



**AGENDA**

**Meeting**  
of the  
**BOARD OF DIRECTORS**  
of the  
**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
A Public Agency  
**Tuesday, March 7, 2017**  
**8:30 AM**  
**John G. Britton 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; Paula Perotte, 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 21, 2017.

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

The Board will be asked to review and approve the cash report for the period of February 14, 2017 through February 27, 2017.

**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 BUDGET FOR FISCAL YEAR 2017-18 - (ATTACHMENTS-INFORMATIONAL)**

Staff is seeking the Board's guidance on the financial priorities for preparation of the operating and capital budget for fiscal year 2017-18 beginning July 1, 2017.

**8. ADVANCE AUTHORITY TO EXECUTE DIESEL FUEL CONTRACT - (ATTACHMENTS-ACTION MAY BE TAKEN)**

Staff requests that the Board provide advance authorization for the General Manager to enter into a diesel fuel contract.

**9. LOW CARBON TRANSIT OPERATIONS PROGRAM RESOLUTION - (ATTACHMENTS-ACTION MAY BE TAKEN)**

Adopt Resolution 2017-03 authorizing MTD to submit the “Ridership Development Marketing Plan” project to be funded with FY 2017 California cap-and-trade auction proceeds from the Low Carbon Transit Operations Program (LCTOP).

**10. COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE RENEWAL – (ACTION MAY BE TAKEN)**

Staff recommends renewal of Commercial Auto and General Liability Insurance coverage with National Interstate Insurance Company (NIIC) effective 4/1/17 – 4/1/18.

**11. GENERAL MANAGER’S REPORT UPDATE - (INFORMATIONAL)**

- a) Rain Events
- b) Electric Vehicles
- c) IT Systems
- d) Hiring

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

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

**13. 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 21, 2017**  
**8:30 AM**  
**John G. Britton Auditorium**  
550 Olive Street, Santa Barbara, CA 93101

**1. CALL TO ORDER**

**2. ROLL CALL OF THE BOARD OF DIRECTORS**

Chair Davis reported all members were present.

**3. REPORT REGARDING POSTING OF AGENDA**

**Lilly Gomez**, Office Administrator, reported that the agenda was posted on Friday, February 17, 2017 at MTD's Administrative Office, mailed and emailed to those on the agenda list, and posted on MTD's website.

**CONSENT CALENDAR**

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

Chair Davis requested to have closed session public comment or lack thereof noted on minutes. Director Tabor moved to approve the draft minutes for the meeting of February 7, 2017. Director Rodriguez seconded the motion. The motion passed unanimously

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

Director Tabor moved to approve the cash report for the period of January 31, 2017 through February 13, 2017. Director Rodriguez seconded the motion. The motion passed unanimously

**THIS CONCLUDES THE CONSENT CALENDAR**

**6. PUBLIC COMMENT**

None was made.

**7. DRAFT BUDGET REVISION FOR FISCAL YEAR 2016-17- (ATTACHMENTS-ACTION MAY BE TAKEN)**

Assistant General Manager Brad Davis recommended that the Board approve the draft fiscal Year 2016-17 budget revision. Mr. Davis stated both the operating budget and the capital budget are proposed for revision.

The operating budget changes are mainly composed of reduced fare revenue and reductions in fringe benefit and risk costs. The projected fare revenue is being lowered based upon the assumption that the six-month trends in cash and pass sales will continue throughout the year. The revised fare revenue also includes a downward adjustment of \$60,000 to account for reduced SBCC enrollment. Operating expense adjustments included an 8% decrease in the health insurance budget, because the growth in premiums was less than the projected increase and due to unfilled positions. The workers' compensation budget is being reduced due to several long-term claims being settled this year. Because of vacant driver positions, it is necessary to increase the unscheduled driver pay

budget. Additionally, the bus parts expense is being increased by \$70,000 to account for higher repairs costs because of costly emissions control replacement parts.

The capitol budget changes include a reduction in the budget for the purchase of eight BYD electric bus budget due to State Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) credits, the addition of the six BYD shuttles that are to be leased as a capital cost, the funding of two paratransit vans for Easy Lift at a cost of \$100,000, an increase in the bus stop upgrade budget to include several new stops for Line 28 and to account for increases to A&E and construction costs, and four new service vehicle replacements.

Chair Davis thanked staff and the Finance Committee for a great report and recommendation.

Director McQuary made a motion to approve the 2016-17 budget revision. Director Tabor seconded the motion. The motion passed unanimously.

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

General Manager, Jerry Estrada updated the board in regards to ongoing capital projects. The installation of the GFI fareboxes is postponed until April due to the need to order additional parts. The canopy project is scheduled for completion by April, which will alleviate issues that would arise if both projects were taking place at the same time.

Mr. Estrada reported that Vaquero Systems is working on the equipment installation for the Smartcard system.

Mr. Brad Davis advised the board that the transit center renovation is still in progress and MTD will submit the revised plans to the City to comply with storm water mitigation. Additionally, the transit center roof is being examined for potential replacement due to leaks caused by the recent rainstorm.

Mr. Estrada advised the board that data from the AVL & ITS Management (AIM) system is being utilized by Dispatch and Operations, with an emphasis on ridership reports for the Planning Department. Eventually, the AIM system will be available to the public for real-time bus arrival information. With the current schedule, the service will be available by August 2017.

Now that the amount of funding from the FY 2017 cap-and-trade Low Carbon Transit Operations Program (LCTOP) is known, staff plans to recommend that the Board approve submittal of a multi-year marketing program project to be funded by the LCTOP.

Mr. Estrada also acknowledged the director of the Santa Barbara East Side Library for working with MTD on potentially getting a contract in place to install a Ticket Vending Machine.

Staff will provide a thorough report on new federal Transit Asset Management requirements at a later meeting.

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

Chair Davis requested the Calle Real Ad Hoc Committee hold a brief meeting following the Board meeting.

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

No public comment related to Closed Session was made.

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

The Board will meet in closed session pursuant to Government Code § 54956.9(a):  
two matters:

Julian Ray Rodriguez v. SBMTD

Swostik Lamichhane, Reeti K.C. Lamichhane, Sapana Lamichhane, Rachayita Pant v. SBMTD

Upon returning from closed session, Chair Davis reported that the Julian Ray Rodriguez v. SBMTD and driver Rodolfo Furtado, Superior Court Case number 16CV01079 case, was settled in the amount of 70,000. For the business reason of avoiding the expense of continuing litigation. In settling, MTD expressly denied any liability or fault for the accident by MTD or any of its employees.

Chair David reported no action was taken for the Swostik Lamichhane, Reeti K.C. Lamichhane, Sapana Lamichhane, Rachayita Pant v. SBMTD case.

**11. ADJOURNMENT**

Director Tabor moved to adjourn the meeting at 9:20am. Director McQuary seconded the motion. The motion passed unanimously.

---

---

**Santa Barbara Metropolitan Transit District**  
**Cash Report**  
**Board Meeting of March 7, 2017**  
**For the Period February 14, 2017 through February 27, 2017**

---

---

**MONEY MARKET**

**Beginning Balance February 14, 2017** **\$11,905,379.16**

SB-325 (LTF)	707,339.75
Advertising/Prepaid Deposits	399,078.14
Accounts Receivable	297,783.45
Measure "A"	194,405.17
UCSB Fares	105,757.77
Passenger Fares	100,831.96
SBCC Fares	96,704.50
LCTOP Transfers	15,833.33
Miscellaneous/Asset Sales	14.00
<b>Total Deposits</b>	<b>1,917,748.07</b>

ACH Garn/Escrow	(1,290.65)
Bank/CC Fees	(2,255.78)
ACH Pensions Transfer	(30,867.09)
ACH Tax Deposit	(156,975.35)
Payroll Transfer	(332,300.82)
Operations Transfer	(948,671.36)
<b>Total Disbursements</b>	<b>(1,472,361.05)</b>

**Ending Balance** **\$12,350,766.18**

**CASH INVESTMENTS**

LAIF Account	\$3,365,382.08
Money Market Account	12,350,766.18

**Total Cash Balance** **\$15,716,148.26**

**SELF INSURED LIABILITY ACCOUNTS**

WC / Liability Reserves	(\$3,693,563.28)
-------------------------	------------------

**Working Capital** **\$12,022,584.98**

**Santa Barbara Metropolitan Transit District  
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
114589	2/17/2017	MANUEL CASTANON	DMV REIMBURSEMENT	85.00	
114590	2/17/2017	GUARDIAN-APPLETON (DENTAL I	DENTAL INSURANCE	4,498.62	
114591	2/17/2017	GUARDIAN-APPLETON (LIFE INS)	LIFE INSURANCE	622.13	
114592	2/17/2017	ANN HARBOUR	PAYROLL RELATED	450.00	
114593	2/17/2017	LABOR ALLIANCE MANAGED TRU	DENTAL INSURANCE	10,544.00	
114594	2/17/2017	MEDICAL EYE SERVICES, INC.	VISION INSURANCE	390.40	
114595	2/17/2017	NATIONAL DRIVE	PAYROLL DEDUCTION	68.00	
114596	2/17/2017	ANN BRADY OTTIERI	PAYROLL RELATED	277.00	
114597	2/17/2017	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	760.00	
114598	2/17/2017	SPECIAL DISTRICT RISK MGMT	MEDICAL HEALTH INSURANCE	46,760.00	
114599	2/17/2017	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	
114600	2/17/2017	THE GAS COMPANY DBA	UTILITIES	1,061.79	
114601	2/17/2017	TEAMSTERS MISC SECURITY TRU	UNION MEDICAL INSURANCE	198,174.00	
114602	2/17/2017	TEAMSTERS PENSION TRUST	UNION PENSION	94,435.10	
114603	2/17/2017	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,423.77	
114604	2/17/2017	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
114605	2/17/2017	U.S. BANK CORP. PAYMENT SYSTE	MISC. CC PURCHASES	3,298.42	
114606	2/17/2017	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	98.00	
114607	2/23/2017	ABC BUS COMPANIES INC	BUS PARTS	882.36	
114608	2/23/2017	ALLIED ELECTRONICS, INC	BUS PARTS	222.94	
114609	2/23/2017	A.G.S. REBUILDERS, INC.	SERVICE VEHICLE PARTS/BUS PARTS	146.50	
114610	2/23/2017	A-OK MOWERS	COMPRESSOR PARTS	119.92	
114611	2/23/2017	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	252.76	
114612	2/23/2017	BATTERY SYSTEMS OF OXNARD	BUS PARTS	223.99	
114613	2/23/2017	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	33.21	
114614	2/23/2017	HILLARY BLACKERBY	REIMBURSEMENT	150.00	
114615	2/23/2017	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	285.00	
114616	2/23/2017	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	94,143.11	
114617	2/23/2017	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	266.25	
114618	2/23/2017	GILBERT CALLES	RETIREE HEALTH REIMBURSEMENT	92.00	
114619	2/23/2017	CALSTART, INC.	MEMBERSHIP	1,950.00	
114620	2/23/2017	CAPITOL HARDWARE & BUILDING	B&G SUPPLIES	139.54	
114621	2/23/2017	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	58.39	
114622	2/23/2017	CITY OF CARPINTERIA	ELECTRIC CHARGING STATION	633.56	
114623	2/23/2017	CELTIS VENTURES, INC.	MARKETING SERVICES	190.00	
114624	2/23/2017	CERTIFIED ENVIRONMENTAL	PROFESSIONAL SERVICES	4,334.25	
114625	2/23/2017	CINTAS CORPORATION	FIRST AID SUPPLIES	323.17	
114626	2/23/2017	CIO SOLUTIONS, LP	IT SERVICES	4,553.50	

Check #	Date	Company	Description	Amount	Voids
114627	2/23/2017	COAST TRUCK PARTS	BUS PARTS	133.72	
114628	2/23/2017	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	10,426.39	
114629	2/23/2017	DAVID DAVIS JR.	DIRECTOR FEES	180.00	
114630	2/23/2017	DOWNTOWN ORGANIZATION, INC.	TC MAINTENANCE	450.00	
114631	2/23/2017	EASY LIFT TRANSPORTATION, INC	ADA SUBSIDY	70,925.00	
114632	2/23/2017	ERGOMETRICS, INC.	DRIVER TEST SCORING	120.00	
114633	2/23/2017	JERRY ESTRADA	REIMBURSEMENT	60.00	
114634	2/23/2017	FEDEX dba	FREIGHT CHARGES	198.70	
114635	2/23/2017	FERRO MAGNETIC CORPORATION	BATTERY CHARGERS/PARTS	186.10	
114636	2/23/2017	MELVIN FOUNTAIN	RETIREE HEALTH REIMBURSEMENT	92.00	
114637	2/23/2017	FRANK SCHIPPER CONSTRUCTION	T1 CANOPY PROJECT	192,183.31	
114638	2/23/2017	FRONTIER CALIFORNIA INC.	TELEPHONES	1,974.67	
114639	2/23/2017	GEM EQUIPMENT CO. DBA	BUS PARTS & SUPPLIES	268.95	
114640	2/23/2017	GIBBS INTERNATIONAL INC	BUS PARTS	1,806.10	
114641	2/23/2017	GILLIG LLC	BUS PARTS	8,293.05	
114642	2/23/2017	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	247.95	
114643	2/23/2017	GOODYEAR TIRE & RUBBER CO	LEASED TIRES	13,482.08	
114644	2/23/2017	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	246.56	
114645	2/23/2017	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	234.08	
114646	2/23/2017	H&H WHOLESALE PARTS	BUS PARTS & SHOP SUPPLIES	157.62	
114647	2/23/2017	HAYWARD LUMBER	SHOP SUPPLIES	11.68	
114648	2/23/2017	H.G. MAKELIM CO., INC.	BUS PARTS	15,355.97	
114649	2/23/2017	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	44.18	
114650	2/23/2017	HR AUTOGLASS DBA	BUS PARTS/REPAIRS	210.00	
114651	2/23/2017	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	256.64	
114652	2/23/2017	LA CUMBRE FEED, INC.	SOFT WATER SYSTEM SUPPLIES	409.72	
114653	2/23/2017	LEO MEJIA	PROGRAMMING SERVICES	302.50	
114654	2/23/2017	LOUIS MANDEVILLE	RETIREE HEALTH REIMBURSEMENT	250.16	
114655	2/23/2017	MANSFIELD OIL CO.- GAINESVILL	DIESEL FUEL	68,601.70	
114656	2/23/2017	MC CORMIX CORP. (OIL)	LUBRICANTS	3,634.32	
114657	2/23/2017	CHUCK MCQUARY	DIRECTOR FEES	180.00	
114658	2/23/2017	MISSION ROOFING DBA	SHOP ROOF REPAIRS INSPECTION & R	788.20	
114659	2/23/2017	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	294.34	
114660	2/23/2017	MCI SERVICE PARTS, INC.	BUS PARTS	8.57	
114661	2/23/2017	NEW PIG CORP.	B/G SUPPLIES (OF)	704.86	
114662	2/23/2017	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	363.66	
114663	2/23/2017	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	2,598.38	
114664	2/23/2017	O'CONNOR PEST CONTROL DBA	FUMIGATION	77.00	
114665	2/23/2017	OFFICETEAM	TEMPORARY STAFF	1,965.15	
114666	2/23/2017	CARLOS ORNELAS	RETIREE HEALTH REIMBURSEMENT	90.00	
114667	2/23/2017	PAULA A. PEROTTE	DIRECTOR FEES	120.00	



Check #	Date	Company	Description	Amount	Voids
114668	2/23/2017	PETTY CASH - ALEXANDER, NANC	MISC. PURCHASES	259.50	
114669	2/23/2017	PETTY CASH - GOMEZ, LILLY	MISC. PURCHASES	279.43	
114670	2/23/2017	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	282.34	
114671	2/23/2017	POWERSTRIDE BATTERY CO.	EV BATTERIES	591.40	
114672	2/23/2017	ROGERS, SHEFFIELD & CAMPBELL	LEGAL COUNSEL	52,007.60	
114673	2/23/2017	OLIVIA RODRIGUEZ	DIRECTOR FEES	120.00	
114674	2/23/2017	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	92.00	
114675	2/23/2017	SILVAS OIL CO., INC.	LUBRICANTS	424.33	
114676	2/23/2017	WILLIAM JOHN SHELOR	DIRECTOR FEES	180.00	
114677	2/23/2017	SM TIRE, CORP.	BUS TIRE MOUNTING	566.12	
114678	2/23/2017	SMART & FINAL	OFFICE/MEETING SUPPLIES	196.31	
114679	2/23/2017	SO. CAL. EDISON CO.	UTILITIES	3,447.92	
114680	2/23/2017	THE GAS COMPANY DBA	UTILITIES	61.44	
114681	2/23/2017	STAPLES CONTRACT & COMMERC	OFFICE SUPPLIES	295.62	
114682	2/23/2017	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	568.23	
114683	2/23/2017	SB CITY OF-REFUSE/WATER	UTILITIES	627.64	
114684	2/23/2017	TELCOM, INC.	VENTURA REPEATER SERVICES	750.00	
114685	2/23/2017	DAVID T. TABOR	DIRECTOR FEES	120.00	
114686	2/23/2017	TANK TEAM INC.	TANK TESTS	123.00	
114687	2/23/2017	J.C. M. AND ASSOCIATES INC.	UNIFORMS	1,864.41	
114688	2/23/2017	NICKOLAS G. URIBE SR.	RETIREE HEALTH REIMBURSEMENT	570.00	
114689	2/23/2017	VALLEY POWER SYSTEMS, INC.	BUS PARTS	2,714.08	
114690	2/23/2017	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	2,760.58	
114691	2/23/2017	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	80.24	
114692	2/23/2017	RICHARD WEINBERG	DIRECTOR FEES	120.00	
114693	2/23/2017	WURTH USA WEST INC.	SHOP SUPPLIES	309.92	
114694	2/23/2017	ALEXANDER YOUNG	RETIREE HEALTH REIMBURSEMENT	236.26	
				<b>948,671.36</b>	
<b>Current Cash Report Voided Checks:</b>				0.00	
<b>Prior Cash Report Voided Checks:</b>				0.00	
<b>Grand Total:</b>				<b>\$948,671.36</b>	

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

<b>Date</b>	<b>Company</b>	<b>Description</b>	<b>Amount</b>
2/15/2017	County of Santa Barbara	Passes/Token Sales	2,980.50
2/15/2017	Department of Rehabilitation	Passes/Passports Sales	380.00
2/16/2017	KCSB - FM	Advertising on Buses	498.00
2/17/2017	Blue Line Media LLC	Advertising on Buses	298.80
2/17/2017	Blue Line Media LLC	Advertising on Buses	298.80
2/17/2017	City of SB-Environmental Services D	Advertising on Buses	1,410.00
2/17/2017	True Media LLC	Advertising on Buses	1,533.60
2/22/2017	LOSSAN Rail Corridor Agency	LOSSAN Contract Revenue - Dec. 2016	970.00
2/22/2017	UCSB - Contract Fares	Contract Fares - Jan. 2017	99,131.50
2/23/2017	City of SB - (Downtown Shuttle)	Downtown Shuttle - Jan. 2017	96,042.00
2/23/2017	City of SB - (Downtown Shuttle)	Downtown Shuttle - Dec. 2016	94,240.25
<b>Total Accounts Receivable Paid During Period</b>			<b>\$297,783.45</b>



## BOARD OF DIRECTORS REPORT

**MEETING DATE:** MARCH 7, 2017                      **AGENDA ITEM #:** 7

**TYPE:** INFORMATIONAL

**PREPARED BY:** BRAD DAVIS

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** GENERAL MANAGER

\_\_\_\_\_  
*Signature*

**SUBJECT:** Draft Budget for Fiscal Year 2017-18

### RECOMMENDATION:

Staff is seeking the Board's guidance on the financial priorities for preparation of the operating and capital budget for fiscal year 2017-18 beginning July 1, 2017.

### DISCUSSION:

The attached draft of the budget is limited to significant inputs including fare revenue, subsidies, the service level, and wage and benefit costs. The purpose of the draft is to provide the Board a financial picture that incorporates all revenue hours, personnel levels, and other operating needs under consideration or desired and is thus seen as a starting point for the budget process.

As overall revenue is expected to be relatively unchanged at \$25.1 million while operating expenses are projected to grow by 3% to \$25.8 million, the draft includes a \$650,000 deficit. The capital budget is \$8.7 million and makes use of both prior year and FY17-18 capital funds. The key assumptions leading to the operating results include the following:

- Reduction in cash fares and pass sales of 5%
- No growth in federal operating assistance
- LTF sales tax revenue increase of 2% per SBCAG's recent projection
- 3,700 increase in revenue hours to improve on-time performance
- No change from the currently budgeted employment level
- Wage and fringe benefit increases per the collective bargaining agreement
- A 10% rise in the cost of diesel fuel

### Operating Budget

Fare Revenue – With the continued ridership decrease this year, cash and pass sales revenue is anticipated to decline by 5% from the current year budget. Increases in contract fare revenue offset the drop to some extent resulting in an overall 2% fare revenue decrease. These assumptions will be reviewed again as additional operating revenue data is available.

LTF Sales Tax Revenue – LTF sale tax revenue of \$7.8 million for next fiscal year is based on an estimate provided to SBCAG by the Santa Barbara County Auditor-Controller. The amount represents 2% growth from SBCAG's latest estimated receipts for this year. However, relative to MTD's FY16-17 budget, which is on track, it is a 4% increase. The FY17-18 LTF estimate will be reviewed to take into account additional data before the final budget is brought to the Board in June.

Federal Operating Assistance – The \$5.1 million in federal operating assistance matches the current year estimate. While the Fast Act federal transit bill includes a 2% increase for next year, the current year operating assistance has yet to be fully allocated and it is not known if it will be to the full appropriation level. Additionally, in the current political climate, staff feels it is appropriate to take a conservative approach concerning federal transit funding.

Other Revenue – Measure A operating revenue of \$2 million is flat relative to the current year based on projections provided by SBCAG. There are a number of changes in state and local operating revenues leading to a nearly \$200,000 reduction in the source. The most significant factor is the discontinuance of \$190,000 LCTOP support for the lines 1 and 2 AM peak service. Somewhat mitigating this loss is the intended use of \$50,000 in LCTOP revenue to fund marketing costs. As discussed below under Service Level, \$40,000 in revenue for the "last mile" Amtrak service is also being eliminated from the budget.

Service Level – The main influence in the operating budget growth is a 3,700 hours increase in the service level to 224,000 annual revenue hours. The expansion is primarily composed of additional hours to improve the on-time performance of lines 6/11, 20/20x, and 24/24x. There are also additional hours for a full year of the line 28 and other service changes that began last fall. Additionally, the revenue hours for the "last mile" service for the Goleta Amtrak station have been removed pending a future agreement for Amtrak peak hour commuter service.

Operating Costs – Other primary assumptions driving the budget increase are a 2% cost of living wage adjustment and a maximum 6.25% rise in health benefit costs for represented employees. While no changes in the employment level are budgeted, wage and benefit costs are anticipated to increase from the effect of a full year of several positions filled during FY16-17. With the expiration of the existing fixed-price diesel fuel contract this November, the budget includes a 10% increase in fuel costs for the remainder of the fiscal year adding nearly \$100,000 in expenses. The budgeted \$2.20 price per gallon is at the top of the projected price range. With the upcoming fuel bid, the exact figure will be known and the budget adjusted accordingly. FY17-18 liability costs are expected to come down significantly due to the above normal defense costs incurred in the current fiscal year. The budget also includes a \$75,000 allocation for planning studies to assess local transportation needs including the potential use of alternative travel modes to improve efficiency and meet customer demand. Again, only key budget inputs have been addressed in this early draft of the budget. All expenses will be reviewed by staff before bringing the budget back for consideration in early June.

## **Capital Budget**

Projects – The draft capital budget for FY17-18 includes new expenditures totaling \$8.7 million. The budget assumes the completion of all FY16-17 projects this fiscal year although this is unlikely. Those remaining projects will be carried over into the new fiscal year which would further increase the capital budget. The replacement of the remaining 14 Nova buses at a cost

of \$7 million makes up the bulk of the capital outlays. Also included is an additional \$300,000 for the Transit Center renovation project and \$200,000 for the replacement of several service vehicles at the end of their useful lives. The remainder of the capital budget is mostly composed of allowances for regular capital needs such as bus refurbishing campaigns and drivetrain components, and facility and bus stop improvements.

Funding – 80% of the 14 new buses will be funded through the \$5.7 million FTA Section 5339(b) discretionary grant awarded to MTD in 2016. The balance of the capital budget will be funded through the ongoing annual formula funding sources including State Transit Assistance (STA), FTA Section 5339(a), Measure A, and the last of the state Prop 1B funding.

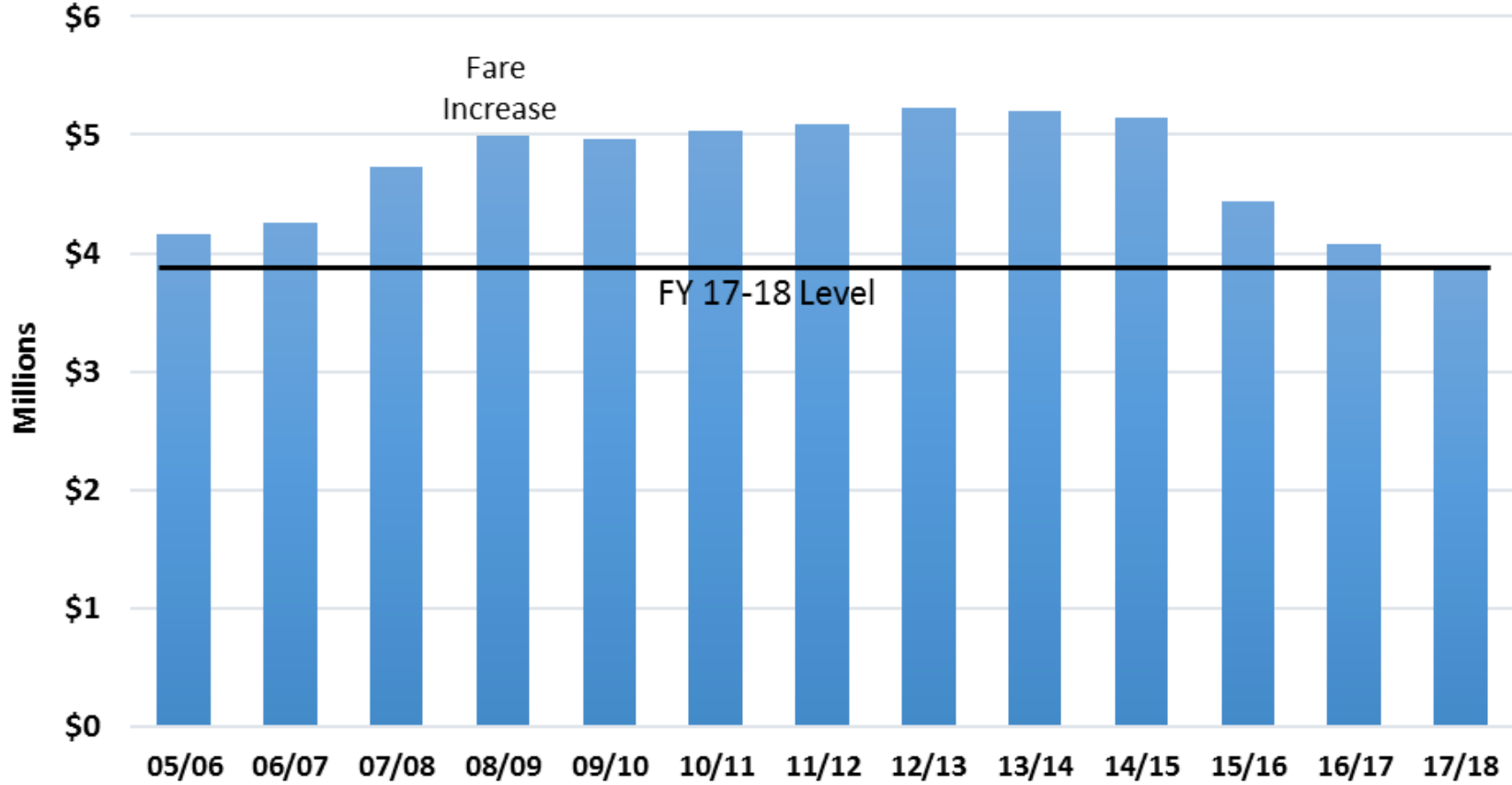
### **Deficits & Reserves**

The attached draft FY17-18 budget requires the use of \$650,000 in operating reserves. With current reserves in excess of \$10 million, MTD is in a position to cover the deficit. Such reserves, however, are also allocated towards the funds established in the cash reserves policy approved by the Board last year. An update of the reserve levels will be provided with the next budget draft.

In recent years, the use of cash reserves was projected in the approved budgets. Those years ended up with operating surpluses just as this year is now projected to do. This was due to a combination of factors including a lack of full employment and less than anticipated health benefit and fuel costs. However, because of the continued erosion of fare revenue and rising operating costs, this turnaround is very unlikely to occur in FY17-18. The five-year forecast is being updated and at present this trend looks to continue into the near future. With this outlook it is appropriate to begin discussing and considering adjustments to these conditions which means looking at the service level and the fare structure. Per the Finance & Human Resources Committee, staff will be including fare increase scenarios with the final budget presented to the Board this June. Also included as an attachment is a chart of cash and pass sales revenue going back to FY05-06. Additional charts concerning the draft budget will be provided during the presentation.

Attachment: Cash & Pass Sales Historical Levels chart  
*Draft Operating & Capital Budget for FY2017-18*

# Historical Cash & Pass Sales





# OPERATING & CAPITAL BUDGET

for

## FISCAL YEAR 2017-18

# Draft

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

March 7, 2017

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

**OPERATING & CAPITAL BUDGET  
FISCAL YEAR 2017-18**

**Draft**

March 7, 2017

**TABLE OF CONTENTS**

Operating Budget Summary.....	1
Operating Revenue Detail.....	2
Operating Expense Summary.....	3
Route Operations Detail.....	4
Vehicle Maintenance Detail.....	6
Passenger Accommodations Detail.....	8
General Overhead Detail.....	10
Capital Project Detail.....	12



## Operating Budget Summary Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<u>Revenue</u>				
Fare Revenue	\$7,072,443	\$7,223,874	(\$151,431)	\$7,562,307
LTF Sale Tax Revenue	7,771,309	7,460,309	311,000	7,375,456
FTA Operating Assistance	5,081,813	5,081,813	0	4,984,944
Measure A Sale Tax Revenue	2,014,211	2,014,368	(157)	2,007,455
State & Local Operating Assistance	1,219,558	1,413,778	(194,220)	475,593
Property Tax Revenue	1,132,878	1,110,665	22,214	1,094,851
Non-Transportation Income	850,105	846,180	3,925	846,727
Total Operating Revenue	\$25,142,317	\$25,150,987	(\$8,669)	\$24,347,334
<u>Expense</u>				
Route Operations	\$15,720,426	\$15,335,910	\$384,516	\$14,347,432
Vehicle Maintenance	5,541,163	5,276,642	264,521	4,959,460
Passenger Accommodations	1,724,168	1,594,388	129,779	1,521,888
General Overhead	2,807,631	2,818,342	(10,710)	3,043,662
Total Operating Expense	\$25,793,388	\$25,025,283	\$768,105	\$23,872,443
Surplus/Deficit	(\$651,071)	\$125,704	(\$776,775)	\$474,892
<u>Unrestricted Net Position</u>				
Beginning Balance	FY2017-18 \$10,949,218	FY2016-17 \$10,823,514		FY2015-16 \$10,348,622
Net Change from Operating Activities	(651,071)	125,704		474,892
Ending Balance *	\$10,298,147	\$10,949,218		\$10,823,514

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

## Operating Revenue Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>FAREBOX REVENUE</i>				
Cash Fares & Tokens	\$2,000,674	\$2,105,972	(\$105,299)	2,341,861
Adult Passes	1,073,435	1,129,932	(56,497)	1,253,642
Youth Passes	502,089	528,515	(26,426)	533,213
Senior Passes	154,427	162,555	(8,128)	176,627
Mobility Passes	141,367	148,808	(7,440)	153,470
Day Passes	4,425	4,658	(233)	5,166
Coastal Express Pass Refunds	0	0	0	(25,365)
Downtown-Waterfront Shuttle	1,115,348	1,089,303	26,044	1,055,152
UCSB Contract Fares	1,019,804	1,013,519	6,285	991,118
SBCC Contract Fares	905,874	885,612	20,262	931,386
Special Event Fares/Amtrak	120,000	120,000	0	110,051
City My Ride Program	35,000	35,000	0	35,987
<i>Subtotal</i>	<u>\$7,072,443</u>	<u>\$7,223,874</u>	<u>(\$151,431)</u>	<u>\$7,562,307</u>
<i>NON-TRANSPORTATION INCOME</i>				
Advertising on Buses	\$600,000	\$600,000	\$0	588,265
Interest on Investments	22,910	22,910	0	25,788
Lease & Other Income	227,195	223,270	3,925	232,675
<i>Subtotal</i>	<u>\$850,105</u>	<u>\$846,180</u>	<u>\$3,925</u>	<u>846,727</u>
<i>GRANTS &amp; SUBSIDIES</i>				
TDA Sales Tax Revenue	\$7,771,309	\$7,460,309	\$311,000	7,375,456
FTA Formula Assistance	5,081,813	5,081,813	0	4,984,944
Property Tax Revenue	1,132,878	1,110,665	22,214	1,094,851
Measure A	2,014,211	2,014,368	(157)	2,007,455
State & Local Operating Assistance	1,219,558	1,413,778	(194,220)	475,593
<i>Subtotal</i>	<u>\$17,219,769</u>	<u>\$17,080,933</u>	<u>\$138,836</u>	<u>15,938,300</u>
<i>Total Operating Revenue</i>	<u><u>\$25,142,317</u></u>	<u><u>\$25,150,987</u></u>	<u><u>(\$8,669)</u></u>	<u><u>24,347,334</u></u>

## Operating Expense Summary Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>ROUTE OPERATIONS</i>				
Drivers	\$11,822,507	\$11,564,989	\$257,518	\$10,500,979
Dispatch & Supervision	661,697	658,731	2,966	601,938
Hiring & Training	346,118	325,282	20,836	274,341
Risk & Safety	2,021,046	1,935,808	85,238	2,144,664
Transportation Subsidies	869,058	851,100	17,958	825,511
<i>Subtotal</i>	<u>\$15,720,426</u>	<u>\$15,335,910</u>	<u>\$384,516</u>	<u>\$14,347,432</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,283,652	\$1,191,370	\$92,282	\$1,035,277
Cleaners & Fuelers	840,173	818,360	21,813	792,001
Supervision	675,950	601,616	74,334	497,031
Vehicle Consumables	1,857,025	1,765,873	91,152	1,895,002
Bus Parts & Supplies	750,163	765,924	(15,760)	665,807
Vendor Services	60,000	60,000	0	50,259
Risk & Safety	74,200	73,500	700	24,083
<i>Subtotal</i>	<u>\$5,541,163</u>	<u>\$5,276,642</u>	<u>\$264,521</u>	<u>\$4,959,460</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$634,305	\$601,296	\$33,008	\$638,692
Transit Development	374,309	328,152	46,157	354,304
Promotion & Information	437,272	377,807	59,465	233,543
Fare Revenue Collection	278,281	287,133	(8,851)	295,349
<i>Subtotal</i>	<u>\$1,724,168</u>	<u>\$1,594,388</u>	<u>\$129,779</u>	<u>\$1,521,888</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$581,775	\$556,750	\$25,025	\$522,989
Personnel	161,531	166,672	(5,141)	159,651
Utilities & Communication	227,000	227,000	0	200,338
Operating Facilities	334,667	339,010	(4,343)	329,087
District Administration	1,502,658	1,528,909	(26,251)	1,831,597
<i>Subtotal</i>	<u>\$2,807,631</u>	<u>\$2,818,342</u>	<u>(\$10,710)</u>	<u>\$3,043,662</u>
<i>Total Operating Cost</i>	<u><u>\$25,793,388</u></u>	<u><u>\$25,025,283</u></u>	<u><u>\$768,105</u></u>	<u><u>\$23,872,443</u></u>

## Route Operations Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>DRIVERS</i>				
Scheduled	\$6,800,244	\$6,612,398	\$187,845	\$6,064,799
Scheduled Overtime	344,119	334,336	9,783	315,070
Unscheduled Pay	260,428	341,430	(81,002)	228,743
Driver Lite Duty	7,528	7,521	7	1,635
FICA	642,707	633,042	9,665	564,119
Pension	941,216	927,885	13,332	860,154
Health	1,768,170	1,660,881	107,289	1,538,455
Sick Pay	168,233	167,293	940	133,346
Vacation Pay	539,790	531,027	8,763	478,882
Holiday Pay	253,344	253,344	0	232,661
Other Paid Leave	27,708	27,708	0	43,477
Unemployment Insurance	34,020	33,124	896	25,686
Uniforms	35,000	35,000	0	13,952
<i>Drivers Subtotal</i>	<u>\$11,822,507</u>	<u>\$11,564,989</u>	<u>\$257,518</u>	<u>\$10,500,979</u>
<i>DISPATCH &amp; SUPERVISION</i>				
Supervisors	\$228,412	\$223,947	\$4,465	\$164,008
Staff	174,297	170,880	3,417	177,675
FICA	36,840	36,119	721	30,663
Pension	38,053	37,470	583	40,334
Health	103,985	111,748	(7,763)	92,524
Sick Pay	4,260	4,177	83	29,330
Vacation Pay	32,400	31,766	634	34,306
Holiday Pay	17,377	17,037	340	14,394
Other Paid Leave	24,821	24,336	485	17,700
Unemployment Insurance	1,252	1,252	0	1,004
	<u>\$661,697</u>	<u>\$658,731</u>	<u>\$2,966</u>	<u>\$601,938</u>
<i>HIRING &amp; TRAINING</i>				
Staff	\$62,626	\$47,421	\$15,205	\$22,012
Student Drivers	36,905	36,606	299	45,211
Existing Drivers/Supers	137,683	135,204	2,479	125,995
FICA	19,025	17,606	1,419	10,395
Pension	13,468	10,478	2,990	9,940
Health	21,708	23,832	(2,125)	18,811
Sick Pay	2,593	2,261	332	1,527
Vacation Pay	4,678	4,542	135	(295)
Holiday Pay	3,498	3,415	83	3,038
Other Paid Leave	713	694	18	1,163
Unemployment Insurance	112	112	0	378
Medical Exams & License Fees	27,050	27,050	0	28,016
Employment Advertising	6,000	6,000	0	7,019
Training, Travel & Meetings	10,060	10,060	0	1,129
<i>Hiring &amp; Training Subtotal</i>	<u>\$346,118</u>	<u>\$325,282</u>	<u>\$20,836</u>	<u>\$274,341</u>

## Route Operations Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>RISK &amp; SAFETY</i>				
Wages & Benefits				
Staff	\$143,562	\$139,281	\$4,281	\$99,230
Supervisors	304,753	298,796	5,957	287,303
Driver Accident Pay	1,756	1,755	2	2,267
FICA	39,335	38,445	890	33,440
Pension	49,398	48,598	799	42,653
Health	86,218	94,293	(8,075)	75,421
Sick Pay	6,251	6,159	93	23,781
Vacation Pay	34,018	33,274	744	32,907
Holiday Pay	18,521	18,095	426	14,512
Other Paid Leave	5,320	5,184	136	14,733
Unemployment Insurance	1,445	1,445	0	890
Wages & Benefits Subtotal	\$690,578	\$685,324	\$5,253	\$627,136
Public Liability				
Professional Services	\$147,858	\$250,000	(\$102,142)	\$167,014
Insurance	270,138	264,733	5,405	255,165
Current Year Incident Payouts	75,000	75,000	0	57,662
Current Year Incident Reserves	150,000	150,000	0	215,000
Prior Years Incident Payouts	125,000	200,000	(75,000)	298,601
Change in Prior Years Reserves	(225,000)	(145,000)	(80,000)	(271,422)
Public Liability Subtotal	\$542,996	\$794,734	(\$251,737)	\$722,019
Workers' Compensation				
Professional Services	\$225,000	\$225,000	\$0	\$219,313
Insurance	87,400	80,750	6,650	76,101
Current Year Incident Payouts	150,000	100,000	50,000	122,222
Current Year Incident Reserves	300,000	300,000	0	663,793
Prior Years Incident Payouts	325,000	300,000	25,000	208,920
Change in Prior Years Reserves	(325,000)	(575,000)	250,000	(515,855)
Miscellaneous Risk & Safety	25,072	25,000	72	21,014
Workers' Compensation Subtotal	\$787,472	\$455,750	\$331,722	\$795,509
<i>Risk &amp; Safety Subtotal</i>	<u>\$2,021,046</u>	<u>\$1,935,808</u>	<u>\$85,238</u>	<u>\$2,144,664</u>
<i>TRANSPORTATION SUBSIDIES</i>				
ADA Paratransit Service	\$869,058	\$851,100	\$17,958	\$825,511
<i>Transportation Subsidies Subtotal</i>	<u>\$869,058</u>	<u>\$851,100</u>	<u>\$17,958</u>	<u>\$825,511</u>
<i>TOTAL ROUTE OPERATIONS</i>	<u>\$15,720,426</u>	<u>\$15,335,910</u>	<u>\$384,516</u>	<u>\$14,347,432</u>

## Vehicle Maintenance Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>MECHANICS</i>				
Mechanics	\$726,632	\$666,661	\$59,971	\$631,049
Less Mechanic Labor Capitalization	(30,815)	(30,208)	(607)	(27,206)
Mechanics-OT	37,707	37,182	525	13,534
FICA	71,979	66,934	5,046	56,355
Pension	87,682	86,408	1,274	79,389
Health	180,689	160,077	20,612	134,803
Sick Pay	19,565	19,436	129	28,144
Vacation Pay	121,116	116,491	4,625	63,401
Holiday Pay	34,345	33,668	677	26,601
Other Paid Leave	1,541	1,510	30	1,104
Unemployment Insurance	2,912	2,912	0	2,299
Uniforms	16,000	16,000	0	14,804
Tool Allowance	14,300	14,300	0	11,000
<i>Mechanics Subtotal</i>	<u>\$1,283,652</u>	<u>\$1,191,370</u>	<u>\$92,282</u>	<u>\$1,035,277</u>
<i>CLEANERS &amp; FUELERS</i>				
Service Workers	\$461,231	\$452,108	\$9,123	\$436,855
FICA	40,578	39,775	803	39,173
Pension	73,364	72,279	1,085	71,567
Health	182,528	173,100	9,429	162,972
Sick Pay	10,707	10,494	212	9,076
Vacation Pay	32,072	31,435	637	39,645
Holiday Pay	24,413	23,928	484	17,985
Other Paid Leave	2,012	1,972	40	1,143
Unemployment Insurance	2,940	2,940	0	2,069
Uniforms	7,098	7,098	0	7,978
Medical Exams & License Fees	3,230	3,230	0	3,538
<i>Cleaners &amp; Fuelers Subtotal</i>	<u>\$840,173</u>	<u>\$818,360</u>	<u>\$21,813</u>	<u>\$792,001</u>
<i>SUPERVISION</i>				
Staff	\$425,958	\$360,204	\$65,754	\$274,540
FICA	36,075	30,761	5,314	24,012
Pension	47,157	38,983	8,174	28,138
Health	103,898	112,520	(8,622)	87,082
Sick Pay	3,794	3,759	35	40,906
Vacation Pay	23,635	20,353	3,282	18,685
Holiday Pay	16,822	16,492	330	10,870
Other Paid Leave	3,364	3,298	66	2,423
Unemployment Insurance	1,120	1,120	0	797
Training, Travel & Meetings	14,125	14,125	0	9,577
<i>Supervision Subtotal</i>	<u>\$675,950</u>	<u>\$601,616</u>	<u>\$74,334</u>	<u>\$497,031</u>
<i>VEHICLE CONSUMABLES</i>				
Bus Fuel	\$1,476,325	\$1,385,173	\$91,152	\$1,548,492
Oil & Lubricants	125,000	125,000	0	\$112,201
Electric Vehicle Power	84,000	84,000	0	77,482
Tire Lease	161,700	161,700	0	149,171
Tire Mounting	10,000	10,000	0	7,655
<i>Vehicle Consumables Subtotal</i>	<u>\$1,857,025</u>	<u>\$1,765,873</u>	<u>\$91,152</u>	<u>\$1,895,002</u>

## Vehicle Maintenance Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>VEHICLE PARTS &amp; SUPPLIES</i>				
Bus Parts Issued	\$654,163	\$669,924	(\$15,760)	\$573,776
Shop Supplies	70,000	70,000	0	65,317
Bus Servicing Supplies	12,000	12,000	0	8,027
Hazmat Disposal & Compliance	14,000	14,000	0	18,686
<i>Vehicle Part &amp; Supplies Subtotal</i>	<u>\$750,163</u>	<u>\$765,924</u>	<u>(\$15,760)</u>	<u>\$665,807</u>
<i>VENDOR BUS REPAIRS</i>				
Vandalism Repairs	\$7,500	\$7,500	\$0	\$4,258
Accident Damage Repairs	7,500	7,500	0	3,855
Accident Claim Collections	(5,000)	(5,000)	0	(13,494)
Other Vendor Repairs	50,000	50,000	0	55,640
<i>Vendor Bus Repairs Subtotal</i>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$0</u>	<u>\$50,259</u>
<i>RISK &amp; SAFETY</i>				
Workers' Comp Services	\$15,000	\$15,000	\$0	\$25,993
Workers' Comp Insurance	9,200	8,500	700	7,570
Current Year Incident Payouts	15,000	15,000	0	0
Current Year Incident Reserves	25,000	25,000	0	503
Prior Years Incident Payouts	15,000	15,000	0	9,814
Change in Prior Years Reserves	(5,000)	(5,000)	0	(19,797)
<i>Risk &amp; Safety Subtotal</i>	<u>\$74,200</u>	<u>\$73,500</u>	<u>\$700</u>	<u>\$24,083</u>
<i>TOTAL VEHICLE MAINTENANCE</i>	<u><u>\$5,541,163</u></u>	<u><u>\$5,276,642</u></u>	<u><u>\$264,521</u></u>	<u><u>\$4,959,460</u></u>

## Passenger Accomodations Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>PASSENGER FACILITIES</i>				
Wages & Benefits				
Supervisors	\$190,211	\$186,493	\$3,718	\$191,289
TC Advisors	140,443	101,898	38,545	101,291
Staff	43,114	40,525	2,589	43,267
FICA	31,560	28,050	3,510	29,546
Pension	26,491	26,194	296	25,332
Health	91,785	108,468	(16,683)	130,976
Sick Pay	4,030	3,968	62	13,201
Vacation Pay	18,912	19,692	(780)	20,493
Holiday Pay	13,382	12,311	1,071	12,793
Other Paid Leave	2,457	1,778	680	4,285
Unemployment Insurance	1,453	1,453	0	1,818
Wages & Benefits Subtotal	<u>\$563,838</u>	<u>\$530,830</u>	<u>\$33,008</u>	<u>\$574,291</u>
Buildings & Grounds				
TC Contract Maintenance	\$47,576	\$47,576	\$0	\$47,980
TC Repairs/Supplies	10,000	10,000	0	8,804
Bus Stop Repairs/Supplies	10,000	10,000	0	5,083
TC Property Insurance	2,891	2,891	0	2,534
Buildings & Grounds Subtotal	<u>\$70,467</u>	<u>\$70,467</u>	<u>\$0</u>	<u>\$64,401</u>
<i>Passenger Facilities Subtotal</i>	<u><u>\$634,305</u></u>	<u><u>\$601,296</u></u>	<u><u>\$33,008</u></u>	<u><u>\$638,692</u></u>
<i>TRANSIT DEVELOPMENT</i>				
Staff	\$188,677	\$193,954	(\$5,276)	\$200,189
FICA	16,406	17,116	(711)	18,153
Pension	21,445	22,374	(929)	23,649
Health	33,220	52,228	(19,008)	45,648
Sick Pay	5,791	6,219	(428)	5,508
Vacation Pay	12,177	14,108	(1,931)	16,064
Holiday Pay	8,314	8,492	(178)	7,864
Other Paid Leave	2,494	2,876	(382)	4,588
Unemployment Insurance	784	784	0	622
Training, Travel & Meetings	5,000	5,000	0	31,616
Planning Services & Supplies	80,000	5,000	75,000	403
<i>Transit Development Subtotal</i>	<u><u>\$374,309</u></u>	<u><u>\$328,152</u></u>	<u><u>\$46,157</u></u>	<u><u>\$354,304</u></u>



## Passenger Accommodations Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>PROMOTION &amp; INFORMATION</i>				
Wages & Benefits				
Staff	\$121,196	\$99,994	\$21,202	\$92,354
FICA	10,097	8,818	1,278	8,279
Pension	13,198	11,527	1,671	10,822
Health	8,737	18,933	(10,196)	22,505
Sick Pay	2,335	2,963	(628)	2,964
Vacation Pay	2,104	4,261	(2,156)	9,558
Holiday Pay	5,076	6,442	(1,365)	3,899
Other Paid Leave	1,269	1,610	(341)	1,868
Unemployment Insurance	560	560	0	327
Wages & Benefits Subtotal	<u>\$164,572</u>	<u>\$155,107</u>	<u>\$9,465</u>	<u>\$152,575</u>
Outside Services				
Media Ad Placement	15,000	5,000	10,000	0
Brochures & Publications	19,200	9,200	10,000	2,166
Promotional Giveaways	15,000	5,000	10,000	1,936
Bus/Shuttle Decorations	5,000	5,000	0	606
Other Promotions	86,300	66,300	20,000	8,159
Route Schedules & Information	126,200	126,200	0	68,101
Training, Travel & Meetings	6,000	6,000	0	0
Outside Services Subtotal	<u>\$272,700</u>	<u>\$222,700</u>	<u>\$50,000</u>	<u>\$80,968</u>
<i>Promotion &amp; Information Subtotal</i>	<u><u>\$437,272</u></u>	<u><u>\$377,807</u></u>	<u><u>\$59,465</u></u>	<u><u>\$233,543</u></u>
<i>FARE REVENUE COLLECTION</i>				
Wages & Benefits				
Staff	\$108,288	\$106,148	\$2,140	\$108,575
FICA	9,787	9,596	192	8,409
Pension	12,794	12,544	251	12,192
Health	44,312	56,110	(11,799)	57,463
Sick Pay	3,331	3,286	46	4,972
Vacation Pay	9,326	9,143	183	12,125
Holiday Pay	4,663	4,572	91	4,499
Other Paid Leave	2,331	2,286	46	1,651
Unemployment Insurance	448	448	0	367
Wages & Benefits Subtotal	<u>\$195,281</u>	<u>\$204,133</u>	<u>(\$8,851)</u>	<u>\$210,254</u>
Outside Services				
Fare Processing	\$15,000	\$15,000	\$0	\$13,725
Farebox Parts & Repairs	38,000	38,000	0	45,177
Tickets, Tokens & Transfers	30,000	30,000	0	26,192
Outside Services Subtotal	<u>\$83,000</u>	<u>\$83,000</u>	<u>\$0</u>	<u>\$85,094</u>
<i>Fare Revenue Collection Subtotal</i>	<u><u>\$278,281</u></u>	<u><u>\$287,133</u></u>	<u><u>(\$8,851)</u></u>	<u><u>\$295,349</u></u>
<i>TOTAL PSNGR ACCOMMODATIONS</i>	<u><u>\$1,724,168</u></u>	<u><u>\$1,594,388</u></u>	<u><u>\$129,779</u></u>	<u><u>\$1,521,888</u></u>

## General Overhead Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>FINANCE</i>				
Staff	\$336,359	\$317,748	\$18,610	\$277,239
FICA	29,509	27,989	1,521	23,956
Pension	38,574	36,586	1,988	28,789
Health	58,939	83,303	(24,364)	78,968
Sick Pay	6,916	6,478	437	7,692
Vacation Pay	22,344	21,906	438	23,994
Holiday Pay	14,001	13,726	275	11,826
Other Paid Leave	6,125	6,005	120	2,455
Unemployment Insurance	1,008	1,008	0	771
Financial Audit Services	68,000	42,000	26,000	67,299
<i>Finance Subtotal</i>	<u>\$581,775</u>	<u>\$556,750</u>	<u>\$25,025</u>	<u>\$522,989</u>
<i>PERSONNEL</i>				
Staff	\$102,549	\$100,909	\$1,640	\$104,047
FICA	8,735	8,495	240	8,907
Pension	11,419	11,105	314	4,954
Health	26,353	35,191	(8,837)	22,634
Sick Pay	1,159	1,141	18	13,664
Vacation Pay	4,392	3,089	1,303	128
Holiday Pay	4,392	4,271	121	3,409
Other Paid Leave	2,196	2,135	60	1,531
Unemployment Insurance	336	336	0	378
<i>Personnel Subtotal</i>	<u>\$161,531</u>	<u>\$166,672</u>	<u>(\$5,141)</u>	<u>\$159,651</u>
<i>UTILITIES</i>				
Telephone & Data Communications	\$62,000	\$62,000	\$0	\$36,544
Power, Water & Refuse	150,000	150,000	0	150,341
Two-Way Radios	15,000	15,000	0	13,454
<i>Utilities Subtotal</i>	<u>\$227,000</u>	<u>\$227,000</u>	<u>\$0</u>	<u>\$200,338</u>
<i>OPERATING FACILITIES</i>				
<i>Wages &amp; Benefits</i>				
Staff	\$57,022	\$55,898	\$1,123	\$53,584
FICA	4,921	4,825	96	4,711
Pension	6,433	6,307	126	6,218
Health	4,891	10,717	(5,826)	10,312
Sick Pay	872	861	11	2,498
Vacation Pay	3,711	3,638	73	4,279
Holiday Pay	2,474	2,426	48	2,128
Other Paid Leave	247	243	5	0
Unemployment Insurance	224	224	0	175
<i>Wages &amp; Benefits Subtotal</i>	<u>\$80,795</u>	<u>\$85,138</u>	<u>(\$4,343)</u>	<u>\$83,906</u>

## General Overhead Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>OPERATING FACILITIES (cont'd)</i>				
Service Vehicles				
Parts & Repairs	\$24,660	\$24,660	\$0	\$12,208
Fuel	50,000	50,000	0	42,561
Service Vehicles Subtotal	\$74,660	\$74,660	\$0	\$54,768
Buildings & Grounds				
Contract Maintenance	\$78,360	\$78,360	\$0	\$82,079
Overpass Site	7,500	7,500	0	1,760
B&G Repairs/Supplies	42,000	42,000	0	58,721
Property Insurance	51,352	51,352	0	47,852
Buildings & Grounds Subtotal	\$179,212	\$179,212	\$0	\$190,413
<i>Operating Facilities Subtotal</i>	<u>\$334,667</u>	<u>\$339,010</u>	<u>(\$4,343)</u>	<u>\$329,087</u>
<i>DISTRICT ADMINISTRATION</i>				
Wages & Benefits				
Staff	\$520,624	\$514,501	\$6,123	\$542,312
Bus Ad Revenue Placement	2,264	0	2,264	12,535
FICA	47,068	46,363	705	46,916
Pension	61,527	60,605	921	60,148
Health	91,524	130,879	(39,355)	143,264
Sick Pay	10,494	10,390	104	13,645
Vacation Pay	53,842	51,306	2,535	46,251
Holiday Pay	23,314	22,967	348	23,215
Other Paid Leave	6,994	6,890	104	6,429
Unemployment Insurance	1,456	1,456	0	1,765
Wages & Benefits Subtotal	\$819,106	\$845,357	(\$26,251)	\$896,478
Administrative Services				
Directors Fees	\$12,600	\$12,600	\$0	\$12,180
Public Officials Insurance	62,752	62,752	0	56,706
Legal Counsel	75,000	75,000	0	85,117
Pension Administration	2,700	2,700	0	(752)
Office Equipment Maintenance	164,048	164,048	0	167,748
Miscellaneous Services	97,398	97,398	0	175,815
Office & Computer Supplies	50,000	50,000	0	42,488
Dues & Subscriptions	50,000	50,000	0	46,048
Conferences, Meetings & Training	17,698	17,698	0	20,603
Employee Relations	18,500	18,500	0	18,321
Retiree Health Insurance	63,481	63,481	0	250,597
Mandated Fees & Permits	34,000	34,000	0	41,907
Bus Ad Revenue Program	10,375	10,375	0	1,130
Miscellaneous Expenses	25,000	25,000	0	17,211
Administrative Services Subtotal	\$683,552	\$683,552	\$0	\$935,119
<i>District Administration Subtotal</i>	<u>\$1,502,658</u>	<u>\$1,528,909</u>	<u>(\$26,251)</u>	<u>\$1,831,597</u>
<b><i>TOTAL GENERAL OVERHEAD</i></b>	<u><u>\$2,807,631</u></u>	<u><u>\$2,818,342</u></u>	<u><u>(\$10,710)</u></u>	<u><u>\$3,043,662</u></u>

## Capital Project Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change
<i>REVENUE VEHICLE PURCHASES</i>			
40' Diesel Buses (10)	\$5,000,000	\$1,425,000	\$3,575,000
40' Electric Buses (4)	2,000,000	0	2,000,000
30' Electric Buses (8)	0	3,100,000	(3,100,000)
30' Electric Buses-Capital Lease (6)	0	2,329,000	(2,329,000)
Paratransit Vans for Easy Lift (2)	0	100,000	(100,000)
Subtotal	<u>\$7,000,000</u>	<u>\$6,954,000</u>	<u>\$46,000</u>
<i>REVENUE VEHICLE IMPROVEMENTS</i>			
Bus Refurbishing	\$100,000	\$100,000	\$0
Diesel Fleet Drivetrains	200,000	185,000	15,000
Lithium-Ion Battery Upgrades	0	100,000	(100,000)
EV Drivetrains & Chargers	0	40,000	(40,000)
Subtotal	<u>\$300,000</u>	<u>\$425,000</u>	<u>(\$125,000)</u>
<i>OPERATING FACILITIES</i>			
Canopy Improvements	\$0	\$733,000	(\$733,000)
Shop Structural & Roof Upgrades	0	225,000	(225,000)
Charging Infrastructure Upgrades	0	160,000	(160,000)
Operating Facilities Allowance	75,000	50,000	25,000
Calle Real Development	100,000	100,000	0
Subtotal	<u>\$175,000</u>	<u>\$1,268,000</u>	<u>(\$1,093,000)</u>
<i>PASSENGER FACILITIES</i>			
TC Renovation Project	\$300,000	\$1,900,000	(\$1,600,000)
Bus Stop Upgrades	75,000	580,000	(505,000)
Subtotal	<u>\$375,000</u>	<u>\$2,480,000</u>	<u>(\$2,105,000)</u>
<i>INTELLIGENT TRANSPORTATION SYSTEMS</i>			
AVL Project (AIM)	\$150,000	\$2,150,000	(\$2,000,000)
Advanced Fare Collection System	0	1,000,000	(1,000,000)
Smartcard Project	150,000	985,000	(835,000)
Subtotal	<u>\$300,000</u>	<u>\$4,135,000</u>	<u>(\$3,835,000)</u>
<i>INFORMATION SYSTEMS</i>			
Fuel & Mileage Monitoring System	\$0	\$75,000	(\$75,000)
Software Systems Allowance	150,000	35,000	115,000
IT Infrastructure Allowance	50,000	75,000	(25,000)
Subtotal	<u>\$200,000</u>	<u>\$185,000</u>	<u>\$15,000</u>
<i>OTHER EQUIPMENT</i>			
Shop Equipment Allowance	\$75,000	\$75,000	\$0
Service Vehicles	200,000	100,000	100,000
Fare Collection & Radio Allowance	25,000	75,000	(50,000)
Office Furniture Allowance	25,000	25,000	0
Subtotal	<u>\$325,000</u>	<u>\$275,000</u>	<u>\$50,000</u>
Total Capital Projects	<u>\$8,675,000</u>	<u>\$15,722,000</u>	<u>(\$7,047,000)</u>



## BOARD OF DIRECTORS REPORT

**MEETING DATE:** MARCH 7, 2017                      **AGENDA ITEM #:** 7

**TYPE:** INFORMATIONAL

**PREPARED BY:** BRAD DAVIS

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** GENERAL MANAGER

\_\_\_\_\_  
*Signature*

**SUBJECT:** Draft Budget for Fiscal Year 2017-18

### RECOMMENDATION:

Staff is seeking the Board's guidance on the financial priorities for preparation of the operating and capital budget for fiscal year 2017-18 beginning July 1, 2017.

### DISCUSSION:

The attached draft of the budget is limited to significant inputs including fare revenue, subsidies, the service level, and wage and benefit costs. The purpose of the draft is to provide the Board a financial picture that incorporates all revenue hours, personnel levels, and other operating needs under consideration or desired and is thus seen as a starting point for the budget process.

As overall revenue is expected to be relatively unchanged at \$25.1 million while operating expenses are projected to grow by 3% to \$25.8 million, the draft includes a \$650,000 deficit. The capital budget is \$8.7 million and makes use of both prior year and FY17-18 capital funds. The key assumptions leading to the operating results include the following:

- Reduction in cash fares and pass sales of 5%
- No growth in federal operating assistance
- LTF sales tax revenue increase of 2% per SBCAG's recent projection
- 3,700 increase in revenue hours to improve on-time performance
- No change from the currently budgeted employment level
- Wage and fringe benefit increases per the collective bargaining agreement
- A 10% rise in the cost of diesel fuel

### Operating Budget

Fare Revenue – With the continued ridership decrease this year, cash and pass sales revenue is anticipated to decline by 5% from the current year budget. Increases in contract fare revenue offset the drop to some extent resulting in an overall 2% fare revenue decrease. These assumptions will be reviewed again as additional operating revenue data is available.

LTF Sales Tax Revenue – LTF sale tax revenue of \$7.8 million for next fiscal year is based on an estimate provided to SBCAG by the Santa Barbara County Auditor-Controller. The amount represents 2% growth from SBCAG's latest estimated receipts for this year. However, relative to MTD's FY16-17 budget, which is on track, it is a 4% increase. The FY17-18 LTF estimate will be reviewed to take into account additional data before the final budget is brought to the Board in June.

Federal Operating Assistance – The \$5.1 million in federal operating assistance matches the current year estimate. While the Fast Act federal transit bill includes a 2% increase for next year, the current year operating assistance has yet to be fully allocated and it is not known if it will be to the full appropriation level. Additionally, in the current political climate, staff feels it is appropriate to take a conservative approach concerning federal transit funding.

Other Revenue – Measure A operating revenue of \$2 million is flat relative to the current year based on projections provided by SBCAG. There are a number of changes in state and local operating revenues leading to a nearly \$200,000 reduction in the source. The most significant factor is the discontinuance of \$190,000 LCTOP support for the lines 1 and 2 AM peak service. Somewhat mitigating this loss is the intended use of \$50,000 in LCTOP revenue to fund marketing costs. As discussed below under Service Level, \$40,000 in revenue for the "last mile" Amtrak service is also being eliminated from the budget.

Service Level – The main influence in the operating budget growth is a 3,700 hours increase in the service level to 224,000 annual revenue hours. The expansion is primarily composed of additional hours to improve the on-time performance of lines 6/11, 20/20x, and 24/24x. There are also additional hours for a full year of the line 28 and other service changes that began last fall. Additionally, the revenue hours for the "last mile" service for the Goleta Amtrak station have been removed pending a future agreement for Amtrak peak hour commuter service.

Operating Costs – Other primary assumptions driving the budget increase are a 2% cost of living wage adjustment and a maximum 6.25% rise in health benefit costs for represented employees. While no changes in the employment level are budgeted, wage and benefit costs are anticipated to increase from the effect of a full year of several positions filled during FY16-17. With the expiration of the existing fixed-price diesel fuel contract this November, the budget includes a 10% increase in fuel costs for the remainder of the fiscal year adding nearly \$100,000 in expenses. The budgeted \$2.20 price per gallon is at the top of the projected price range. With the upcoming fuel bid, the exact figure will be known and the budget adjusted accordingly. FY17-18 liability costs are expected to come down significantly due to the above normal defense costs incurred in the current fiscal year. The budget also includes a \$75,000 allocation for planning studies to assess local transportation needs including the potential use of alternative travel modes to improve efficiency and meet customer demand. Again, only key budget inputs have been addressed in this early draft of the budget. All expenses will be reviewed by staff before bringing the budget back for consideration in early June.

## **Capital Budget**

Projects – The draft capital budget for FY17-18 includes new expenditures totaling \$8.7 million. The budget assumes the completion of all FY16-17 projects this fiscal year although this is unlikely. Those remaining projects will be carried over into the new fiscal year which would further increase the capital budget. The replacement of the remaining 14 Nova buses at a cost

of \$7 million makes up the bulk of the capital outlays. Also included is an additional \$300,000 for the Transit Center renovation project and \$200,000 for the replacement of several service vehicles at the end of their useful lives. The remainder of the capital budget is mostly composed of allowances for regular capital needs such as bus refurbishing campaigns and drivetrain components, and facility and bus stop improvements.

Funding – 80% of the 14 new buses will be funded through the \$5.7 million FTA Section 5339(b) discretionary grant awarded to MTD in 2016. The balance of the capital budget will be funded through the ongoing annual formula funding sources including State Transit Assistance (STA), FTA Section 5339(a), Measure A, and the last of the state Prop 1B funding.

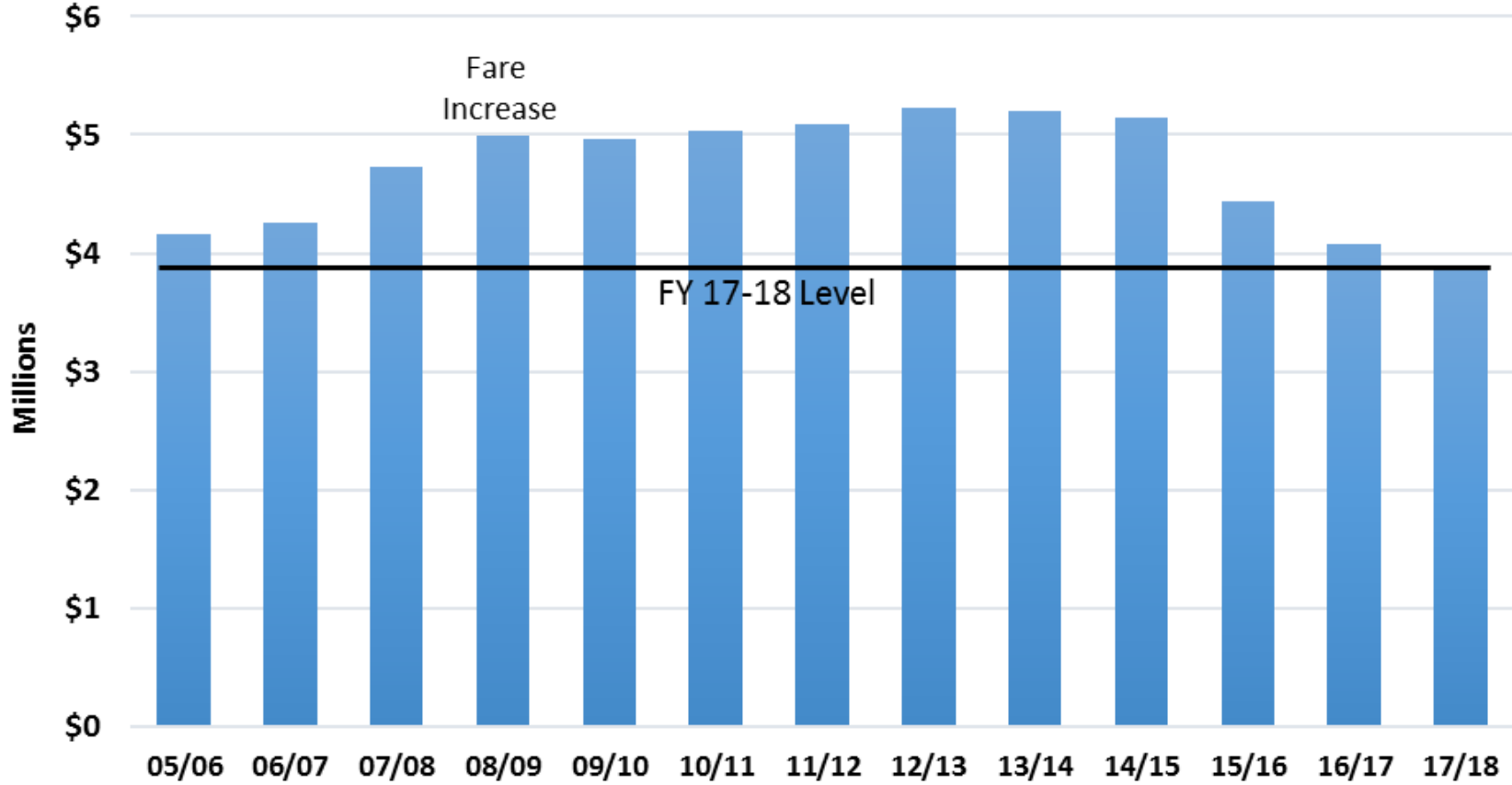
### **Deficits & Reserves**

The attached draft FY17-18 budget requires the use of \$650,000 in operating reserves. With current reserves in excess of \$10 million, MTD is in a position to cover the deficit. Such reserves, however, are also allocated towards the funds established in the cash reserves policy approved by the Board last year. An update of the reserve levels will be provided with the next budget draft.

In recent years, the use of cash reserves was projected in the approved budgets. Those years ended up with operating surpluses just as this year is now projected to do. This was due to a combination of factors including a lack of full employment and less than anticipated health benefit and fuel costs. However, because of the continued erosion of fare revenue and rising operating costs, this turnaround is very unlikely to occur in FY17-18. The five-year forecast is being updated and at present this trend looks to continue into the near future. With this outlook it is appropriate to begin discussing and considering adjustments to these conditions which means looking at the service level and the fare structure. Per the Finance & Human Resources Committee, staff will be including fare increase scenarios with the final budget presented to the Board this June. Also included as an attachment is a chart of cash and pass sales revenue going back to FY05-06. Additional charts concerning the draft budget will be provided during the presentation.

Attachment: Cash & Pass Sales Historical Levels chart  
*Draft Operating & Capital Budget for FY2017-18*

# Historical Cash & Pass Sales







# OPERATING & CAPITAL BUDGET

for

## FISCAL YEAR 2017-18

# Draft

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

March 7, 2017

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

**OPERATING & CAPITAL BUDGET  
FISCAL YEAR 2017-18**

**Draft**

March 7, 2017

**TABLE OF CONTENTS**

Operating Budget Summary.....	1
Operating Revenue Detail.....	2
Operating Expense Summary.....	3
Route Operations Detail.....	4
Vehicle Maintenance Detail.....	6
Passenger Accommodations Detail.....	8
General Overhead Detail.....	10
Capital Project Detail.....	12

## Operating Budget Summary Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<u>Revenue</u>				
Fare Revenue	\$7,072,443	\$7,223,874	(\$151,431)	\$7,562,307
LTF Sale Tax Revenue	7,771,309	7,460,309	311,000	7,375,456
FTA Operating Assistance	5,081,813	5,081,813	0	4,984,944
Measure A Sale Tax Revenue	2,014,211	2,014,368	(157)	2,007,455
State & Local Operating Assistance	1,219,558	1,413,778	(194,220)	475,593
Property Tax Revenue	1,132,878	1,110,665	22,214	1,094,851
Non-Transportation Income	850,105	846,180	3,925	846,727
Total Operating Revenue	\$25,142,317	\$25,150,987	(\$8,669)	\$24,347,334
<u>Expense</u>				
Route Operations	\$15,720,426	\$15,335,910	\$384,516	\$14,347,432
Vehicle Maintenance	5,541,163	5,276,642	264,521	4,959,460
Passenger Accommodations	1,724,168	1,594,388	129,779	1,521,888
General Overhead	2,807,631	2,818,342	(10,710)	3,043,662
Total Operating Expense	\$25,793,388	\$25,025,283	\$768,105	\$23,872,443
Surplus/Deficit	(\$651,071)	\$125,704	(\$776,775)	\$474,892
<u>Unrestricted Net Position</u>				
Beginning Balance	FY2017-18 \$10,949,218	FY2016-17 \$10,823,514		FY2015-16 \$10,348,622
Net Change from Operating Activities	(651,071)	125,704		474,892
Ending Balance *	\$10,298,147	\$10,949,218		\$10,823,514

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

## Operating Revenue Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>FAREBOX REVENUE</i>				
Cash Fares & Tokens	\$2,000,674	\$2,105,972	(\$105,299)	2,341,861
Adult Passes	1,073,435	1,129,932	(56,497)	1,253,642
Youth Passes	502,089	528,515	(26,426)	533,213
Senior Passes	154,427	162,555	(8,128)	176,627
Mobility Passes	141,367	148,808	(7,440)	153,470
Day Passes	4,425	4,658	(233)	5,166
Coastal Express Pass Refunds	0	0	0	(25,365)
Downtown-Waterfront Shuttle	1,115,348	1,089,303	26,044	1,055,152
UCSB Contract Fares	1,019,804	1,013,519	6,285	991,118
SBCC Contract Fares	905,874	885,612	20,262	931,386
Special Event Fares/Amtrak	120,000	120,000	0	110,051
City My Ride Program	35,000	35,000	0	35,987
<i>Subtotal</i>	<u>\$7,072,443</u>	<u>\$7,223,874</u>	<u>(\$151,431)</u>	<u>\$7,562,307</u>
<i>NON-TRANSPORTATION INCOME</i>				
Advertising on Buses	\$600,000	\$600,000	\$0	588,265
Interest on Investments	22,910	22,910	0	25,788
Lease & Other Income	227,195	223,270	3,925	232,675
<i>Subtotal</i>	<u>\$850,105</u>	<u>\$846,180</u>	<u>\$3,925</u>	<u>846,727</u>
<i>GRANTS &amp; SUBSIDIES</i>				
TDA Sales Tax Revenue	\$7,771,309	\$7,460,309	\$311,000	7,375,456
FTA Formula Assistance	5,081,813	5,081,813	0	4,984,944
Property Tax Revenue	1,132,878	1,110,665	22,214	1,094,851
Measure A	2,014,211	2,014,368	(157)	2,007,455
State & Local Operating Assistance	1,219,558	1,413,778	(194,220)	475,593
<i>Subtotal</i>	<u>\$17,219,769</u>	<u>\$17,080,933</u>	<u>\$138,836</u>	<u>15,938,300</u>
<i>Total Operating Revenue</i>	<u>\$25,142,317</u>	<u>\$25,150,987</u>	<u>(\$8,669)</u>	<u>24,347,334</u>

## Operating Expense Summary Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>ROUTE OPERATIONS</i>				
Drivers	\$11,822,507	\$11,564,989	\$257,518	\$10,500,979
Dispatch & Supervision	661,697	658,731	2,966	601,938
Hiring & Training	346,118	325,282	20,836	274,341
Risk & Safety	2,021,046	1,935,808	85,238	2,144,664
Transportation Subsidies	869,058	851,100	17,958	825,511
<i>Subtotal</i>	<u>\$15,720,426</u>	<u>\$15,335,910</u>	<u>\$384,516</u>	<u>\$14,347,432</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,283,652	\$1,191,370	\$92,282	\$1,035,277
Cleaners & Fuelers	840,173	818,360	21,813	792,001
Supervision	675,950	601,616	74,334	497,031
Vehicle Consumables	1,857,025	1,765,873	91,152	1,895,002
Bus Parts & Supplies	750,163	765,924	(15,760)	665,807
Vendor Services	60,000	60,000	0	50,259
Risk & Safety	74,200	73,500	700	24,083
<i>Subtotal</i>	<u>\$5,541,163</u>	<u>\$5,276,642</u>	<u>\$264,521</u>	<u>\$4,959,460</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$634,305	\$601,296	\$33,008	\$638,692
Transit Development	374,309	328,152	46,157	354,304
Promotion & Information	437,272	377,807	59,465	233,543
Fare Revenue Collection	278,281	287,133	(8,851)	295,349
<i>Subtotal</i>	<u>\$1,724,168</u>	<u>\$1,594,388</u>	<u>\$129,779</u>	<u>\$1,521,888</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$581,775	\$556,750	\$25,025	\$522,989
Personnel	161,531	166,672	(5,141)	159,651
Utilities & Communication	227,000	227,000	0	200,338
Operating Facilities	334,667	339,010	(4,343)	329,087
District Administration	1,502,658	1,528,909	(26,251)	1,831,597
<i>Subtotal</i>	<u>\$2,807,631</u>	<u>\$2,818,342</u>	<u>(\$10,710)</u>	<u>\$3,043,662</u>
<i>Total Operating Cost</i>	<u><u>\$25,793,388</u></u>	<u><u>\$25,025,283</u></u>	<u><u>\$768,105</u></u>	<u><u>\$23,872,443</u></u>

## Route Operations Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>DRIVERS</i>				
Scheduled	\$6,800,244	\$6,612,398	\$187,845	\$6,064,799
Scheduled Overtime	344,119	334,336	9,783	315,070
Unscheduled Pay	260,428	341,430	(81,002)	228,743
Driver Lite Duty	7,528	7,521	7	1,635
FICA	642,707	633,042	9,665	564,119
Pension	941,216	927,885	13,332	860,154
Health	1,768,170	1,660,881	107,289	1,538,455
Sick Pay	168,233	167,293	940	133,346
Vacation Pay	539,790	531,027	8,763	478,882
Holiday Pay	253,344	253,344	0	232,661
Other Paid Leave	27,708	27,708	0	43,477
Unemployment Insurance	34,020	33,124	896	25,686
Uniforms	35,000	35,000	0	13,952
<i>Drivers Subtotal</i>	<u>\$11,822,507</u>	<u>\$11,564,989</u>	<u>\$257,518</u>	<u>\$10,500,979</u>
<i>DISPATCH &amp; SUPERVISION</i>				
Supervisors	\$228,412	\$223,947	\$4,465	\$164,008
Staff	174,297	170,880	3,417	177,675
FICA	36,840	36,119	721	30,663
Pension	38,053	37,470	583	40,334
Health	103,985	111,748	(7,763)	92,524
Sick Pay	4,260	4,177	83	29,330
Vacation Pay	32,400	31,766	634	34,306
Holiday Pay	17,377	17,037	340	14,394
Other Paid Leave	24,821	24,336	485	17,700
Unemployment Insurance	1,252	1,252	0	1,004
	<u>\$661,697</u>	<u>\$658,731</u>	<u>\$2,966</u>	<u>\$601,938</u>
<i>HIRING &amp; TRAINING</i>				
Staff	\$62,626	\$47,421	\$15,205	\$22,012
Student Drivers	36,905	36,606	299	45,211
Existing Drivers/Supers	137,683	135,204	2,479	125,995
FICA	19,025	17,606	1,419	10,395
Pension	13,468	10,478	2,990	9,940
Health	21,708	23,832	(2,125)	18,811
Sick Pay	2,593	2,261	332	1,527
Vacation Pay	4,678	4,542	135	(295)
Holiday Pay	3,498	3,415	83	3,038
Other Paid Leave	713	694	18	1,163
Unemployment Insurance	112	112	0	378
Medical Exams & License Fees	27,050	27,050	0	28,016
Employment Advertising	6,000	6,000	0	7,019
Training, Travel & Meetings	10,060	10,060	0	1,129
<i>Hiring &amp; Training Subtotal</i>	<u>\$346,118</u>	<u>\$325,282</u>	<u>\$20,836</u>	<u>\$274,341</u>

## Route Operations Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>RISK &amp; SAFETY</i>				
Wages & Benefits				
Staff	\$143,562	\$139,281	\$4,281	\$99,230
Supervisors	304,753	298,796	5,957	287,303
Driver Accident Pay	1,756	1,755	2	2,267
FICA	39,335	38,445	890	33,440
Pension	49,398	48,598	799	42,653
Health	86,218	94,293	(8,075)	75,421
Sick Pay	6,251	6,159	93	23,781
Vacation Pay	34,018	33,274	744	32,907
Holiday Pay	18,521	18,095	426	14,512
Other Paid Leave	5,320	5,184	136	14,733
Unemployment Insurance	1,445	1,445	0	890
Wages & Benefits Subtotal	\$690,578	\$685,324	\$5,253	\$627,136
Public Liability				
Professional Services	\$147,858	\$250,000	(\$102,142)	\$167,014
Insurance	270,138	264,733	5,405	255,165
Current Year Incident Payouts	75,000	75,000	0	57,662
Current Year Incident Reserves	150,000	150,000	0	215,000
Prior Years Incident Payouts	125,000	200,000	(75,000)	298,601
Change in Prior Years Reserves	(225,000)	(145,000)	(80,000)	(271,422)
Public Liability Subtotal	\$542,996	\$794,734	(\$251,737)	\$722,019
Workers' Compensation				
Professional Services	\$225,000	\$225,000	\$0	\$219,313
Insurance	87,400	80,750	6,650	76,101
Current Year Incident Payouts	150,000	100,000	50,000	122,222
Current Year Incident Reserves	300,000	300,000	0	663,793
Prior Years Incident Payouts	325,000	300,000	25,000	208,920
Change in Prior Years Reserves	(325,000)	(575,000)	250,000	(515,855)
Miscellaneous Risk & Safety	25,072	25,000	72	21,014
Workers' Compensation Subtotal	\$787,472	\$455,750	\$331,722	\$795,509
<i>Risk &amp; Safety Subtotal</i>	<u>\$2,021,046</u>	<u>\$1,935,808</u>	<u>\$85,238</u>	<u>\$2,144,664</u>
<i>TRANSPORTATION SUBSIDIES</i>				
ADA Paratransit Service	\$869,058	\$851,100	\$17,958	\$825,511
<i>Transportation Subsidies Subtotal</i>	<u>\$869,058</u>	<u>\$851,100</u>	<u>\$17,958</u>	<u>\$825,511</u>
<i>TOTAL ROUTE OPERATIONS</i>	<u>\$15,720,426</u>	<u>\$15,335,910</u>	<u>\$384,516</u>	<u>\$14,347,432</u>

## Vehicle Maintenance Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>MECHANICS</i>				
Mechanics	\$726,632	\$666,661	\$59,971	\$631,049
Less Mechanic Labor Capitalization	(30,815)	(30,208)	(607)	(27,206)
Mechanics-OT	37,707	37,182	525	13,534
FICA	71,979	66,934	5,046	56,355
Pension	87,682	86,408	1,274	79,389
Health	180,689	160,077	20,612	134,803
Sick Pay	19,565	19,436	129	28,144
Vacation Pay	121,116	116,491	4,625	63,401
Holiday Pay	34,345	33,668	677	26,601
Other Paid Leave	1,541	1,510	30	1,104
Unemployment Insurance	2,912	2,912	0	2,299
Uniforms	16,000	16,000	0	14,804
Tool Allowance	14,300	14,300	0	11,000
<i>Mechanics Subtotal</i>	<u>\$1,283,652</u>	<u>\$1,191,370</u>	<u>\$92,282</u>	<u>\$1,035,277</u>
<i>CLEANERS &amp; FUELERS</i>				
Service Workers	\$461,231	\$452,108	\$9,123	\$436,855
FICA	40,578	39,775	803	39,173
Pension	73,364	72,279	1,085	71,567
Health	182,528	173,100	9,429	162,972
Sick Pay	10,707	10,494	212	9,076
Vacation Pay	32,072	31,435	637	39,645
Holiday Pay	24,413	23,928	484	17,985
Other Paid Leave	2,012	1,972	40	1,143
Unemployment Insurance	2,940	2,940	0	2,069
Uniforms	7,098	7,098	0	7,978
Medical Exams & License Fees	3,230	3,230	0	3,538
<i>Cleaners &amp; Fuelers Subtotal</i>	<u>\$840,173</u>	<u>\$818,360</u>	<u>\$21,813</u>	<u>\$792,001</u>
<i>SUPERVISION</i>				
Staff	\$425,958	\$360,204	\$65,754	\$274,540
FICA	36,075	30,761	5,314	24,012
Pension	47,157	38,983	8,174	28,138
Health	103,898	112,520	(8,622)	87,082
Sick Pay	3,794	3,759	35	40,906
Vacation Pay	23,635	20,353	3,282	18,685
Holiday Pay	16,822	16,492	330	10,870
Other Paid Leave	3,364	3,298	66	2,423
Unemployment Insurance	1,120	1,120	0	797
Training, Travel & Meetings	14,125	14,125	0	9,577
<i>Supervision Subtotal</i>	<u>\$675,950</u>	<u>\$601,616</u>	<u>\$74,334</u>	<u>\$497,031</u>
<i>VEHICLE CONSUMABLES</i>				
Bus Fuel	\$1,476,325	\$1,385,173	\$91,152	\$1,548,492
Oil & Lubricants	125,000	125,000	0	\$112,201
Electric Vehicle Power	84,000	84,000	0	77,482
Tire Lease	161,700	161,700	0	149,171
Tire Mounting	10,000	10,000	0	7,655
<i>Vehicle Consumables Subtotal</i>	<u>\$1,857,025</u>	<u>\$1,765,873</u>	<u>\$91,152</u>	<u>\$1,895,002</u>



## Vehicle Maintenance Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>VEHICLE PARTS &amp; SUPPLIES</i>				
Bus Parts Issued	\$654,163	\$669,924	(\$15,760)	\$573,776
Shop Supplies	70,000	70,000	0	65,317
Bus Servicing Supplies	12,000	12,000	0	8,027
Hazmat Disposal & Compliance	14,000	14,000	0	18,686
<i>Vehicle Part &amp; Supplies Subtotal</i>	<u>\$750,163</u>	<u>\$765,924</u>	<u>(\$15,760)</u>	<u>\$665,807</u>
<i>VENDOR BUS REPAIRS</i>				
Vandalism Repairs	\$7,500	\$7,500	\$0	\$4,258
Accident Damage Repairs	7,500	7,500	0	3,855
Accident Claim Collections	(5,000)	(5,000)	0	(13,494)
Other Vendor Repairs	50,000	50,000	0	55,640
<i>Vendor Bus Repairs Subtotal</i>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$0</u>	<u>\$50,259</u>
<i>RISK &amp; SAFETY</i>				
Workers' Comp Services	\$15,000	\$15,000	\$0	\$25,993
Workers' Comp Insurance	9,200	8,500	700	7,570
Current Year Incident Payouts	15,000	15,000	0	0
Current Year Incident Reserves	25,000	25,000	0	503
Prior Years Incident Payouts	15,000	15,000	0	9,814
Change in Prior Years Reserves	(5,000)	(5,000)	0	(19,797)
<i>Risk &amp; Safety Subtotal</i>	<u>\$74,200</u>	<u>\$73,500</u>	<u>\$700</u>	<u>\$24,083</u>
<i>TOTAL VEHICLE MAINTENANCE</i>	<u><u>\$5,541,163</u></u>	<u><u>\$5,276,642</u></u>	<u><u>\$264,521</u></u>	<u><u>\$4,959,460</u></u>

## Passenger Accomodations Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>PASSENGER FACILITIES</i>				
Wages & Benefits				
Supervisors	\$190,211	\$186,493	\$3,718	\$191,289
TC Advisors	140,443	101,898	38,545	101,291
Staff	43,114	40,525	2,589	43,267
FICA	31,560	28,050	3,510	29,546
Pension	26,491	26,194	296	25,332
Health	91,785	108,468	(16,683)	130,976
Sick Pay	4,030	3,968	62	13,201
Vacation Pay	18,912	19,692	(780)	20,493
Holiday Pay	13,382	12,311	1,071	12,793
Other Paid Leave	2,457	1,778	680	4,285
Unemployment Insurance	1,453	1,453	0	1,818
Wages & Benefits Subtotal	<u>\$563,838</u>	<u>\$530,830</u>	<u>\$33,008</u>	<u>\$574,291</u>
Buildings & Grounds				
TC Contract Maintenance	\$47,576	\$47,576	\$0	\$47,980
TC Repairs/Supplies	10,000	10,000	0	8,804
Bus Stop Repairs/Supplies	10,000	10,000	0	5,083
TC Property Insurance	2,891	2,891	0	2,534
Buildings & Grounds Subtotal	<u>\$70,467</u>	<u>\$70,467</u>	<u>\$0</u>	<u>\$64,401</u>
<i>Passenger Facilities Subtotal</i>	<u><u>\$634,305</u></u>	<u><u>\$601,296</u></u>	<u><u>\$33,008</u></u>	<u><u>\$638,692</u></u>
<i>TRANSIT DEVELOPMENT</i>				
Staff	\$188,677	\$193,954	(\$5,276)	\$200,189
FICA	16,406	17,116	(711)	18,153
Pension	21,445	22,374	(929)	23,649
Health	33,220	52,228	(19,008)	45,648
Sick Pay	5,791	6,219	(428)	5,508
Vacation Pay	12,177	14,108	(1,931)	16,064
Holiday Pay	8,314	8,492	(178)	7,864
Other Paid Leave	2,494	2,876	(382)	4,588
Unemployment Insurance	784	784	0	622
Training, Travel & Meetings	5,000	5,000	0	31,616
Planning Services & Supplies	80,000	5,000	75,000	403
<i>Transit Development Subtotal</i>	<u><u>\$374,309</u></u>	<u><u>\$328,152</u></u>	<u><u>\$46,157</u></u>	<u><u>\$354,304</u></u>

## Passenger Accommodations Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>PROMOTION &amp; INFORMATION</i>				
Wages & Benefits				
Staff	\$121,196	\$99,994	\$21,202	\$92,354
FICA	10,097	8,818	1,278	8,279
Pension	13,198	11,527	1,671	10,822
Health	8,737	18,933	(10,196)	22,505
Sick Pay	2,335	2,963	(628)	2,964
Vacation Pay	2,104	4,261	(2,156)	9,558
Holiday Pay	5,076	6,442	(1,365)	3,899
Other Paid Leave	1,269	1,610	(341)	1,868
Unemployment Insurance	560	560	0	327
Wages & Benefits Subtotal	<u>\$164,572</u>	<u>\$155,107</u>	<u>\$9,465</u>	<u>\$152,575</u>
Outside Services				
Media Ad Placement	15,000	5,000	10,000	0
Brochures & Publications	19,200	9,200	10,000	2,166
Promotional Giveaways	15,000	5,000	10,000	1,936
Bus/Shuttle Decorations	5,000	5,000	0	606
Other Promotions	86,300	66,300	20,000	8,159
Route Schedules & Information	126,200	126,200	0	68,101
Training, Travel & Meetings	6,000	6,000	0	0
Outside Services Subtotal	<u>\$272,700</u>	<u>\$222,700</u>	<u>\$50,000</u>	<u>\$80,968</u>
<i>Promotion &amp; Information Subtotal</i>	<u><u>\$437,272</u></u>	<u><u>\$377,807</u></u>	<u><u>\$59,465</u></u>	<u><u>\$233,543</u></u>
<i>FARE REVENUE COLLECTION</i>				
Wages & Benefits				
Staff	\$108,288	\$106,148	\$2,140	\$108,575
FICA	9,787	9,596	192	8,409
Pension	12,794	12,544	251	12,192
Health	44,312	56,110	(11,799)	57,463
Sick Pay	3,331	3,286	46	4,972
Vacation Pay	9,326	9,143	183	12,125
Holiday Pay	4,663	4,572	91	4,499
Other Paid Leave	2,331	2,286	46	1,651
Unemployment Insurance	448	448	0	367
Wages & Benefits Subtotal	<u>\$195,281</u>	<u>\$204,133</u>	<u>(\$8,851)</u>	<u>\$210,254</u>
Outside Services				
Fare Processing	\$15,000	\$15,000	\$0	\$13,725
Farebox Parts & Repairs	38,000	38,000	0	45,177
Tickets, Tokens & Transfers	30,000	30,000	0	26,192
Outside Services Subtotal	<u>\$83,000</u>	<u>\$83,000</u>	<u>\$0</u>	<u>\$85,094</u>
<i>Fare Revenue Collection Subtotal</i>	<u><u>\$278,281</u></u>	<u><u>\$287,133</u></u>	<u><u>(\$8,851)</u></u>	<u><u>\$295,349</u></u>
<i>TOTAL PSNGR ACCOMMODATIONS</i>	<u><u>\$1,724,168</u></u>	<u><u>\$1,594,388</u></u>	<u><u>\$129,779</u></u>	<u><u>\$1,521,888</u></u>

## General Overhead Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>FINANCE</i>				
Staff	\$336,359	\$317,748	\$18,610	\$277,239
FICA	29,509	27,989	1,521	23,956
Pension	38,574	36,586	1,988	28,789
Health	58,939	83,303	(24,364)	78,968
Sick Pay	6,916	6,478	437	7,692
Vacation Pay	22,344	21,906	438	23,994
Holiday Pay	14,001	13,726	275	11,826
Other Paid Leave	6,125	6,005	120	2,455
Unemployment Insurance	1,008	1,008	0	771
Financial Audit Services	68,000	42,000	26,000	67,299
<i>Finance Subtotal</i>	<u>\$581,775</u>	<u>\$556,750</u>	<u>\$25,025</u>	<u>\$522,989</u>
<i>PERSONNEL</i>				
Staff	\$102,549	\$100,909	\$1,640	\$104,047
FICA	8,735	8,495	240	8,907
Pension	11,419	11,105	314	4,954
Health	26,353	35,191	(8,837)	22,634
Sick Pay	1,159	1,141	18	13,664
Vacation Pay	4,392	3,089	1,303	128
Holiday Pay	4,392	4,271	121	3,409
Other Paid Leave	2,196	2,135	60	1,531
Unemployment Insurance	336	336	0	378
<i>Personnel Subtotal</i>	<u>\$161,531</u>	<u>\$166,672</u>	<u>(\$5,141)</u>	<u>\$159,651</u>
<i>UTILITIES</i>				
Telephone & Data Communications	\$62,000	\$62,000	\$0	\$36,544
Power, Water & Refuse	150,000	150,000	0	150,341
Two-Way Radios	15,000	15,000	0	13,454
<i>Utilities Subtotal</i>	<u>\$227,000</u>	<u>\$227,000</u>	<u>\$0</u>	<u>\$200,338</u>
<i>OPERATING FACILITIES</i>				
<i>Wages &amp; Benefits</i>				
Staff	\$57,022	\$55,898	\$1,123	\$53,584
FICA	4,921	4,825	96	4,711
Pension	6,433	6,307	126	6,218
Health	4,891	10,717	(5,826)	10,312
Sick Pay	872	861	11	2,498
Vacation Pay	3,711	3,638	73	4,279
Holiday Pay	2,474	2,426	48	2,128
Other Paid Leave	247	243	5	0
Unemployment Insurance	224	224	0	175
<i>Wages &amp; Benefits Subtotal</i>	<u>\$80,795</u>	<u>\$85,138</u>	<u>(\$4,343)</u>	<u>\$83,906</u>

## General Overhead Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change	FY2015-16 Actual
<i>OPERATING FACILITIES (cont'd)</i>				
Service Vehicles				
Parts & Repairs	\$24,660	\$24,660	\$0	\$12,208
Fuel	50,000	50,000	0	42,561
Service Vehicles Subtotal	\$74,660	\$74,660	\$0	\$54,768
Buildings & Grounds				
Contract Maintenance	\$78,360	\$78,360	\$0	\$82,079
Overpass Site	7,500	7,500	0	1,760
B&G Repairs/Supplies	42,000	42,000	0	58,721
Property Insurance	51,352	51,352	0	47,852
Buildings & Grounds Subtotal	\$179,212	\$179,212	\$0	\$190,413
<i>Operating Facilities Subtotal</i>	<u>\$334,667</u>	<u>\$339,010</u>	<u>(\$4,343)</u>	<u>\$329,087</u>
<i>DISTRICT ADMINISTRATION</i>				
Wages & Benefits				
Staff	\$520,624	\$514,501	\$6,123	\$542,312
Bus Ad Revenue Placement	2,264	0	2,264	12,535
FICA	47,068	46,363	705	46,916
Pension	61,527	60,605	921	60,148
Health	91,524	130,879	(39,355)	143,264
Sick Pay	10,494	10,390	104	13,645
Vacation Pay	53,842	51,306	2,535	46,251
Holiday Pay	23,314	22,967	348	23,215
Other Paid Leave	6,994	6,890	104	6,429
Unemployment Insurance	1,456	1,456	0	1,765
Wages & Benefits Subtotal	\$819,106	\$845,357	(\$26,251)	\$896,478
Administrative Services				
Directors Fees	\$12,600	\$12,600	\$0	\$12,180
Public Officials Insurance	62,752	62,752	0	56,706
Legal Counsel	75,000	75,000	0	85,117
Pension Administration	2,700	2,700	0	(752)
Office Equipment Maintenance	164,048	164,048	0	167,748
Miscellaneous Services	97,398	97,398	0	175,815
Office & Computer Supplies	50,000	50,000	0	42,488
Dues & Subscriptions	50,000	50,000	0	46,048
Conferences, Meetings & Training	17,698	17,698	0	20,603
Employee Relations	18,500	18,500	0	18,321
Retiree Health Insurance	63,481	63,481	0	250,597
Mandated Fees & Permits	34,000	34,000	0	41,907
Bus Ad Revenue Program	10,375	10,375	0	1,130
Miscellaneous Expenses	25,000	25,000	0	17,211
Administrative Services Subtotal	\$683,552	\$683,552	\$0	\$935,119
<i>District Administration Subtotal</i>	<u>\$1,502,658</u>	<u>\$1,528,909</u>	<u>(\$26,251)</u>	<u>\$1,831,597</u>
<b>TOTAL GENERAL OVERHEAD</b>	<u><u>\$2,807,631</u></u>	<u><u>\$2,818,342</u></u>	<u><u>(\$10,710)</u></u>	<u><u>\$3,043,662</u></u>

## Capital Project Detail Fiscal Year 2017-18

	Draft FY2017-18 Budget	Revised FY2016-17 Budget	Change
<i>REVENUE VEHICLE PURCHASES</i>			
40' Diesel Buses (10)	\$5,000,000	\$1,425,000	\$3,575,000
40' Electric Buses (4)	2,000,000	0	2,000,000
30' Electric Buses (8)	0	3,100,000	(3,100,000)
30' Electric Buses-Capital Lease (6)	0	2,329,000	(2,329,000)
Paratransit Vans for Easy Lift (2)	0	100,000	(100,000)
Subtotal	<u>\$7,000,000</u>	<u>\$6,954,000</u>	<u>\$46,000</u>
<i>REVENUE VEHICLE IMPROVEMENTS</i>			
Bus Refurbishing	\$100,000	\$100,000	\$0
Diesel Fleet Drivetrains	200,000	185,000	15,000
Lithium-Ion Battery Upgrades	0	100,000	(100,000)
EV Drivetrains & Chargers	0	40,000	(40,000)
Subtotal	<u>\$300,000</u>	<u>\$425,000</u>	<u>(\$125,000)</u>
<i>OPERATING FACILITIES</i>			
Canopy Improvements	\$0	\$733,000	(\$733,000)
Shop Structural & Roof Upgrades	0	225,000	(225,000)
Charging Infrastructure Upgrades	0	160,000	(160,000)
Operating Facilities Allowance	75,000	50,000	25,000
Calle Real Development	100,000	100,000	0
Subtotal	<u>\$175,000</u>	<u>\$1,268,000</u>	<u>(\$1,093,000)</u>
<i>PASSENGER FACILITIES</i>			
TC Renovation Project	\$300,000	\$1,900,000	(\$1,600,000)
Bus Stop Upgrades	75,000	580,000	(505,000)
Subtotal	<u>\$375,000</u>	<u>\$2,480,000</u>	<u>(\$2,105,000)</u>
<i>INTELLIGENT TRANSPORTATION SYSTEMS</i>			
AVL Project (AIM)	\$150,000	\$2,150,000	(\$2,000,000)
Advanced Fare Collection System	0	1,000,000	(1,000,000)
Smartcard Project	150,000	985,000	(835,000)
Subtotal	<u>\$300,000</u>	<u>\$4,135,000</u>	<u>(\$3,835,000)</u>
<i>INFORMATION SYSTEMS</i>			
Fuel & Mileage Monitoring System	\$0	\$75,000	(\$75,000)
Software Systems Allowance	150,000	35,000	115,000
IT Infrastructure Allowance	50,000	75,000	(25,000)
Subtotal	<u>\$200,000</u>	<u>\$185,000</u>	<u>\$15,000</u>
<i>OTHER EQUIPMENT</i>			
Shop Equipment Allowance	\$75,000	\$75,000	\$0
Service Vehicles	200,000	100,000	100,000
Fare Collection & Radio Allowance	25,000	75,000	(50,000)
Office Furniture Allowance	25,000	25,000	0
Subtotal	<u>\$325,000</u>	<u>\$275,000</u>	<u>\$50,000</u>
Total Capital Projects	<u>\$8,675,000</u>	<u>\$15,722,000</u>	<u>(\$7,047,000)</u>



## BOARD REPORT

**MEETING DATE:** MARCH 7, 2017 **AGENDA ITEM #:** 8

**TYPE:** ACTION

**PREPARED BY:** BRAD DAVIS

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** GENERAL MANAGER

\_\_\_\_\_  
*Signature*

**SUBJECT:** Advance Authority to Execute Diesel Fuel Contract

### RECOMMENDATION:

Staff requests that the Board provide advance authorization for the General Manager to enter into a diesel fuel contract from an upcoming bid solicitation subject to the following conditions:

1. The gross price does not exceed \$2.20 per gallon.
2. It is a one-year fixed price contract with one additional option year to be exercised at the discretion of the General Manager if determined to be in the best interests of MTD.
3. The contract is awarded to the low bidder found to be responsive and responsible.

### DISCUSSION:

Staff is releasing an invitation for bids for the delivery of ultra-low sulfur diesel fuel within the next week. The winning bidder typically locks in its purchase price shortly following award in order to protect its profit margin. The greater the period between bid submittal and contract award, the greater the risk premium the bidder will add to its price to account for potential price increases before contract award. Thus, MTD's ability to make the award decision quickly minimizes the risk premium. Bidders will also be pre-qualified to enable the quick turnaround.

The \$2.20 per gallon price is used in the draft FY17-18 budget being presented today. MTD consumes approximately 600,000 gallons of diesel fuel per year, which results in a contract value of up to \$1,350,000 per year.

MTD currently pays a fixed price of \$1.96 per gallon from a contract entered into 18 months ago. At that time, MTD was paying nearly \$3.00 per gallon. The current contract took advantage of the sizeable fall in oil prices occurring at the time. With prices still relatively low, it is advantageous to lock in prices for another two years. An additional benefit of using fixed price contracts is the stability that they provide in budgeting future fuel costs.



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 7, 2017

AGENDA ITEM #: 9

TYPE: ACTION ITEM

PREPARED BY: STEVE MAAS

\_\_\_\_\_  
*Signature*

HILLARY BLACKERBY

\_\_\_\_\_  
*Signature*

REVIEWED BY: GENERAL MANAGER

\_\_\_\_\_  
*GM Signature*

SUBJECT: **Low Carbon Transit Operations Program Resolution**

**RECOMMENDATION:**

Adopt Resolution 2017-03 authorizing MTD to submit the “Ridership Development Marketing Plan” project to be funded with FY 2017 California cap-and-trade auction proceeds from the Low Carbon Transit Operations Program (LCTOP). The proposed project is one element of MTD’s upcoming five-year marketing plan.

**DISCUSSION:**

LCTOP Background

California cap-and-trade auction proceeds are appropriated to several programs, including the LCTOP, which is administered by Caltrans. LCTOP provides formula funds to transit agencies based on the agency’s percentage of statewide fare revenue and to regional transportation planning agencies based on the area’s percentage of statewide population. All projects funded with auction proceeds must demonstrate greenhouse gas reduction.

Caltrans requires two resolutions from the Board as part of an LCTOP application. The first, agreeing to comply with all conditions and requirements set forth in the Certification and Assurances and authorizing General Manager Jerry Estrada to execute all required documents, was unanimously approved at the January 10 meeting. The second, approving the specific project to be submitted, is before the Board today.

MTD is the only transit agency authorized by the LCTOP guidelines to be a Project Lead for South Coast projects, and was directly allocated \$56,033 for FY 2017. SBCAG is also eligible to be a Project Lead, and was allocated \$197,015 for transit projects throughout the county.



The LCTOP legislation currently require that 50 percent of the SBCAG funds go to one or more projects that benefit the one "Disadvantaged Community" in the county (in Santa Maria) identified by the California Environmental Protection Agency (CalEPA). On February 15, the county transit operators and SBCAG staff met to determine the allocation of the remaining 50 percent of the SBCAG funds. It was agreed that the majority of those funds (\$88,657) would be allocated to MTD. The SBCAG Board is scheduled to vote on the recommended allocations at its meeting of March 16. If the SBCAG Board approves the recommendation, MTD will receive a total of \$144,690 in FY 2017 LCTOP funds (i.e., \$88,657 from SBCAG and \$56,033 direct allocation).

### Ridership Development Marketing Plan

The proposed "Ridership Development Marketing Plan" is a three-year project with a budget of \$50,000 annually (\$48,230 in LCTOP funds and \$1,770 in MTD matching funds). The project will encompass FY 2018, FY 2019, and FY 2020, with an end date of June 30, 2020. The project is an element of MTD's upcoming five-year marketing plan.

The LCTOP project comprises two major components: the distribution of 10,000 free transit vouchers annually, and enhanced, targeted marketing. It is assumed that 60 percent of the free passes will actually be utilized for bus rides. Under this assumption, the estimated fare revenue reimbursement will be \$10,500 annually (6,000 single-ride passes at a fare of \$1.75 per trip). The remaining \$39,500 of the \$50,000 annual funding will cover the costs of advertising, promotion, printing of materials, and outreach regarding several topics: the bus system in general, new smartcard technology, new real-time bus arrival texting, app and website, and the new electric shuttle fleet.

The project will include robust bilingual promotion and outreach through social media, electronic media, print, and in-person community events. Targeted outreach to employers, chambers of commerce, educational institutions, and community groups will attract riders that are new to MTD, and enhance the experience for existing riders, encouraging them to ride more frequently.

### **ATTACHMENTS:**

- MTD Board Resolution 2017-03



RESOLUTION 2017-03

**AUTHORIZATION FOR THE EXECUTION OF THE  
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT:  
SBMTD Ridership Development Marketing Plan - \$144,690**

**WHEREAS**, the Santa Barbara Metropolitan Transit District (District) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

**WHEREAS**, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

**WHEREAS**, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

**WHEREAS**, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

**WHEREAS**, the District wishes to implement the LCTOP project listed above,

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the District that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations, and guidelines for all LCTOP funded transit projects.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the District that it hereby authorizes the submittal of the following project nomination and allocation request to the Department in FY 2016-17 LCTOP funds:

*Project Name: SBMTD Ridership Development Marketing Plan*

*Amount of LCTOP funds requested: \$144,690*

*Short description of project: Provision of free transit passes and enhanced marketing of amenities*

*Contributing Sponsors (if applicable): Santa Barbara County Association of Governments*

**PASSED AND ADOPTED** by the Board of Directors of the Santa Barbara Metropolitan Transit District this 7<sup>th</sup> day of March 2017, by the following vote:

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Chair, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors



BOARD OF DIRECTORS REPORT

**MEETING DATE:** MARCH 7, 2017      **AGENDA ITEM #: 10**

**TYPE:** ACTION

**PREPARED BY:** MARY GREGG

\_\_\_\_\_  
*Signature*

**REVIEWED BY:** JERRY ESTRADA

\_\_\_\_\_  
*Signature*

**SUBJECT: Commercial Auto and General Liability Insurance Renewal**

**RECOMMENDATION:**

Staff recommends renewal of Commercial Auto and General Liability Insurance coverage with National Interstate Insurance Company (NIIC) effective 4/1/17 – 4/1/18 at the current first layer \$4,750,000 Excess Indemnity over a \$250,000 Self Insured Retention (SIR) and \$5,000,000 Excess/Umbrella, for an annual premium of \$270,634. This is a 12-month policy.

**DISCUSSION:**

The quote for the SIR Excess is based on the type and number of vehicles in MTD's current fleet: 103 Transit Buses, 3 Transit Articulated Buses, and 20 Service/Private Passenger cars. The Excess coverage is a flat fee, and for the entirety of claims history with NIIC, MTD has never pierced the Excess threshold.

NIIC has partnered with MTD for over 20 years and has a strong working relationship with MTD's risk staff. In 2011 NIIC started offering two year policies. NIIC has changed back to offering a one year policy because the carrier's actuaries have instructed underwriters to stop offering 2 year pricing commitments due to the uncertainty of future costs of reinsurance. For the 17-18 renewal, the total price increase compared to the expiring policy is 5.6%, a calculation based on an assumption of pricing for the fleet as of the fleet size on 3/31/17. If the fleet size stays the same as it is today, then upon renewal of the policy on 4/1/17, the increase represents a 5.6% increase. Some of the rates are flat annual rates and not subject to increase by changes in fleet size. The rate per vehicle for the first \$4,750,000 is subject to endorsement as vehicles are added/deleted.

**FINANCIAL INFORMATION:**

Line of Coverage	Renewal 17-18	Expiring 15-17 Premium Per Year	Prior 13-17 Premium Per Year
Auto & General Liability	\$182,765	\$175,757	\$167,294
Excess/Umbrella	\$70,231	\$79,170	\$77,000
Claims Services Agreement	\$17,368	\$19,040	\$17,392
<b>Totals</b>	<b>\$270,634</b>	<b>\$274,230</b>	<b>\$261,686</b>

To: MTD Board of Directors  
From: Jerry Estrada, General Manager  
Date: March 7, 2017  
Subject: General Manager's Report

### Operations, Fleet & Facilities

Our recent series of precipitation events these past few weeks certainly was welcome. However, the rain did present challenges with detours and road closures. Extra supervision was added during these rain events.

BYD projects an eight-week build time for each shuttle, once the shuttle is put online. Staff has met with BYD to look into the possibility of receiving at least two of the BYD shuttles in April so that they might augment summer service. MTD is awaiting BYD's response. The build delay will mean that MTD will need to count on running all 14 E-Bus trolleys through this coming summer. Provisional solutions are being sought, including MTD staff continuing its search to obtain any extra Li-ion and ni-cad batteries. The currently-available available battery size is not compatible with the current E-Bus BMS.

The electrical contractor has completed preliminary layout of the charger upgrade project, and has begun work on the electrical distribution room. The charger infrastructure upgrade project is scheduled to be completed by April 01, 2017.

The GFI Fastfare farebox installation project has been pushed out to begin April 14, 2017. Existing infrastructure and technical modification/upgrades, along with fare media planning, continues in the meantime.

### Planning & Administration

Accounting staff carried out an audit of the bus parts inventory last week. Referred to as a cycle count, it includes comparing the actual on-hand quantity of more than 100 randomly chosen parts to the quantity in the parts inventory database. The results were very positive with a dollar value deviation of less than 0.2%. At fiscal year-end, a full inventory of all parts takes place as part of the annual audit. These are in addition to numerous other scheduled and random accounting audits of cash and cash value items that take place throughout the year.

IT staff has completed the portion of the workstation upgrade project budgeted for this year. The remaining 25 workstation upgrades will be included in the FY17-18 budget. As a recap, the project includes replacing outdated PC workstations with those that can take full advantage of new Windows 10 security features, upgrading to Windows 10 and Office 2016, and entering into license agreements that include three years of future software updates at no cost. IT staff has also been working with Genfare on the hardware and software upgrades necessary to accommodate the new Fast Fare fareboxes.

As part of an ongoing evaluation of internal procurement and contracting procedures, legal counsel is reviewing MTD's master agreement and purchase order terms and conditions. While legal counsel

currently reviews all significant contracts prior to contract award making changes as necessary, the updated template will simplify the legal review process by incorporating applicable previous language modifications. The review will also ensure that references to federal and state terms and conditions are fully up to date.

General Manager Estrada and Steve Maas had a fourth meeting with City staff on February 23 regarding renewal of the Downtown-Waterfront Shuttle agreement. The group reviewed a revised draft agreement. Another meeting is scheduled for March 9.

MTD's upstairs conference room served as a teleconference site for the March 1 meeting of the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN) Board of Directors meeting. (LOSSAN is the Joint Powers Authority that oversees the Pacific Surfliner rail service.) Staff attended the teleconference as the host of the teleconference site.

Staff attended meetings of the Santa Barbara County Association of Governments' (SBCAG's) Joint Technical Advisory Committee (JTAC) and Technical Transportation Advisory Committee (TTAC) on Thursday, March 2. MTD is a voting member of both committees. JTAC received a report on the ongoing update of SBCAG's Regional Transportation Plan - Sustainable Communities Strategy (RTP-SCS). TTAC recommended that the SBCAG Board approve several items: the FY 2017 Low Carbon Transit Operations Program (LCTOP) projects; the final FY 2018 Measure A revenue estimates; the FY 2018 - FY 2020 Project Study Report Work Program; and the results of the Highway 101 Decision Points Documents process.

Human Resources is pleased to welcome Diego Ambriz to MTD as a Mechanic. Diego has six years of experience as a Diesel Mechanic with Quinn Caterpillar, located in Oxnard. Human Resources is also pleased to report that 16 bus operators have been hired in the past six months. There are currently five open driver positions and HR expects to have them filled within the next two months.

During the recent rainstorms, Marketing and Community Relations was active on social media, tweeting out up-to-the-minute information on detours, delays and other service alerts, receiving high engagement with other local agencies. The information was provided by Eddie Pacheco who is serving as our dedicated dispatch supervisor during peak weekday periods. This team worked very well together.