263	24,254	1,008	24,020
Health	50,815	56,492	(5,677)	48,200
Sick Pay	5,659	5,603	56	5,623
Vacation Pay	14,866	14,307	559	13,392
Holiday Pay	9,774	9,429	345	9,439
Other Paid Leave	2,932	2,829	104	3,564
Unemployment Insurance	762	750	11	941
Training, Travel & Meetings	5,000	6,364	(1,364)	0
Planning Services & Supplies	18,000	18,000	0	1,042
Transit Development Subtotal	<u>\$374,791</u>	<u>\$369,959</u>	<u>\$4,832</u>	<u>\$340,329</u>
PROMOTION & INFORMATION				
Wages & Benefits				
Staff	\$160,688	\$92,473	\$68,215	\$79,566
FICA	13,318	7,851	5,467	7,026

PASSENGER ACCOMMODATIONS DETAIL
FISCAL YEAR 2016-17

	Draft Budget FY 2016-17	Final Budget FY 2015-16	Change from FY 2015-16	Prior Year Actual FY 2014-15
Pension	17,410	10,263	7,147	8,666
Health	48,991	25,334	23,657	20,039
Sick Pay	1,291	2,222	(930)	2,391
Vacation Pay	4,700	4,885	(185)	5,192
Holiday Pay	6,735	4,023	2,711	3,418
Other Paid Leave	1,684	1,006	678	1,270
Unemployment Insurance	582	414	168	224
Wages & Benefits Subtotal	<u>\$255,400</u>	<u>\$148,473</u>	<u>\$106,927</u>	<u>\$127,792</u>
Outside Services				
Media Ad Placement	5,000	5,000	0	155
Brochures & Publications	5,000	5,000	0	1,144
Promotional Giveaways	5,000	5,000	0	3,846
Bus/Shuttle Decorations	2,500	2,500	0	2,329
Other Promotions	65,000	65,000	0	6,551
Route Schedules & Information	101,700	101,700	0	72,964
Training, Travel & Meetings	6,000	5,560	440	0
Outside Services Subtotal	<u>\$190,200</u>	<u>\$189,760</u>	<u>\$440</u>	<u>\$86,989</u>
<i>Promotion & Information Subtotal</i>	<u><i>\$445,600</i></u>	<u><i>\$338,233</i></u>	<u><i>\$107,367</i></u>	<u><i>\$214,781</i></u>
 FARE REVENUE COLLECTION				
Wages & Benefits				
Staff	\$106,148	\$104,220	\$1,929	\$89,168
FICA	9,596	9,328	268	9,186
Pension	12,544	12,193	351	10,883
Health	60,822	61,093	(271)	57,341
Sick Pay	3,286	3,219	67	7,979
Vacation Pay	9,143	7,834	1,310	10,006
Holiday Pay	4,572	4,438	134	3,218
Other Paid Leave	2,286	2,219	67	2,243
Unemployment Insurance	448	448	0	474
Wages & Benefits Subtotal	<u>\$208,844</u>	<u>\$204,990</u>	<u>\$3,854</u>	<u>\$190,498</u>
Outside Services				
Fare Processing	\$50,000	\$75,000	(\$25,000)	\$43,587
Farebox Parts & Repairs	35,000	35,000	0	24,289
Tickets, Tokens & Transfers	30,000	30,000	0	31,012
Outside Services Subtotal	<u>\$115,000</u>	<u>\$140,000</u>	<u>(\$25,000)</u>	<u>\$98,888</u>
<i>Fare Revenue Collection Subtotal</i>	<u><i>\$323,844</i></u>	<u><i>\$344,990</i></u>	<u><i>(\$21,146)</i></u>	<u><i>\$289,386</i></u>
TOTAL PSNGR ACCOMMODATIONS	<u><u>\$1,889,761</u></u>	<u><u>\$1,703,769</u></u>	<u><u>\$185,991</u></u>	<u><u>\$1,502,498</u></u>

GENERAL OVERHEAD DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
FINANCE				
Staff	\$310,897	\$258,226	\$52,671	\$267,013
FICA	27,457	23,610	3,847	23,620
Pension	35,891	30,862	5,029	30,636
Health	89,854	88,103	1,750	74,695
Sick Pay	6,471	13,242	(6,770)	6,396
Vacation Pay	21,867	20,116	1,750	7,069
Holiday Pay	13,688	13,940	(252)	11,895
Other Paid Leave	5,988	3,098	2,891	5,671
Unemployment Insurance	1,008	1,187	(179)	963
Financial Audit Services	45,000	75,000	(30,000)	41,437
<i>Finance Subtotal</i>	<u>\$558,120</u>	<u>\$527,384</u>	<u>\$30,737</u>	<u>\$469,395</u>
PERSONNEL				
Staff	\$99,304	\$92,129	\$7,175	\$37,243
FICA	8,360	7,870	489	3,538
Pension	10,928	10,288	640	3,406
Health	45,617	31,426	14,191	6,867
Sick Pay	1,130	1,115	16	0
Vacation Pay	3,038	5,164	(2,127)	3,612
Holiday Pay	4,203	5,464	(1,261)	1,323
Other Paid Leave	2,101	2,186	(84)	394
Unemployment Insurance	336	448	(112)	196
<i>Personnel Subtotal</i>	<u>\$175,017</u>	<u>\$156,090</u>	<u>\$18,927</u>	<u>\$56,579</u>
UTILITIES				
Telephone & Data Communications	\$46,000	\$46,000	\$0	\$41,477
Power, Water & Refuse	174,000	174,000	0	155,759
Two-Way Radios	19,200	19,200	0	19,730
<i>Utilities Subtotal</i>	<u>\$239,200</u>	<u>\$239,200</u>	<u>\$0</u>	<u>\$216,966</u>
OPERATING FACILITIES				
Wages & Benefits				
Staff	\$55,898	\$54,861	\$1,038	\$53,428
FICA	4,825	4,730	95	4,663
Pension	6,307	6,183	124	6,300
Health	11,613	11,649	(36)	9,473
Sick Pay	861	844	16	1,904
Vacation Pay	3,638	3,532	107	5,242
Holiday Pay	2,426	2,354	71	2,315
Other Paid Leave	243	235	7	0
Unemployment Insurance	224	224	0	224
<i>Wages & Benefits Subtotal</i>	<u>\$86,034</u>	<u>\$84,611</u>	<u>\$1,422</u>	<u>\$83,549</u>
OPERATING FACILITIES (cont'd)				
Service Vehicles				
Parts & Repairs	\$12,000	\$12,000	\$0	\$19,478
Fuel	50,000	60,000	(10,000)	51,273

GENERAL OVERHEAD DETAIL
FISCAL YEAR 2016-17

	Draft Budget <u>FY 2016-17</u>	Final Budget <u>FY 2015-16</u>	Change from <u>FY 2015-16</u>	Prior Year Actual <u>FY 2014-15</u>
Service Vehicles Subtotal	\$62,000	\$72,000	(\$10,000)	\$70,751
Buildings & Grounds				
Contract Maintenance	\$74,960	\$74,960	\$0	\$73,394
Overpass Site	7,500	7,500	0	77
B&G Repairs/Supplies	38,000	38,000	0	41,046
Property Insurance	45,838	45,838	0	45,516
Buildings & Grounds Subtotal	<u>\$166,298</u>	<u>\$166,298</u>	<u>\$0</u>	<u>\$160,033</u>
<i>Operating Facilities Subtotal</i>	<u>\$314,332</u>	<u>\$322,909</u>	<u>(\$8,578)</u>	<u>\$314,333</u>
DISTRICT ADMINISTRATION				
Wages & Benefits				
Staff	\$558,025	\$528,416	\$29,609	\$450,049
Bus Ad Revenue Placement	8,875	8,701	174	9,017
FICA	50,147	48,016	2,132	44,876
Pension	65,552	62,765	2,787	59,784
Health	172,341	158,903	13,439	97,888
Sick Pay	10,961	14,653	(3,692)	9,324
Vacation Pay	54,204	48,954	5,251	65,600
Holiday Pay	24,869	27,409	(2,540)	19,311
Other Paid Leave	7,461	8,223	(762)	5,677
Unemployment Insurance	1,680	1,837	(157)	1,765
Wages & Benefits Subtotal	<u>\$954,116</u>	<u>\$907,877</u>	<u>\$46,239</u>	<u>\$763,291</u>
Administrative Services				
Directors Fees	\$12,600	\$12,600	\$0	\$10,620
Public Officials Insurance	62,752	51,422	11,330	36,750
Legal Counsel	125,000	125,000	0	104,765
Pension Administration	16,000	20,300	(4,300)	7,115
Office Equipment Maintenance	142,948	142,948	0	149,975
Miscellaneous Services	74,098	174,098	(100,000)	221,864
Office & Computer Supplies	49,511	49,511	0	40,226
Dues & Subscriptions	43,665	43,665	0	44,190
Conferences, Meetings & Training	17,698	16,640	1,058	5,426
Employee Relations	16,000	16,000	0	18,551
Retiree Health Insurance	86,032	86,032	0	216,713
Mandated Fees & Permits	38,550	38,550	0	30,263
Bus Ad Revenue Program	1,500	1,500	0	0
Miscellaneous	45,636	45,636	0	40,171
Administrative Services Subtotal	<u>\$731,991</u>	<u>\$823,903</u>	<u>(\$91,912)</u>	<u>\$926,629</u>
<i>District Administration Subtotal</i>	<u>\$1,686,106</u>	<u>\$1,731,779</u>	<u>(\$45,673)</u>	<u>\$1,689,920</u>
TOTAL GENERAL OVERHEAD	<u><u>\$2,972,775</u></u>	<u><u>\$2,977,362</u></u>	<u><u>(\$4,587)</u></u>	<u><u>\$2,747,193</u></u>

**CAPITAL BUDGET
FUNDING SUMMARY
FISCAL YEAR 2016-17**

	<u>Draft Budget FY 2016-17</u>	<u>Final Budget FY 2015-16</u>
<u>Revenue</u>		
Dedicated Source(s):		
<u>TDA-State Transit Assistance (TDA - STA)</u>		
Current Year - Allocation	\$0	\$350,000
Prior Year(s) - Allocation	1,388,921	3,594,897
	<u>\$1,388,921</u>	<u>\$3,944,897</u>
 <u>Measure A Transit Capital - Sales Tax Revenue</u>		
Current Year - Allocation	\$934,138	\$936,550
Prior Year(s) - Allocation	272,074	851,165
	<u>\$1,206,212</u>	<u>\$1,787,715</u>
Dedicated Sources Subtotal	<u>\$2,595,133</u>	<u>\$5,732,612</u>
 Grants:		
<u>Proposition 1B - Bond Proceeds</u>		
PTMISEA	\$3,076,161	\$5,368,296
Transit Security - OHS	0	739,085
	<u>\$3,076,161</u>	<u>\$6,107,381</u>
 <u>Federal Capital - Grants</u>		
Federal Grants	\$1,103,706	\$1,815,007
Grants Subtotal	<u>\$4,179,867</u>	<u>\$7,922,388</u>
Total Capital Revenue	<u>\$6,775,000</u>	<u>\$13,655,000</u>
 <u>Expenditures</u>		
Buses	\$3,425,000	\$5,525,000
Bus Rehab	510,000	690,000
Fixed Facilities	1,550,000	2,395,000
Radios & Fareboxes	75,000	75,000
Bus Stops	50,000	500,000
Shop Equipment	75,000	75,000
Management Info Systems	90,000	90,000
Intelligent Transportation Systems	975,000	4,280,000
Office Furniture & Equipment	25,000	25,000
Total Capital Expenditures	<u>\$6,775,000</u>	<u>\$13,655,000</u>

Capital Project Detail
FISCAL YEAR 2016-17

	Draft Budget FY 2016-17	Final Budget FY 2015-16	Change from FY 2015-16	New Funding Allocation	Carryover Funding Allocation
REVENUE VEHICLE PURCHASES					
40' Diesel Buses (5)	\$0	\$2,100,000	(\$2,100,000)	\$0	\$0
40' Diesel Buses (3)	1,425,000	1,425,000	0	0	1,425,000
EV Shuttles	2,000,000	2,000,000	0	0	2,000,000
Subtotal	<u>\$3,425,000</u>	<u>\$5,525,000</u>	<u>(\$2,100,000)</u>	<u>\$0</u>	<u>\$3,425,000</u>
REVENUE VEHICLE IMPROVEMENTS					
Diesel Fleet Drivetrains	\$360,000	\$360,000	\$0	\$360,000	\$0
EV Drivetrain/Battery Chargers etc	50,000	50,000	0	50,000	0
Lithium Battery Project	100,000	280,000	(180,000)	100,000	0
Subtotal	<u>\$510,000</u>	<u>\$690,000</u>	<u>(\$180,000)</u>	<u>\$510,000</u>	<u>\$0</u>
OFFICE FURNITURE & EQUIPMENT					
Office Furniture Allowance	\$25,000	\$25,000	\$0	\$25,000	\$0
Subtotal	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$0</u>	<u>\$25,000</u>	<u>\$0</u>
MANAGEMENT INFORMATION SYSTEMS					
Software Programming	\$50,000	\$50,000	\$0	\$50,000	\$0
PC Hardware/ IT Infrastructure Upgrades	40,000	40,000	0	40,000	0
Subtotal	<u>\$90,000</u>	<u>\$90,000</u>	<u>\$0</u>	<u>\$90,000</u>	<u>\$0</u>
INTELLIGENT TRANSPORTATION SYSTEMS					
AVL Project (AIM)	\$0	\$3,280,000	(\$3,280,000)	\$0	\$0
Smartcard Project	975,000	1,000,000	(25,000)	0	975,000
Subtotal	<u>\$975,000</u>	<u>\$4,280,000</u>	<u>(\$3,280,000)</u>	<u>\$0</u>	<u>\$975,000</u>
BUS STOP EQUIPMENT					
Superstops	\$0	\$250,000	(\$250,000)	\$0	\$0
Bus Stop Upgrades	50,000	250,000	(200,000)	50,000	0
Subtotal	<u>\$50,000</u>	<u>\$500,000</u>	<u>(\$450,000)</u>	<u>\$50,000</u>	<u>\$0</u>
FIXED FACILITIES					
T1 Fixed Facilities	\$100,000	\$745,000	(\$645,000)	\$100,000	\$0
TC Renovation Project	1,400,000	1,500,000	(100,000)	0	1,400,000
TC Fixed Facilities	50,000	150,000	(100,000)	50,000	0
Subtotal	<u>\$1,550,000</u>	<u>\$2,395,000</u>	<u>(\$845,000)</u>	<u>\$150,000</u>	<u>\$1,400,000</u>
FAREBOXES & RADIOS					
Fare Collection & Radio Allowance	\$75,000	\$75,000	\$0	\$75,000	\$0
Subtotal	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>	<u>\$75,000</u>	<u>\$0</u>
SHOP EQUIPMENT					
Shop Equipment Allowance	\$75,000	\$75,000	\$0	\$75,000	\$0
Subtotal	<u>\$75,000</u>	<u>\$75,000</u>	<u>\$0</u>	<u>\$75,000</u>	<u>\$0</u>
Total Capital Projects	<u><u>\$6,775,000</u></u>	<u><u>\$13,655,000</u></u>	<u><u>(\$6,855,000)</u></u>	<u><u>\$975,000</u></u>	<u><u>\$5,800,000</u></u>

OPERATING BUDGET

Financial Forecast

	Draft		Projected				
	Budget FY 2016-17	Growth Rate	FY 2017-18	Growth Rate	FY 2018-19	FY 2019-20	FY 2020-21
OPERATING REVENUE							
Passenger Fares	\$7,474,277	0.0%	\$7,474,277	1.0%	\$7,549,020	\$7,624,510	\$7,700,753
FTA Operating Assistance	4,981,529	2.0%	5,081,813		5,189,235	5,698,129	6,228,129
Property Tax Revenue	975,000	1.0%	984,750	1.5%	999,521	1,014,514	1,029,730
Local Operating Assistance	1,339,522	1.0%	1,352,918	1.0%	1,366,447	1,380,111	1,393,910
Measure A	2,014,368	-2.0%	1,973,487		2,041,409	2,112,559	2,200,372
Non-Transportation Income	787,710	2.0%	803,464	2.0%	819,533	835,924	852,640
Sales Tax Revenue (TDA - LTF) CY	7,611,094	1.0%	7,687,205	2.0%	7,840,949	7,997,768	8,157,721
Unrestricted Net Position	482,360		1,126,434		1,470,665	1,441,851	1,409,141
Total Operating Revenue	\$25,665,860		\$26,484,348		\$27,276,779	\$28,105,366	\$28,972,399
OPERATING EXPENSE							
Route Operations	\$15,561,095	2.8%	\$15,990,455	2.9%	\$16,438,383	\$16,906,057	\$17,394,737
Vehicle Maintenance	3,769,056	2.8%	3,873,633	2.9%	3,981,849	4,094,688	4,212,436
(Fuel Costs)	1,473,173	10.0%	1,620,491	5.3%	1,701,515	1,786,591	1,875,921
Passenger Accommodations	1,889,761	2.5%	1,937,125	3.3%	1,998,187	2,062,359	2,129,856
General Overhead	2,972,775	3.0%	3,062,644	3.2%	3,156,844	3,255,671	3,359,448
Total Operating Expense	\$25,665,860	3.2%	\$26,484,348		\$27,276,779	\$28,105,366	\$28,972,397
Net Position - Unrestricted							
Beginning Balance	\$10,084,002		\$9,452,642		\$8,172,737	\$6,543,998	\$4,939,331
Projected: Net Gain/Loss from Activities	(482,360)		(1,126,434)		(1,470,665)	(1,441,851)	(1,409,141)
Post-Retirement Health Care (OPEB)	(149,000)		(153,470)		(158,074)	(162,816)	(167,701)
Ending Balance	\$9,452,642		\$8,172,737		\$6,543,998	\$4,939,331	\$3,362,489

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: March 8, 2016
Subject: General Manager's Report

Operations & Maintenance

The process for our spring 2016 bid has been successfully completed. Bus operators, in seniority order, have the opportunity to change their work schedule at this time. This change will take effect March 7th. The Operations department welcomes our newest operator in training, Robert Ramirez, who just started this past week.

Two of the five new 40' Gillig buses, 635 and 636, have been accepted by MTD and have been released into service. We expect the remaining three new buses, 637 to 639, to be accepted by the end of the week. Maintenance is currently replacing the injectors on bus 701, bus 711's engine is nearly ready for reinstallation, and bus 617 is at Cummins to resolve an issue with exhaust gas recirculation (EGR) codes.

Planning

MTD and UCSB staff met on February 23rd to present the new Line 28 draft, proposed to begin as part of the fall service plan on August 22. The meeting also included discussion of associated bus stop improvements. Both UCSB and MTD are pleased to launch the second phase of this partnership to offset the increased demand from the 1,000-bed UCSB San Joaquin student housing project, scheduled to begin partial occupancy in fall 2016. The first phase of the partnership enhanced Lines 24x & 12x service beginning in August 2015.

As previously mentioned to the Board, staff is preparing an amendment to the agreement that would authorize staff to expend capital funds for bus stop improvements related to the new UCSB service. UCSB would reimburse MTD via the capital fund established in our agreement. The funds would become available in the following fiscal year; once sufficient funds are generated through San Joaquin occupancy.

The amendment will also rename Line 38 to Line 28, because the 30 series is dedicated to electric shuttles. As part of the meeting, UCSB staff also mentioned that the Santa Catalina residence hall will no longer be leased to EF students during the summer. This will lessen the peak hour surge on Lines 12x and 24x that were experienced last summer when Santa Catalina housing was leased to them.

The City of Carpinteria is constructing a sidewalk on the north side of Via Real between Sandpiper Mobile Home Park and Cravens Lane. As part of the project, the westbound bus stop near the Via Real entrance will be moved approximately 400 feet closer to the Cravens Lane/Via Real intersection. Also, the eastbound bus stops opposite the mobile home park entrance (freeway side of Via Real) will be removed, given that there is also an eastbound stop at the nearby intersection at Cravens Lane.

Administration

MTD submitted an application for Measure A South Coast Regional Bicycle and Pedestrian Program funds to purchase three-bike bicycle racks for our buses, to replace the current

two-bike racks. The application Scoring Committee met on February 19, and did not recommend funding MTD's application. The Scoring Committee's recommendations were presented to the South Coast Sub Regional Planning Committee, and that Committee has forwarded the recommended projects for funding to the SBCAG Board.

Staff submitted the required semi-annual reports to Caltrans for MTD's ongoing projects with Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds.

As required by the FTA, staff submitted MTD's January Safety & Security Reports and Ridership Reports to the National Transit Database (NTD). Staff also resubmitted MTD's FY 2015 NTD Annual Report in response to questions raised by NTD staff.

Staff attended meetings of SBCAG's Joint Technical Advisory Committee (JTAC) and Technical Transportation Advisory Committee (TTAC) on Thursday, March 3. MTD is a voting member of both committees. JTAC reviewed land-use scenarios and project lists for the ongoing update of SBCAG's Regional Transportation Plan - Sustainable Communities Strategy (RTP-SCS). TTAC recommended that the SBCAG Board approve SBCAG's Overall Work Program for FY 2017 and Measure A Revenue Estimates. TTAC also received an update on projects recommended for funding through the Measure A South Coast Regional Bicycle and Pedestrian Program and Safe Routes to School Program, on SBCAG's draft Congestion Management Program, and on the draft revised TDA Claim Manual.

Nancy Alexander and Cynthia Boche recently attended APTA's Marketing & Communications conference, while Jennifer Tanner, George Amoon and Dave Morse participated in a run-cutting and scheduling workshop with other transit professionals in Southern California. To date, there are 32 days of community outreach events on the calendar for the year, including ESOPs, senior communities, bicycle camps, Safety Town and more. On the March calendar are events for the Braille Institute, where we take a bus and driver to teach the sight impaired how to use the bus, La Casa de La Raza, and a 6th grade ESOP. In addition, we are planning a special recognition event on March 18th, the official "Transit Drivers Appreciation Day." In an effort to simplify the selling of bus passes to our foreign language students, MTD is now having a customer service rep set up a table in the lobby of the EF School every Monday morning.

Human Resource staff is currently working diligently with the Human Resource committee on the revised Staff Employee Handbook. The new 2016 ID badges have been distributed and now have the capability to swipe for complimentary fare when boarding the bus.

Recruiting has begun for a Transit Planner and a Maintenance Data Analyst, as two Staff positions are open due to retirements this month. Recruitment for mechanic positions and bus operators is ongoing. MTD currently has two video orientations for drivers scheduled for Wednesdays on March 9th and 30th. Final round interviews were conducted for the Fleet and Facilities Manager. As a result, we are pleased to announce that Mr. David Harbour accepted the offer of employment and will join MTD later this month.