

Santa Barbara Metropolitan Transit District

Adopted Budget

Fiscal Year

July 1, 2014 through June 30, 2015



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Budget Summary

Service

- Service hours are budgeted to increase by 1,509 to 203,218 annually.
- Ridership is projected to increase by 1.3%
- The additional service is intended to boost lines that are experiencing significant overload and schedule issues. The service plan assumes the August 2014 elimination of the Line 22, which serves the Old Mission and Museum of Natural History.
- Funding provided by Caltrans & SBCAG for the Coastal Express Limited service is anticipated to be exhausted in mid-June of 2015.

Revenues

- Estimated Federal 5307 formula operating assistance of \$4,943,999 for fiscal year 2014-15 is equal to what was received in the prior fiscal year.
- Staff estimates that Transportation Development Act – Local Transportation Fund (TDA-LTF)¹ sales tax revenue generated in fiscal year 2014-15 will be approximately \$7,027,497. The estimated amount represents a 2% increase over the current year estimate.
- Passenger Fare revenue of \$8,336,255 is 2.4% higher than the estimated figure for the current fiscal year. The increase is due primarily to an increase in the fee charged to SBCC students for public transit service. Due to the students' high use of public transit service, the fee increase is not expected to bring the annual return per ride to a level consistent with what is charged to adults for similar service. The new two-year agreement was approved as a step toward a more equitable fee for service.

Expenses

- Operating expense of \$23,930,505 is projected to increase by \$460,818 or 2% over the prior year budget and by \$1,251,720 or 5.5% from the prior year estimate.
- Wages & Benefits are budgeted to increase by \$714,027 or 4.4% over the prior year budget and by \$871,365 or 5.4% from the prior year estimate.
- Fuel/Electric Bus Power cost of \$2,344,462 reflects a \$57,565 or 2.4% decrease versus the prior year estimate. Staff assumed an average price of \$3.10 per gallon of diesel fuel for the upcoming year. The price per gallon includes delivery expense but not taxes.

Net Position – Unrestricted

- Staff is not recommending the use of unrestricted net assets to balance the budget in fiscal year 2014-15.²

¹ Transportation Development Act - Local Transportation Fund (TDA-LTF) sales tax revenue is used to balance the District's operating budget. TDA-LTF sales tax revenue not applied to either operating or capital activities is reported as Net Position – Unrestricted.

² Annually the estimated unfunded OPEB liability is expected to result in the use of approximately \$200,000 in unrestricted net assets at the end of the year once the actuarially derived estimate is posted.

Operating & Capital Budgets

	Adopted Budget 2014-15	Final Budget 2013-14	Final Estimate 2013-14	Actual 2012-13	Change from Estimate
Operating Budget					
Total Operating Revenue	\$23,930,505	\$23,469,687	\$22,678,785	\$20,584,609	6%
Sales Tax Revenue (TDA-LTF)	\$7,027,497	\$6,941,974	\$5,887,331	\$3,778,290	19%
Passenger Fares	8,336,255	8,079,458	8,140,153	8,082,232	2%
Local Operating Assistance	69,755	59,190	102,140	245,270	-32%
Federal Operating Assistance	4,943,999	4,825,078	4,943,999	4,854,006	0%
Measure A	1,858,967	1,811,872	1,822,902	1,795,800	2%
Property Tax	965,000	965,000	965,000	1,080,069	0%
Other Sources	729,032	787,115	817,260	748,942	-11%
Total Operating Expense	\$23,930,505	\$23,469,687	\$22,678,785	\$20,584,609	6%
Wages & Benefits	\$16,872,463	\$16,158,436	\$16,001,098	\$14,149,028	5%
Workers Compensation	1,044,964	1,334,035	895,581	1,081,192	17%
Materials/Supplies	1,118,646	1,154,305	1,097,097	924,281	2%
Services/Utilities/Misc	1,919,460	1,864,030	1,658,717	1,545,285	16%
Fuel/Electric Bus Power	2,344,462	2,334,614	2,402,027	2,310,412	-2%
ADA Paratransit	630,511	624,268	624,264	574,411	1%
Farebox Recovery Ratio	34.8%	34.4%	35.9%	39.3%	-3%
Capital Budget					
Total Capital Revenue	\$14,437,577	\$16,530,143	\$565,000	\$1,767,162	
(TDA-LTF) Current Year (applied to Capital)	\$0	\$0	\$0	\$0	
(TDA-ST A) State Transit Assistance - Current Year	0	1,800,850	0	0	
(TDA-ST A) State Transit Assistance - Prior Year	6,358,851	3,116,032	425,000	(405,549)	
Measure A - Capital Replacement Fund	2,204,579	1,720,066	0	0	
Local Capital Assistance	0	69,360	0	111,548	
Federal Capital Assistance	2,796,554	1,858,554	25,000	984,966	
Prop 1B - Capital Assistance Funds	3,077,593	7,965,281	115,000	1,076,197	
Total Capital Expense	\$14,437,577	\$16,530,143	\$565,000	\$1,767,162	
Land & Buildings	\$900,000	\$805,000	\$50,000	\$87,515	
Buses	9,031,750	11,563,793	350,000	1,311,940	
Service Vehicles	0	0	0	209,049	
Management Information Systems	80,000	40,000	0	4,477	
Intelligent Transportation Systems	3,735,837	3,500,000	115,000	0	
Bus Stops	501,990	491,350	50,000	147,517	
Other Capital Items	188,000	130,000	0	6,664	

Fund Balances & Posted Unfunded Liabilities

	Adopted Budget 2014-15	Final Estimate 2013-14	Actual 2012-13
<u>Net Position - Unrestricted</u>			
Beginning Balance:	\$9,611,662	\$9,220,760	\$6,616,647
Net Gain/Loss from Operating Activities	0	590,902	1,578,270
*Post-Retirement Benefits - Retiree Health Care	(206,000)	(200,000)	1,025,843
Ending Balance:	\$9,405,662	\$9,611,662	\$9,220,760

Capital Account Reserves

Proposition 1B - PTMISEA

Beginning Balance:	\$2,613,352	\$2,613,352	\$5,974,314
Net Activities	(\$2,570,858)	\$0	(\$3,360,962)
Ending Balance:	\$42,494	\$2,613,352	\$2,613,352

Proposition 1B - Transit Security

Beginning Balance:	\$649,031	\$649,031	\$519,896
Net Activities	(\$649,031)	\$0	(\$129,135)
Ending Balance:	\$0	\$649,031	\$649,031

Measure A - Transit Capital

Beginning Balance:	\$1,975,329	\$1,103,400	\$331,406
Net Activities	\$1,492,870	\$871,929	\$771,994
Ending Balance:	\$482,459	\$1,975,329	\$1,103,400

State Transit Assistance - (TDA-STA)

Beginning Balance:	\$7,549,211	\$5,748,361	\$3,990,739
Net Activities	\$6,358,851	\$1,800,850	\$1,757,622
Ending Balance:	\$1,190,360	\$7,549,211	\$5,748,361

Other Post Employment-Retirement Benefits Liability (OPEB)

OPEB

Beginning Accumulated Liability:	(\$2,792,000)	(\$2,592,000)	(\$3,641,000)
Net Activities	(\$206,000)	(\$200,000)	(\$1,049,000)
Ending Accumulated Liability:	(\$2,998,000)	(\$2,792,000)	(\$2,592,000)

*The Post-Retirement figure represents the estimated annual unfunded liability associated with retiree health insurance commitments. Consistent with Generally Accepted Accounting Principals (GAAP) Statement No. 45, MTD books the estimated unfunded liability at the end of the fiscal year.

Ridership & Service Levels

	Adopted Budget 2014-15	Final Estimate 2013-14	Actual 2012-13
Ridership			
Regular	5,780,877	5,723,641	5,835,262
Shuttles	455,091	431,904	423,927
Express	1,435,757	1,421,542	1,475,150
Regional	47,042	46,577	39,990
Total Ridership	7,718,767	7,623,664	7,774,329
Service Miles			
Regular	1,743,223	1,753,037	1,748,350
Shuttles	84,590	84,731	82,388
Express	586,347	642,782	606,140
Regional	80,452	80,773	76,248
Total Service Miles	2,494,612	2,561,323	2,513,126
Service Hours			
Regular	159,385	155,754	155,531
Shuttles	15,836	15,711	15,372
Express	25,955	28,242	26,648
Regional	2,042	2,002	1,897
Total Service Hours	203,218	201,709	199,448
Passengers per Mile	3.1	3.0	3.1
Passengers per Hour	38.0	37.8	39.0

Executive Summary

Santa Barbara Metropolitan Transit District's (District) adopted operating budget of \$23,930,505 for fiscal year 2014-15 is \$460,818 or 2% greater than the prior year budget and \$1,251,720 or 5.5% higher than prior year *estimated* expenditures. Staff is proposing a balanced operating budget that does not include the use of reserves.

The adopted fiscal year 2014-15 budget is straightforward compared to a year ago when the District faced the prospect of losing all federal financial assistance due to a disagreement between the U.S. Department of Labor and the state of California regarding the implementation of the Public Employees' Pension Reform Act of 2013 (PEPRA) on public transit employees.

The issue complicated and prolonged negotiations between the District and Teamsters Local 186 regarding a new collective bargaining agreement, which resulted in discussions entering a second year. Ultimately, the state of California passed legislation that temporarily exempted most public transit employees from PEPRA. The District received a permanent exemption due to the fact that its retirement plan is a Taft-Hartley Trust Plan.

Looking ahead to fiscal year 2014-15, a significant management transition will occur as the District's general manager of the past 10-years (and employee for 40-years) will retire in July of 2014. General Manager Fisher has served the District in many capacities most recently as its senior executive but previously as its operations and human resource manager. The change in management will coincide with new investments in long awaited technologies that promise to enhance the District's customer service activities and operating procedures.

Furthermore, plans for improvements to the District's primary passenger facility, the Transit Center, have begun and should be submitted to the city of Santa Barbara during fiscal year 2014-15. The arrival of the District's first articulated buses (60' in length) allocated for service between Isla Vista and Santa Barbara Community College (SBCC) are expected to occur early in the fiscal year.

Introduction of the articulated buses and technology advancements are expected to come to fruition during the 50th anniversary of the District's enabling legislation.³

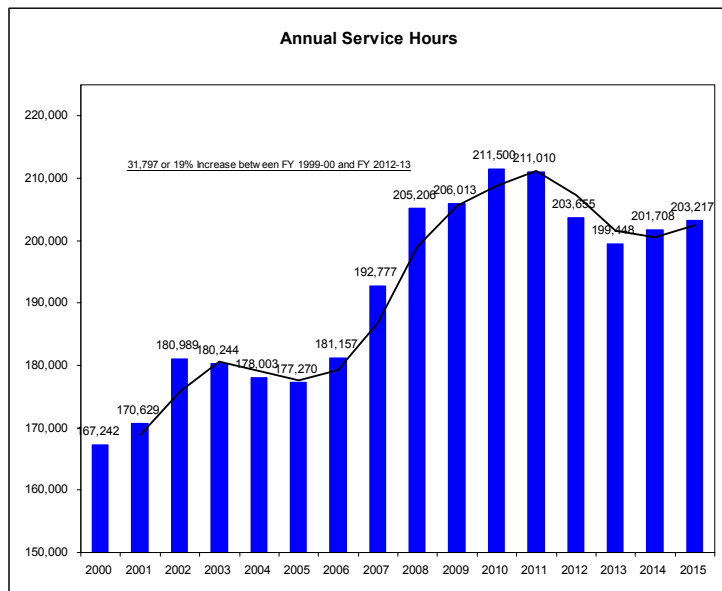
³ Santa Barbara Metropolitan Transit District Act of 1965, Public Utilities Code 95000

At a cost of over \$2 million dollars, the three articulated buses will provide greater capacity, to the Line 15x which runs between Isla Vista and SBCC. Technology advancements in the form of an Automated Vehicle Location system (AVL) promises to enhance the District’s ability to provide accurate real-time passenger information to its customers. Advancements include an automated bus stop announcement system to enhance compliance with the Americans with Disabilities Act and security cameras onboard each bus to improve security.

The data retrieved from the AVL system will allow management to achieve one of the Board’s major goals, which is to enhance the precision of on-time performance tracking of the District’s fixed-route service.

Assessment of the data will allow planning and operations staff to supplement input received from the public and employees during the service planning process. The District has budgeted over \$3.5 million from a number of capital funding sources for this project.

Management budgeted a slight increase in service hours to address some obvious needs. During the annual service planning process, discussions regarding the allocation of limited public transit resources led to the scheduled elimination of the Line 22 in August of 2014. As new technology improves information to the District’s planners, it is anticipated that additional investment in service hours may be needed to address on-time performance issues.



The chart above provides the reader with a history of annual service levels since fiscal year 1999-00.

Service levels have fluctuated since the Great Recession but overall they are up since fiscal year 2006-07. While the budget for fiscal year 2014-15 was balanced without the use of reserves, additional investment in service levels will likely require additional operating revenue in the near future. Staff recommends working with the Finance Committee in mid fiscal year 2014-15 to begin the process of more thoroughly assessing the District’s options for revenue generation.

Conclusion

As the District embarks on its 50-year anniversary, it will be introducing new rolling stock, public transit technology and initiating infrastructure improvements that promise to provide significant benefits to the general public well into the future. The District's momentous agreement with the University of California Santa Barbara (UCSB) will result in the availability of enhanced public transit service to all South Coast residents within and adjacent to the UC campus.

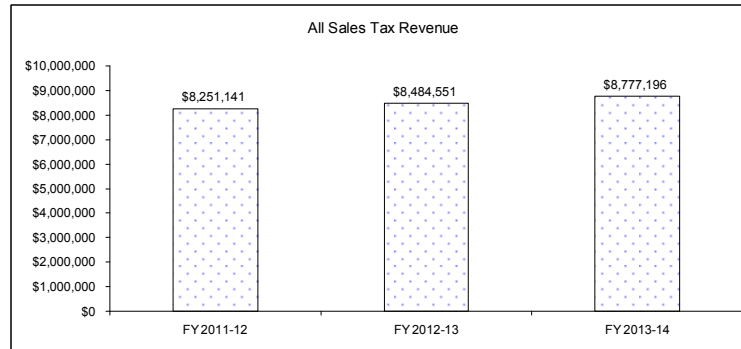
While the capital investments outlined above are exciting, it is critical that management continue to adhere to the District's tradition of conservative financial planning to ensure minimal disruption to service levels delivered to the public. Management looks forward to delivering the capital projects and new services discussed and to working with the Finance Committee to plan for the future financial needs of the agency.

Operating Budget

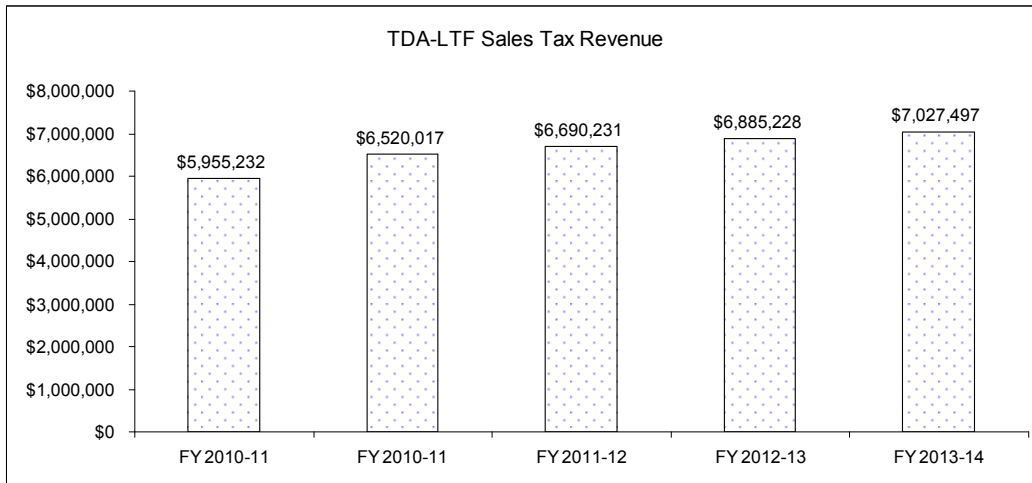
Operating Revenue

Operating revenue of \$23,930,505 is budgeted to increase by \$460,818 or 2% greater than the prior year budget. By recommending full allocation of the estimated TDA-LTF sales tax revenue to operating activities the budget is balanced. In the aftermath of the Great Recession, the District was no longer able to budget a portion of the aforementioned funds to capital activities.

Sales tax revenue has continued to rise year-over-year since the Great Recession. Sales tax revenue of \$8,886,464 accounts for 37.1% of total operating revenues in fiscal year 2014-15. The figures included in the chart to the right are comprised of TDA-LTF and Measure A – Operating sales tax revenue.

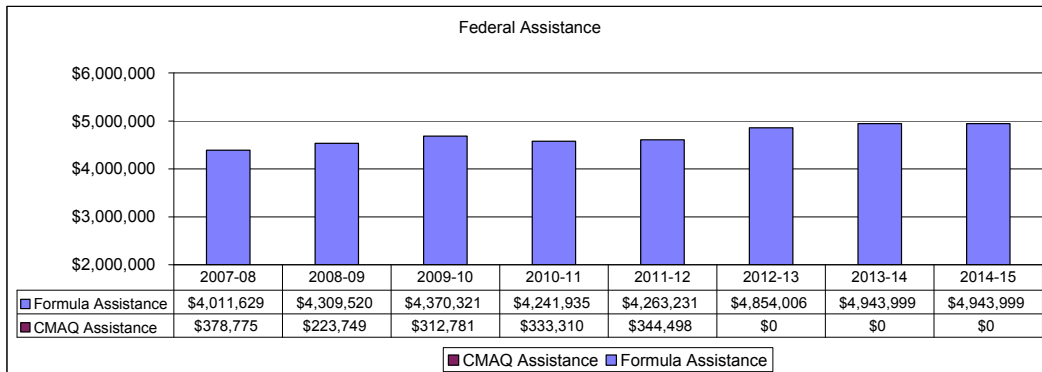


TDA-LTF sales tax revenue of \$7,027,497 accounts for 29% of the District’s operating revenue in fiscal year 2014-15. The chart below provides a glimpse of where the overall funding source stands today versus prior years.

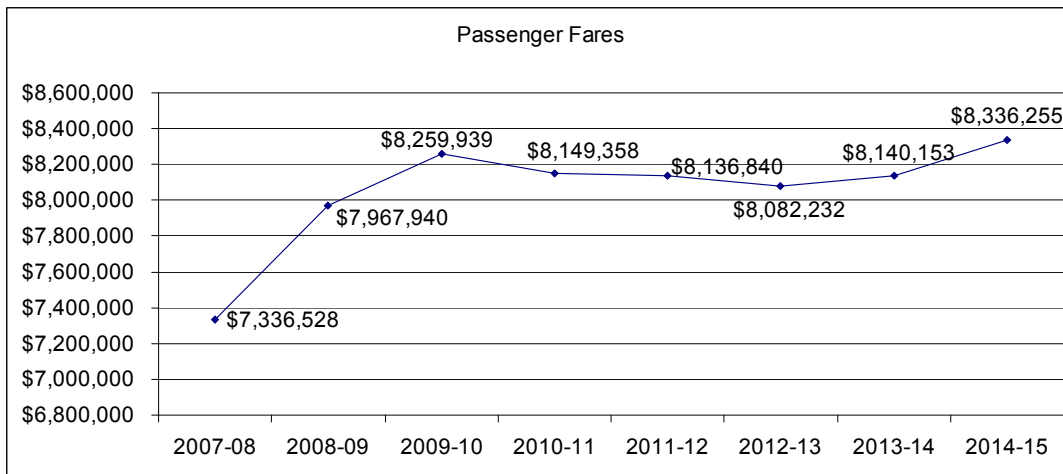


The basis for the budgeted TDA-LTF and Measure A sales tax figures are based on allocations to the District by SBCAG. The growth estimates were provided by the County Auditor-Controller’s office. Staff has used the Measure A allocation figure in the adopted budget but chose to use a smaller figure for the TDA-LTF sales tax revenue projection as it believes the base year amount used to estimate the allocation was a bit high.

The enactment of last year’s two-year Federal Transportation Bill (MAP-21) resulted in an increase of nearly \$700,000 annually in 5307 federal Formula Assistance, which is due in large part to a significant increase in the amount apportioned to the Small Transit Intensive Communities (STIC) program. Unfortunately, much of the increase was offset by the exhaustion of Congestion Mitigation and Air Quality (CMAQ) funds that averaged nearly \$340,000 annually the last two years of availability.



The chart above includes all federal formula assistance, including CMAQ, received since 2007-08 and an estimate for next year. The chart illustrates the growth of the formula assistance against the loss of CMAQ funds. CMAQ operating funds were granted for new service and only for the first three years of operation. The increased subsidy (STIC) arrived at a perfect time for the District as it provided a permanent source of new funding to replace a temporary one. (CMAQ)



Passenger fare revenue of \$8,336,255 consists of cash fares, discounted passes, UCSB & SBCC student bulk pass programs and city of Santa Barbara fare buy down subsidy for the Downtown Waterfront Electric Shuttle service. The District is projecting a small ridership increase of 1.2% and assumes customers will continue their trend toward the use of discounted passes at a rate similar to that experienced in the prior year. UCSB Contract Revenue is estimated to remain somewhat flat, while SBCC Contract revenue is

expected to increase by \$184,000 as a result of a rate increase effective this summer session.

Operating Expense

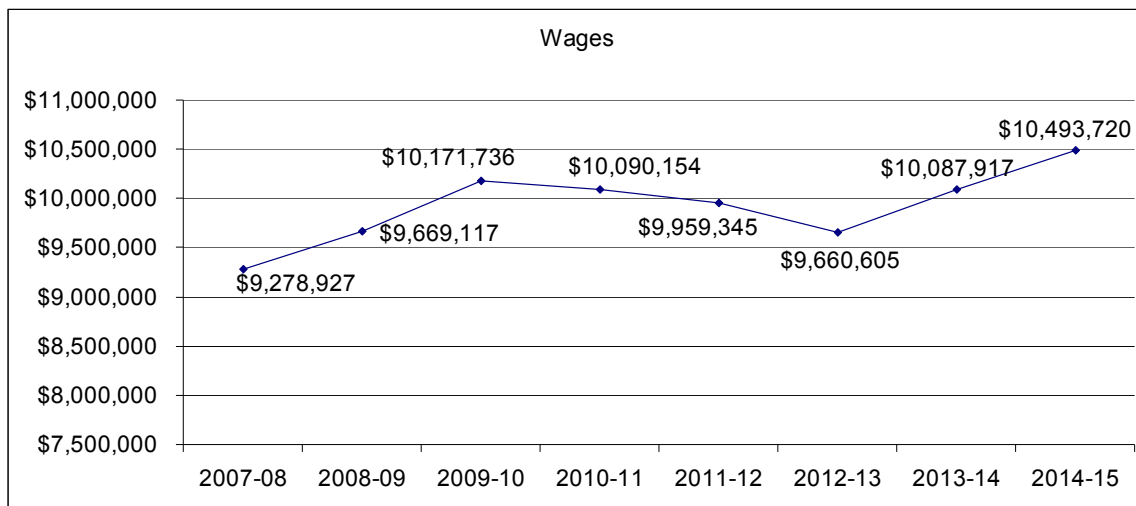
Wages & Fringe Benefits

	Adopted 2014-15	Final Budget 2013-14	Final Estimate 2013-14	Actual 2012-13
Wages	\$10,493,720	\$10,250,746	\$10,087,917	\$9,660,605
Fringe Benefits	6,378,743	5,907,690	5,913,181	5,569,615
	<u>\$16,872,463</u>	<u>\$16,158,436</u>	<u>\$16,001,098</u>	<u>\$15,230,220</u>

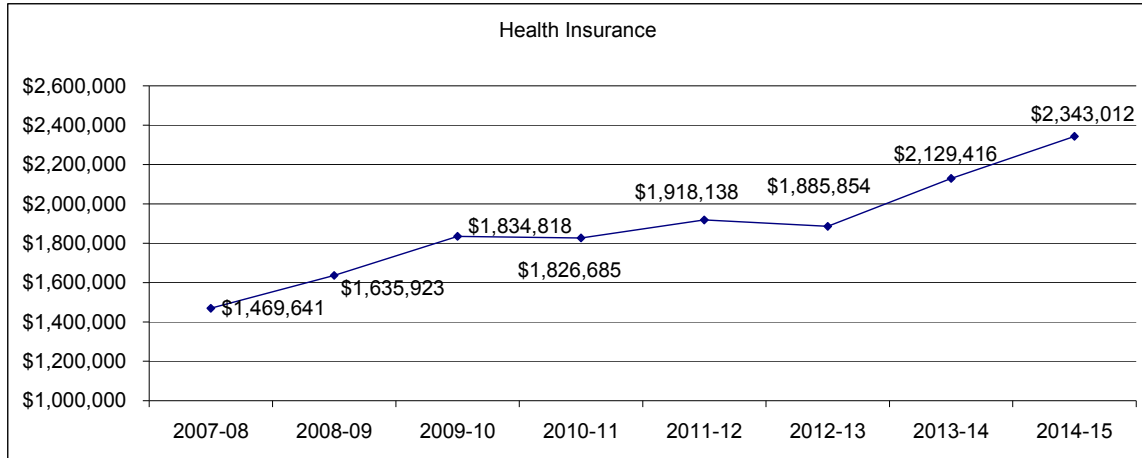
Fringe Benefits Summary

	Adopted 2014-15	Final Budget 2013-14	Final Estimate 2013-14	Actual 2012-13
Fringe Benefits	<u>\$6,378,743</u>	<u>\$5,907,690</u>	<u>\$5,913,181</u>	<u>\$5,569,615</u>
Health Insurance	\$2,343,012	\$2,085,494	\$2,129,416	\$1,885,854
Pension	\$1,302,315	\$1,297,887	\$1,278,059	\$1,251,001
Other (Sick, Vacation, FICA, etc.)	\$2,733,416	\$2,524,309	\$2,505,706	\$2,432,760

Wages & Benefits of \$16,872,463 reflect an increase of \$714,027 or 4.4% versus prior year budget. Consistent with the collective bargaining agreement, wage rates are budgeted for a 1.5% increase effective July 1, 2014. Because drivers are subject to a six-year step increase process before they reach “Top Rate”, the actual percentage increase awarded to junior drivers is higher than 1.5%. However, the actual amount paid per hour to the junior drivers is less than the “Top Rate” resulting in a lower cost per hour worked than that of their peers.



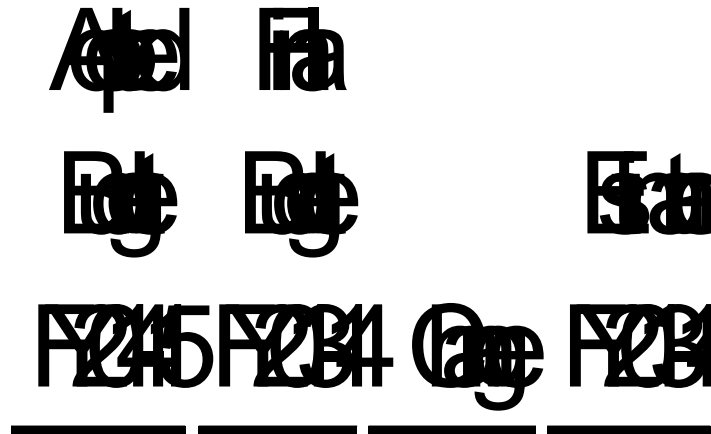
Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget



The District has continuously increased its contribution toward health insurance premiums and has budgeted for a significant increase in fiscal year 2014-15. The illustration above highlights the District's financial commitment to its employees and their well-being. The matrix adjustment of singles, couples and families for fiscal year 2013-14 is also a factor in the higher budgeted cost per employee for health insurance.

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
FINANCE				
Staff	\$ 377,638	\$ 359,933	\$ 17,705	\$ 362,435
FICA	33,306	31,745	1,560	30,607
Pension	43,537	41,497	2,040	39,909
Health	98,078	83,004	13,074	80,876
Sick Pay	6,571	6,463	108	4,176
Vacation Pay	32,014	30,903	1,110	28,873
Holiday Pay	15,664	14,558	1,206	18,120
Other Paid Leave	3,481	3,213	268	2,617
Unemployment Insurance	1,502	1,447	55	1,775
Financial Audit Services	49,000	74,000	(25,000)	70,300
Finance Subtotal	\$ 658,790	\$ 646,662	\$ 12,127	\$ 639,688
PERSONNEL				
Staff	\$ 67,029	\$ 65,055	\$ 1,974	\$ 64,295
FICA	5,713	5,544	170	5,948
Pension	7,468	7,247	222	8,173
Health	18,685	18,193	2,492	15,656
Sick Pay	1,146	1,127	19	1,276
Vacation Pay	5,631	5,480	151	6,644
Holiday Pay	2,872	2,787	85	3,309
Other Paid Leave	1,149	1,115	34	589
Unemployment Insurance	273	273	0	317
Personnel Subtotal	\$ 109,967	\$ 104,820	\$ 5,147	\$ 106,208
UTILITIES				
Telephone & Data Communications	\$ 46,000	\$ 48,000	(\$ 2,000)	\$ 36,207
Power, Water & Refuse	180,000	150,000	10,000	150,137
Two-Way Radios	19,200	22,380	(3,180)	14,743
Utilities Subtotal	\$ 225,200	\$ 220,380	\$ 4,820	\$ 201,087
OPERATING FACILITIES				
Wages & Benefits	\$ 53,616	\$ 49,984	\$ 3,633	\$ 47,943
Staff	4,024	4,020	605	4,168
FICA	6,045	5,255	790	5,247
Health	10,345	8,926	1,418	8,195
Sick Pay	834	763	71	800
Vacation Pay	3,462	3,000	462	4,000
Holiday Pay	2,308	2,000	308	2,361
Other Paid Leave	231	200	31	0
Unemployment Insurance	273	273	0	317
Wages & Benefits Subtotal	\$ 81,737	\$ 74,420	\$ 7,318	\$ 73,031

Workers Compensation costs are expected to rise from \$439,330 in fiscal year 2011-12 to \$1,044,964 in fiscal year 2014-15. Due to the unpredictability of new claims, staff is recommending the increase despite the fact that to date, workers compensation costs are expected to come in lower than the previous year due to the settlement of older claims.



Fuel/Electric Bus Power costs are budgeted at \$2,344,462, which is an increase of \$9,848 versus the prior year budget. Of the budgeted amount, \$2,254,462 is attributable to diesel fuel and lubricant costs and \$90,000 is for Electric Bus Power.

The District is locked in a fixed-price per gallon, including delivery, of \$3.06 for the first six months of fiscal year 2014-15. Staff has used \$3.10 per gallon as an average price for the entire year. Staff is cautiously optimistic that a better price may be obtained prior to the conclusion of the current lock in period. The District and the Contractor have the option to mutually agree to extend the contract monthly through November of 2015. The new price would be based on heating oil futures and a negotiated margin.

Expenses from fiscal year 2007-08 reflect the historic run up in diesel fuel prices that preceded the financial collapse in September of 2008. At that time, the District’s diesel fuel price was determined by a weekly petroleum industry index. As such, the District experienced the full effect of energy price volatility.

In fiscal year 2008-09 (March 2009), the District entered into its first fixed-price diesel fuel contract at approximately \$1.88 per gallon. The benefit of which is demonstrated in the graph above, as costs plummeted to \$1,537,008.

In the following years, the District has opted for the following fixed-price contracts:

June 2010 – May 2011	- \$2.55 per gallon ⁴
June 2011 – May 2012	- \$2.65 per gallon
June 2012 – November 2013	- \$3.37 per gallon
December 2012 – November 2013	- \$3.27 per gallon
December 2013 – March 2014	- \$3.07 per gallon
April 2014 – December 2014	- \$3.06 per gallon

⁴ All prices per gallon listed, include delivery but exclude taxes.

Services
(Significant Increases)

<u>Expenditures</u>	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Final Estimate FY 2013-14	Change vs. Estimate
Property Insurance	\$48,267	\$13,399	\$16,167	\$32,101
Public Officials Insurance	33,864	27,705	8,297	25,566
Miscellaneous Services	84,098	64,098	48,960	35,138
Telephone & Data Communications	46,000	48,000	36,207	9,793
Power, Water & Refuse	160,000	150,000	150,137	9,863
Two-Way Radios	19,200	22,380	14,743	4,457
Planning Services & Supplies	18,000	18,000	1,113	16,887
Public Liability Expenses	488,449	480,947	426,084	\$62,365
	\$897,878	\$824,529	\$701,708	\$196,170

In fiscal year 2014-15, professional services, utilities and miscellaneous expenditures are expected to increase by \$55,430 versus the prior year budget and by \$196,170 versus the previous year estimate. The majority of the increase is attributable to a projected increase of \$62,365 in liability-associated costs. Liability costs in the previous year are estimated to come in at approximately \$426,084. The majority of the estimated liability increase is attributable to anticipated defense of a few problematic claims. Significant increases in property and public officials insurance are also a factor. Staff included a placeholder of approximately \$25,000 in Miscellaneous Services for contracted work that may be required related to the management transition.

Capital Budget

The fiscal year 2014-15 capital budget includes the rollover of the following projects:

- (5) 40' Diesel Bus Replacements
- (3) 60' Articulated Buses
- (9) 22' Electric Shuttles
- Automated Vehicle Location & Radio System
- On Board Security Cameras
- Downtown Santa Barbara Superstops
- Olive Street Facility Improvements – Articulated Bus Canopy
- TC Rehabilitation

Funding for all of these projects is in place and staff is optimistic that the funding for most of the projects will be contractually obligated next fiscal year with the exception of the electric shuttles.

New funding has been budgeted for typical engine, transmission and drive train work on the diesel and electric fleets. A new allocation of Proposition 1B – Transit Security funds for the AVL project, per the Board of Directors direction, is anticipated to be awarded this summer. Staff has also budgeted \$250,000 for specific bus stop shelter installations and rehabilitation. Placeholder amounts have been budgeted for unexpected office, fixed facility and fare revenue collection equipment.

(See Appendix XIII & XIV for detail regarding the individual projects and the funding sources identified to pay for them.)

Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change vs. Final Budget
<u>Revenue</u>			
Dedicated Source(s):			
<u>TDA-State Transit Assistance (TDA - STA)</u>			
Current Year - Allocation	\$0	\$1,800,850	(\$1,800,850)
Prior Year(s) - Allocation	6,358,851	3,116,032	3,242,819
	<u>\$6,358,851</u>	<u>\$4,916,882</u>	<u>\$1,441,969</u>
<u>Measure A Transit Capital - Sales Tax Revenue</u>			
Current Year - Allocation	\$861,060	\$871,929	(\$10,869)
Prior Year(s) - Allocation	1,343,519	848,137	495,382
	<u>\$2,204,579</u>	<u>\$1,720,066</u>	<u>\$484,513</u>
<i>sub total:</i>	<u>\$8,563,430</u>	<u>\$6,636,948</u>	<u>\$1,926,482</u>
Grants:			
<u>Proposition 1B - Bond Proceeds</u>			
PTMISEA	\$2,570,858	\$6,944,383	(\$4,373,525)
Transit Security - OHS	506,735	1,020,898	(514,163)
	<u>\$3,077,593</u>	<u>\$7,965,281</u>	<u>(\$4,887,688)</u>
<u>Local Capital Assistance</u>			
Local Grants	\$0	\$69,360	(\$69,360)
<u>Federal Capital - Grants</u>			
Federal Grants	\$2,796,554	\$1,858,554	\$938,000
<i>sub total:</i>	<u>\$5,874,147</u>	<u>\$9,893,195</u>	<u>(\$4,019,048)</u>
Total Capital Revenue	<u>\$14,437,577</u>	<u>\$16,530,143</u>	<u>(\$2,092,566)</u>
<u>Expense - Projects</u>			
Buses	\$7,912,250	\$10,910,775	(\$2,998,525)
Bus Rehab	1,119,500	653,018	466,482
Fixed Facilities	900,000	805,000	95,000
Radios & Fareboxes	75,000	25,000	50,000
Bus Stops	501,990	491,350	10,640
Shop Equipment	88,000	75,000	13,000
Management Info Systems	80,000	40,000	40,000
Intelligent Transportation Systems	3,735,837	3,500,000	235,837
Office Furniture & Equipment	25,000	30,000	(5,000)
Total Capital Projects	<u>\$14,437,577</u>	<u>\$16,530,143</u>	<u>(\$2,092,566)</u>

Major Capital Improvement Program

	Project Description	Projected Cost	Status
1	Bus Signal Priority (State/Hollister - City of SB)	In Kind	Coordination with city of SB and SBCAG in progress
2	Electric Shuttle Replacement (9 buses)	\$3,375,000	Pending Grant Application - FTA Lo-No
3	Downtown SB - SuperStop Project	\$251,990	Estimated Completion: March 2015
4	Articulated Bus Acquisition (3)	\$2,270,775	Estimated Completion: August 2014
5	Radio/AVL System	\$3,227,635	Estimated Completion: June 2015
6	Nova Bus Replacements (5 buses)	\$2,266,475	Estimated Completion: August 2015
7	Security Cameras on Buses	\$508,202	Option to AVL Project - Funded
8	Nova Bus Replacements (11 buses)	\$5,283,058	Pending Funding Opportunity
9	Photovoltaic System	TBD	Project Assessment Scheduled for 2014
10	Transit Center Rehabilitation	\$550,000	Summer 2015
11	Fare Revenue Collection - Contactless Technology	TBD	Preliminary Project Assessment in Progress

Total: \$17,733,135

The Major Capital Improvement Program consists of all major capital projects regardless of its funding status. The list was developed to provide the Board of Directors with an opportunity to guide staff regarding capital priorities for any unexpected capital funding opportunities that may arise.

Capital Replacement Schedule (Buses/Shuttles)

Fleet Type	Qty	Projected Order Date	FY 13-14 Cost per Vehicle	Projected Cost per Vehicle	Total Cost
2000 Shuttle (12,13,14)	3	FY 14-15	375,000	375,000	\$1,125,000
1992 Shuttle (3,4,5,6,8,11)	6	FY 14-15	375,000	375,000	2,250,000
1997 40' Nova	5	FY 14-15	455,000	468,650	2,343,250
1997 40' Nova	12	FY 17-18	455,000	512,107	6,145,278
2001 Shuttle (15,16,17,18,19,20,21,26,27,28)	10	FY 17-18	375,000	422,066	4,220,658
2004 40' Diesel (600-614)	15	FY 20-21	455,000	559,593	8,393,889
2004 29' Diesel (700-710)	11	FY 20-21	400,000	491,950	5,411,445
2006 29' Diesel (711-713)	3	FY 22-23	600,000	782,864	2,348,592
2007 40' Hybrids (900-907)	8	FY 23-24	655,000	880,265	7,042,122
2009 29' Hybrids (715-717)	3	FY 25-26	600,000	855,457	2,566,370
(cycle 2) 2015 Electric Shuttles	9	FY 26-27	375,000	550,700	4,956,301
(cycle 2) 2015 40' Diesel	5	FY 26-27	455,000	668,183	3,340,914
2011 40' Hybrids (908-915)	7	FY 27-28	655,000	990,746	6,935,224
2011 40' Diesel (615 - 621)	7	FY 27-28	455,000	688,228	4,817,598
2013 40' Diesel (622 - 634)	13	FY 29-30	455,000	730,141	9,491,839
(cycle 2) 2018 Electric Shuttles	10	FY 29-30	375,000	601,765	6,017,649

CPI applied to vehicle cost:

3.0%

Total Projected Cost: \$77,406,129

As the table above illustrates, there are a number of major projects in the works with more in the queue. It is important to remember that these are only the major projects and that routine capital acquisitions that are not included on this list also require significant staff time to process.

Financial Forecast

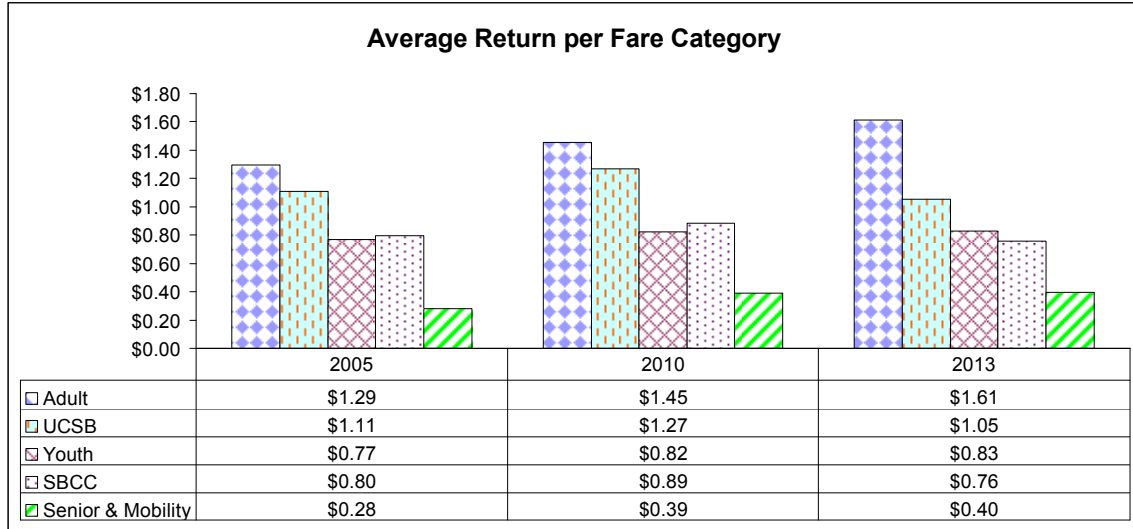
	Adopted Budget FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
<i>Operating Budget</i>					
Revenue	<u>\$23,930,505</u>	<u>\$24,693,383</u>	<u>\$25,558,058</u>	<u>\$26,389,785</u>	<u>\$27,332,050</u>
Expense	<u>\$23,930,505</u>	<u>\$24,693,383</u>	<u>\$25,558,058</u>	<u>\$26,389,785</u>	<u>\$27,332,050</u>
Net Position - Unrestricted					
Beginning Balance:	\$9,811,662	\$9,605,663	\$8,950,431	\$7,787,828	\$6,159,108
Net of Operating Activities:	\$0	-\$443,052	-\$944,058	-\$1,403,618	-\$1,965,009
Estimated OPEB Liability:	-\$206,000	-\$212,180	-\$218,545	-\$225,102	-\$231,855
Ending Balance:	\$9,605,663	\$8,950,431	\$7,787,828	\$6,159,108	\$3,962,244

The table above forecasts the amount of unrestricted net assets needed to balance the operating budget. The forecast reflects no change in service levels or the fare structure during the period. The forecast assumes wage rate increases of 2% to 3%, health care increases ranging from 8% to 10%, and diesel fuel price increases ranging from 2% to 5%. These assumptions have been included for discussion purposes only.

The forecast indicates that a projected structural imbalance in the operating budget would occur in FY 2015-16 requiring the generation of additional revenue or a reduction in service levels. The projections are a considerable improvement over forecasted figures in recent years. As expressed earlier in this document, improved sales tax returns and additional federal operating assistance have resulted in an enhanced financial outlook for the next year or two.

Fare Category Comparison

Consistent with the Strategic Plan objective, below is a graph that illustrates the average return per ride by category:



The table above illustrates the average return per ride by fare category. Ridership and fare revenue related to discounted shuttle service is excluded as is ridership pertaining to transfers and free rides. The fare revenue figures used included all receipts per fiscal year including money received for pass sales. UCSB and SBCC student ridership was reduced by 10% to account for transfers.

At the chart above illustrates the revenue derived from full fare (Adult) paying customers has risen from \$1.29 to \$1.61 or by 25% between 2005 and 2013. Revenue associated with Youth, Senior and Mobility rides have also risen during the same period. (Youth, .77 cents to .83 cents and Senior & Mobility, .28 cents to .40 cents) However, UCSB and SBCC fare revenue has decreased during the period. (UCSB \$1.11 to \$1.05 and SBCC .80 cents to .76 cents)

The table below identifies the difference between the Adult fare category and the discounted fare categories over the past 8-years. For example, in 2005, the return per ride for an Adult was \$1.29 and Youth was .77 cents or a difference of .52 cents. As a percent of the return per ride for an Adult, the .52 cents difference translated into 40%.

Difference vs. Adult Fare Revenue				
Fiscal Year	Youth	Senior & Mobility	UCSB	SBCC
2005	\$0.52	\$1.01	\$0.18	\$0.50
	40%	78%	14%	38%
2010	\$0.63	\$1.06	\$0.19	\$0.57
	43%	73%	13%	39%
2013	\$0.78	\$1.22	\$0.56	\$0.86
	49%	75%	35%	53%

The gap as it pertains to Youth fare revenue increased from 40% to 43% by 2010, and has climbed to 49% as of 2013.

As mentioned earlier, the revenue per ride derived from the student bulk-pass agreements with UCSB and SBCC has decreased. In the case of the UCSB, the gap has more than doubled since 2005 but it is important to note that the 2013 return per ride of \$1.05 is only .15 cents less than what is charged of the public via an Adult 10-ride bus pass. (\$1.15)

In addition, the return per ride in 2005 for UCSB students was a \$1.11, when adjusted for transfers. In 2005, the cost per ride of an Adult 10-ride was \$1.00 versus the return of a \$1.11 from UCSB student revenue.

The fare revenue derived from the SBCC student agreement translated to .76 cents per ride in 2013, which is considerably less than the \$1.05 received from UCSB students. The District has entered into a new two-year agreement with SBCC students that increases the fee charged to each student during enrollment for public transit service from \$24.50 to \$30.00 effective the 2014 summer session.

The per ride fare revenue collected from Senior and Mobility riders has increased from \$.28 cents to \$.40 since 2005. As a result, the gap between Senior, Mobility and Adult fare categories actually declined from 78% in 2005 to 75% in 2013.

Revenue Generation Options

Revenue Controlled by the Governing Board

Management is currently assessing the viability of an Advertising Rate and policy change and anticipates bringing the item to the Finance Committee for its consideration in July for potential implementation in January 2015. Discussions with the Finance Committee regarding a Fare Policy are also recommended for the later half of the fiscal year.

Federal Operating Assistance

The District should continue to work with the American Public Transportation Association (APTA) and its peers to ensure a new long-term Transportation Bill includes at a minimum status quo funding levels.

State Transit Funding

Management will work with the California Transit Association (CTA) and local state legislators to lobby for the direct allocation of formulaized state "Cap and Trade" funds to public transit operators. Staff will work with the CTA regarding an extension of the suspension of limitations on the use of State Transit Assistance (STA) for operating activities. While the District has consistently allocated all STA funds for capital projects, the flexibility to use the funds for operations could be beneficial to the District. Emergencies such as the PEPRA issue that arose last year and the need to address unfunded liabilities in the future are good examples of how the flexibility would be useful.

Long-term Financial Concern

Post-employment Health Benefits

The District provides capped reimbursement of healthcare premiums to employees who meet certain eligibility requirements upon retirement from the District. Under the Plan, the District contributes towards eligible retirees and their spouse’s healthcare premiums. The liabilities and annual costs for the District’s promises to retirees are calculated in an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) Statement 45, which was implemented by the District for the fiscal year ending June 30, 2009.

The District does not currently prefund contributions in a qualified irrevocable trust. The actuarial valuation assumes the District will continue “pay-as-you-go” funding. It is important to note that only current active and retired participants are valued in the actuarial study.

The following table outlines the annual net OPEB obligation that has been booked but not funded by the District and includes an estimate for fiscal year 2013-14.

Post-employment Health Benefits
Increase in Net OPEB Obligation

Fiscal Year	Amount	
	Booked	Ending Balance
2008-09	\$880,000	\$880,000
2009-10	\$924,000	\$1,804,000
2010-11	\$1,021,000	\$2,825,000
2011-12	\$816,000	\$3,641,000
2012-13	-\$1,049,000	\$2,592,000
2013-14	\$200,000	\$2,792,000

*Estimated amount for fiscal year 2013-14

The Board of Directors approved a policy change to control the growth in the actuarially accrued liability for non-represented employees. Additionally, the District negotiated a change to the benefit with its represented employees during the last collective bargaining process. Together these changes have slowed the growth in the estimated benefit.

Staff will seek professional assistance in fiscal year 2014-15 regarding the process of funding this benefit.

Appendices

Detailed Financial Forecast

	Adopted		Projected				
	Budget FY 2014-15	Growth Rate	FY 2015-16	Growth Rate	FY 2016-17	FY 2017-18	FY 2018-19
<i>OPERATING REVENUE</i>							
Passenger Fares	\$8,336,255	1.0%	\$8,419,618	1.0%	\$8,503,814	\$8,588,852	\$8,674,739
FTA Operating Assistance	4,943,999	0.0%	4,943,999	0.0%	4,943,999	4,943,999	4,943,997
Property Tax Revenue	965,000	3.0%	993,950	1.0%	1,003,890	1,013,928	1,024,066
Local Operating Assistance Measure A	69,755	1.0%	70,452	1.0%	71,157	71,869	72,585
Non-Transportation Income	1,858,967	-1.0%	1,840,377	2.0%	1,877,185	1,914,729	1,953,021
Sales Tax Revenue (TDA - LTF) CY	729,032	2.0%	743,612	2.0%	758,484	773,654	789,125
Net Assets - Unrestricted	(0)		443,052		944,058	1,403,618	1,965,009
<i>Total Operating Revenue</i>	<u>\$23,930,505</u>		<u>\$24,693,383</u>		<u>\$25,558,058</u>	<u>\$26,389,785</u>	<u>\$27,332,050</u>
<i>OPERATING EXPENSE</i>							
Route Operations	\$13,728,715		\$14,148,999		\$14,586,878	\$15,043,344	\$15,519,453
Vehicle Maintenance (Fuel Costs)	3,647,189		3,782,545		3,924,236	4,072,623	4,228,090
Passenger Accommodations	2,254,462		2,299,551		2,414,528	2,462,819	2,585,960
General Overhead	1,515,447		1,570,204		1,627,626	1,687,876	1,751,129
	2,784,693		2,892,084		3,004,790	3,123,124	3,247,419
<i>Total Operating Expense</i>	<u>\$23,930,505</u>		<u>\$24,693,383</u>		<u>\$25,558,058</u>	<u>\$26,389,785</u>	<u>\$27,332,050</u>
<i>Net Position - Unrestricted</i>							
Beginning Balance	\$9,811,662		\$9,605,663		\$8,950,431	\$7,787,828	\$6,159,108
Projected: Net Gain/Loss from Activities	0		-443,052		-944,058	-1,403,618	-1,965,009
*Post-Retirement Benefits - Retiree Health Care	-206,000		-212,180		-218,545	-225,102	-231,855
Ending Balance	\$9,605,663		\$8,950,431		\$7,787,828	\$6,159,108	\$3,962,244

Operating Revenue

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
<i>FAREBOX REVENUE</i>				
Cash Fares	\$2,667,043	\$2,714,396	(\$47,353)	\$2,693,983
Downtown-Waterfront Shuttle/My Ride	1,087,330	1,023,181	64,149	1,063,717
UCSB Contract Fares	931,534	928,330	3,204	925,300
SBCB Contract Fares	999,126	813,493	185,633	814,500
Amtrak Fares	0	0	0	0
Special Event Fares	77,294	55,000	22,294	80,000
Brooks Pass Program	6,324	5,000	1,324	6,324
Day Pass	4,249	4,312	(63)	4,249
Adult 10-Ride Pass	733,858	768,516	(34,658)	748,835
Youth 10-Ride Pass	494,323	465,962	28,361	479,925
Senior/Mobility 10-Ride Pass	112,769	111,344	1,424	111,652
Coastal Express - 10-Ride Pass	94,340	96,292	(1,952)	94,340
Adult 30-Day Pass	650,637	617,086	33,551	644,195
Youth 30-Day Pass	213,874	209,591	4,282	211,756
Senior/Mobility 30-Day Pass	219,990	221,069	(1,079)	217,812
Ventura CE - 30-Day Pass	43,565	45,886	(2,321)	43,565
<i>Subtotal</i>	<u>\$8,336,255</u>	<u>\$8,079,458</u>	<u>\$256,797</u>	<u>\$8,140,153</u>
<i>NON-TRANSPORTATION INCOME</i>				
Advertising on Buses	\$450,000	\$475,000	(\$25,000)	\$469,159
Interest on Investments	70,000	55,000	15,000	59,516
Overpass Lease & Misc. Revenue	209,032	257,115	(48,084)	288,585
<i>Subtotal</i>	<u>\$729,032</u>	<u>\$787,115</u>	<u>(\$58,084)</u>	<u>\$817,260</u>
<i>SUBSIDIES</i>				
TDA Sales Tax Revenue	\$7,027,497	\$6,941,974	\$85,523	\$5,887,331
(Unrestricted - Cash Reserves)	0	0	0	0
FTA Formula Assistance	4,943,999	4,825,078	118,921	4,943,999
FTA CMAQ Operating Assistance	0	0	0	0
Property Tax Revenue	965,000	965,000	0	965,000
Measure A	1,858,967	1,811,872	47,095	1,822,902
LOA	69,755	59,190	10,565	102,140
<i>Subtotal</i>	<u>\$14,865,218</u>	<u>\$14,603,114</u>	<u>\$262,104</u>	<u>\$13,721,372</u>
<i>Total Operating Revenue</i>	<u><u>\$23,930,505</u></u>	<u><u>\$23,469,687</u></u>	<u><u>\$460,818</u></u>	<u><u>\$22,678,785</u></u>

Operating Expense

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
<i>ROUTE OPERATIONS</i>				
Drivers	\$10,203,201	\$9,893,827	\$309,374	\$9,757,952
Dispatch & Supervision	550,739	526,406	24,333	514,183
Hiring & Training	290,466	275,535	14,931	306,771
Risk & Safety	2,053,798	2,321,449	(267,651)	1,863,767
Transportation Subsidies	630,511	624,268	6,243	624,264
<i>Subtotal</i>	<u>\$13,728,715</u>	<u>\$13,641,485</u>	<u>\$87,230</u>	<u>\$13,066,936</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,190,224	\$1,091,613	\$98,611	\$1,089,429
Cleaners & Fuelers	762,737	738,006	24,731	762,639
Supervision	602,074	555,796	46,278	547,960
Vehicle Consumables	2,501,634	2,496,787	4,847	2,561,329
Bus Parts & Supplies	709,661	759,661	(50,000)	698,483
Vendor Services	82,500	82,500	0	72,456
Risk & Safety	52,820	61,225	(8,405)	(29,156)
<i>Subtotal</i>	<u>\$5,901,650</u>	<u>\$5,785,587</u>	<u>\$116,063</u>	<u>\$5,703,140</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$599,393	\$568,750	\$30,643	\$606,312
Transit Development	376,000	348,455	27,544	330,325
Promotion & Information	253,718	271,238	(17,520)	172,551
Fare Revenue Collection	286,336	297,933	(11,597)	255,845
<i>Subtotal</i>	<u>\$1,515,447</u>	<u>\$1,486,377</u>	<u>\$29,070</u>	<u>\$1,365,033</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$658,790	\$646,662	\$12,127	\$639,688
Personnel	109,967	104,820	5,147	106,208
Utilities & Communication	225,200	220,380	4,820	201,087
Operating Facilities	322,465	278,779	43,686	272,119
District Administration	1,468,272	1,305,597	162,675	1,324,575
<i>Subtotal</i>	<u>\$2,784,693</u>	<u>\$2,556,238</u>	<u>\$228,455</u>	<u>\$2,543,676</u>
<i>Total Operating Cost</i>	<u><u>\$23,930,505</u></u>	<u><u>\$23,469,687</u></u>	<u><u>\$460,817</u></u>	<u><u>\$22,678,785</u></u>

Route Operations Budget Detail

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
DRIVERS				
Scheduled	\$6,026,129	\$5,853,893	\$172,236	\$5,765,259
Scheduled Overtime	280,499	273,053	7,445	271,168
Unscheduled Pay	188,885	184,915	3,970	199,644
Driver Lite Duty	25,224	24,852	373	0
FICA	569,292	554,319	14,973	535,979
Pension	851,181	847,890	3,291	830,399
Health	1,275,175	1,184,917	90,258	1,225,625
Sick Pay	148,154	132,593	15,561	136,585
Vacation Pay	499,988	485,347	14,640	470,397
Holiday Pay	253,344	251,344	2,000	246,283
Other Paid Leave	19,507	40,000	(20,493)	15,976
Unemployment Insurance	40,824	40,704	120	40,825
Uniforms	25,000	20,000	5,000	19,812
<i>Drivers Subtotal</i>	<u>\$10,203,201</u>	<u>\$9,893,827</u>	<u>\$309,374</u>	<u>\$9,757,952</u>
DISPATCH & SUPERVISION				
Supervisors	\$156,016	\$153,710	\$2,306	\$158,936
Staff	159,652	156,834	2,818	159,351
FICA	30,993	29,841	1,151	28,287
Pension	35,698	35,921	(223)	37,504
Health	77,389	69,033	8,356	67,135
Sick Pay	8,612	8,553	58	6,060
Vacation Pay	32,571	32,022	549	26,100
Holiday Pay	15,339	15,087	251	15,220
Other Paid Leave	32,945	23,878	9,067	14,163
Unemployment Insurance	1,525	1,525	0	1,428
<i>Dispatch & Supervision Subtotal</i>	<u>\$550,739</u>	<u>\$526,406</u>	<u>\$24,333</u>	<u>\$514,183</u>
HIRING & TRAINING				
Staff	\$36,401	\$35,759	\$642	\$35,943
Student Drivers	51,494	51,280	214	62,176
Existing Drivers/Supers	111,773	110,122	1,652	120,736
FICA	16,194	15,989	205	13,207
Pension	10,161	10,370	(210)	13,315
Health	21,480	12,222	9,258	17,512
Sick Pay	1,761	1,757	4	4,753
Vacation Pay	5,267	5,180	86	7,417
Holiday Pay	4,083	4,018	65	5,751
Other Paid Leave	906	891	15	393
Unemployment Insurance	546	546	0	476
Medical Exams & License Fees	22,000	23,000	(1,000)	21,785
Employment Advertising	400	400	0	0
Training, Travel & Meetings	8,000	4,000	4,000	3,307
<i>Hiring & Training Subtotal</i>	<u>\$290,466</u>	<u>\$275,535</u>	<u>\$14,931</u>	<u>\$306,771</u>

Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget

	Adopted Budget <u>FY 2014-15</u>	Final Budget <u>FY 2013-14</u>	<u>Change</u>	<u>Estimate FY 2013-14</u>
<i>RISK & SAFETY</i>				
<i>Wages & Benefits</i>				
Staff	\$66,526	\$64,567	\$1,959	\$64,295
Supervisors	288,609	286,571	2,037	250,792
Driver Accident Pay	1,698	1,673	25	1,813
FICA	31,145	30,781	364	26,820
Pension	38,409	39,028	(619)	34,545
Health	69,559	71,092	(1,534)	53,009
Sick Pay	5,130	5,078	52	12,013
Vacation Pay	27,198	26,728	470	27,192
Holiday Pay	14,465	14,304	160	12,267
Other Paid Leave	3,500	3,444	56	10,900
Unemployment Insurance	1,488	1,498	(10)	1,269
Wages & Benefits Subtotal	<u>\$547,727</u>	<u>\$544,765</u>	<u>\$2,961</u>	<u>\$494,916</u>
<i>Public Liability</i>				
Professional Services	\$157,689	\$142,392	\$15,297	\$95,585
Insurance	270,760	238,555	32,205	250,533
Current Year Incident Payouts	30,000	35,000	(5,000)	29,088
Current Year Incident Reserves	30,000	35,000	(5,000)	17,136
Prior Years Incident Payouts	50,000	55,000	(5,000)	55,335
Change in Prior Years Reserves	(50,000)	(25,000)	(25,000)	(21,593)
Public Liability Subtotal	<u>\$488,449</u>	<u>\$480,947</u>	<u>\$7,502</u>	<u>\$426,084</u>
<i>Workers' Compensation</i>				
Professional Services	\$198,938	\$202,035	(\$3,097)	\$178,488
Insurance	69,825	70,775	(950)	69,848
Current Year Incident Payouts	150,000	150,000	0	140,493
Current Year Incident Reserves	250,000	350,000	(100,000)	402,405
Prior Years Incident Payouts	375,000	250,000	125,000	221,200
Change in Prior Years Reserves	(51,619)	250,000	(301,619)	(87,697)
Miscellaneous Risk & Safety	25,479	22,927	2,551	18,029
Workers' Compensation Subtotal	<u>\$1,017,622</u>	<u>\$1,295,737</u>	<u>(\$278,115)</u>	<u>\$942,767</u>
<i>Risk & Safety Subtotal</i>	<u>\$2,053,798</u>	<u>\$2,321,449</u>	<u>(\$267,651)</u>	<u>\$1,863,767</u>
<i>TRANSPORTATION SUBSIDIES</i>				
Dial-a-Ride (Easy Lift)	<u>\$630,511</u>	<u>\$624,268</u>	<u>\$6,243</u>	<u>\$624,264</u>
<i>Transportation Subsidies Subtotal</i>	<u>\$630,511</u>	<u>\$624,268</u>	<u>\$6,243</u>	<u>\$624,264</u>
<i>TOTAL ROUTE OPERATIONS</i>	<u><u>\$13,728,715</u></u>	<u><u>\$13,641,485</u></u>	<u><u>\$87,230</u></u>	<u><u>\$13,066,936</u></u>

Vehicle Maintenance Budget Detail

	Adopted Budget <u>FY 2014-15</u>	Revised Budget <u>FY 2013-14</u>	<u>Change</u>	Estimate <u>FY 2013-14</u>
MECHANICS				
Mechanics	\$695,343	\$685,299	\$10,044	\$672,129
Less Mechanic Labor Capitalization	(29,310)	(28,877)	(433)	(14,435)
Mechanics-OT	25,364	24,989	375	19,107
FICA	67,863	62,935	4,929	60,016
Pension	84,737	83,346	1,392	83,565
Health	149,982	121,685	28,296	121,847
Sick Pay	19,534	19,152	382	16,152
Vacation Pay	112,729	59,607	53,122	64,413
Holiday Pay	32,667	32,184	483	34,181
Other Paid Leave	1,465	1,444	22	1,252
Unemployment Insurance	3,549	3,549	0	4,125
Uniforms	12,000	12,000	0	12,776
Tool Allowance	14,300	14,300	0	14,300
Mechanics Subtotal	<u>\$1,190,224</u>	<u>\$1,091,613</u>	<u>\$98,611</u>	<u>\$1,089,429</u>
CLEANERS & FUELERS				
Service Workers	\$431,426	\$425,077	\$6,349	\$429,484
FICA	36,680	36,290	390	37,296
Pension	66,035	69,023	(2,988)	70,721
Health	149,982	129,972	20,010	133,608
Sick Pay	9,137	8,987	150	8,880
Vacation Pay	30,557	30,105	452	46,573
Holiday Pay	23,112	22,771	342	21,608
Other Paid Leave	1,905	1,877	28	457
Unemployment Insurance	3,577	3,577	0	3,808
Uniforms	7,098	7,098	0	6,579
Medical Exams & License Fees	3,230	3,230	0	3,624
Cleaners & Fuelers Subtotal	<u>\$762,737</u>	<u>\$738,006</u>	<u>\$24,731</u>	<u>\$762,639</u>
SUPERVISION				
Staff	\$350,443	\$335,574	\$14,869	\$312,581
FICA	30,565	29,272	1,293	28,529
Pension	39,954	38,264	1,691	37,357
Health	121,645	96,756	24,889	101,893
Sick Pay	4,233	4,008	225	12,952
Vacation Pay	25,666	24,639	1,028	28,405
Holiday Pay	15,168	14,516	653	17,043
Other Paid Leave	3,034	2,903	131	2,563
Unemployment Insurance	1,365	1,365	0	1,587
Training, Travel & Meetings	10,000	8,500	1,500	5,049
Supervision Subtotal	<u>\$602,074</u>	<u>\$555,796</u>	<u>\$46,278</u>	<u>\$547,960</u>

Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget

	Adopted Budget FY 2014-15	Revised Budget FY 2013-14	Change	Estimate FY 2013-14
VEHICLE CONSUMABLES				
Fuel & Lubricants	\$2,254,462	\$2,244,614	\$9,847	\$2,322,240
Electric Vehicle Power	90,000	90,000	0	79,787
Tire Lease	147,173	152,173	(5,000)	150,885
Tire Mounting	10,000	10,000	0	8,417
<i>Vehicle Consumables Subtotal</i>	<u>\$2,501,634</u>	<u>\$2,496,787</u>	<u>\$4,847</u>	<u>\$2,561,329</u>
VEHICLE PARTS & SUPPLIES				
Bus Parts Issued	\$619,661	\$669,661	(\$50,000)	\$612,489
Shop Supplies	60,000	60,000	0	60,709
Bus Servicing Supplies	20,000	18,000	2,000	15,573
Hazmat Disposal & Compliance	10,000	12,000	(2,000)	9,711
<i>Vehicle Part & Supplies Subtotal</i>	<u>\$709,661</u>	<u>\$759,661</u>	<u>(\$50,000)</u>	<u>\$698,483</u>
VENDOR BUS REPAIRS				
Vandalism Repairs	\$45,000	\$45,000	\$0	\$43,489
Accident Damage Repairs	7,500	7,500	0	5,715
Accident Claim Collections	(5,000)	(5,000)	0	(9,857)
Other Vendor Repairs	35,000	35,000	0	33,109
<i>Vendor Bus Repairs Subtotal</i>	<u>\$82,500</u>	<u>\$82,500</u>	<u>\$0</u>	<u>\$72,456</u>
RISK & SAFETY				
Workers' Comp Services	\$10,470	\$7,500	\$2,970	\$4,663
Workers' Comp Insurance	7,350	3,725	3,625	3,676
Current Year Incident Payouts	10,000	10,000	0	2,656
Current Year Incident Reserves	25,000	40,000	(15,000)	0
Prior Years Incident Payouts	25,000	20,000	5,000	5,887
Change in Prior Years Reserves	(25,000)	(20,000)	(5,000)	(46,037)
<i>Risk & Safety Subtotal</i>	<u>\$52,820</u>	<u>\$61,225</u>	<u>(\$8,405)</u>	<u>(\$29,156)</u>
TOTAL VEHICLE MAINTENANCE	<u><u>\$5,901,650</u></u>	<u><u>\$5,785,587</u></u>	<u><u>\$116,063</u></u>	<u><u>\$5,703,140</u></u>

Passenger Accommodations Budget Detail

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
PASSENGER FACILITIES				
Wages & Benefits				
Supervisors	\$180,134	\$177,472	\$2,662	\$180,089
TC Advisors	98,595	98,531	64	100,911
Staff	38,245	37,540	705	41,983
FICA	27,307	26,867	440	29,323
Pension	25,189	25,674	(486)	27,009
Health	114,663	94,707	19,956	108,932
Sick Pay	4,112	4,071	42	5,221
Vacation Pay	19,590	17,569	2,021	22,445
Holiday Pay	14,029	13,803	226	15,760
Other Paid Leave	2,251	2,214	38	1,952
Unemployment Insurance	2,194	2,194	0	2,547
Wages & Benefits Subtotal	\$526,311	\$500,642	\$25,669	\$536,172
Buildings & Grounds				
TC Contract Maintenance	\$47,720	\$47,720	\$0	\$50,903
TC Repairs/Supplies	10,000	10,000	0	5,173
Bus Stop Repairs/Supplies	10,000	8,900	1,100	12,268
TC Property Insurance	5,363	1,489	3,874	1,796
Buildings & Grounds Subtotal	\$73,083	\$68,108	\$4,974	\$70,140
Passenger Facilities Subtotal	\$599,393	\$568,750	\$30,643	\$606,312
TRANSIT DEVELOPMENT				
Staff	\$216,777	\$208,740	\$8,037	\$214,871
FICA	18,810	18,177	633	18,467
Pension	24,588	23,760	827	22,285
Health	59,812	41,946	17,867	40,708
Sick Pay	5,616	5,560	56	3,568
Vacation Pay	14,167	13,533	635	11,792
Holiday Pay	9,474	9,824	(351)	10,969
Other Paid Leave	2,842	2,947	(105)	2,307
Unemployment Insurance	915	969	(55)	1,047
Training, Travel & Meetings	5,000	5,000	0	3,199
Planning Services & Supplies	18,000	18,000	0	1,113
Transit Development Subtotal	\$376,000	\$348,455	\$27,544	\$330,325

Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
PROMOTION & INFORMATION				
Wages & Benefits				
Staff	\$79,460	\$98,428	(\$18,968)	\$41,399
FICA	6,913	8,274	(1,362)	3,671
Pension	9,036	10,816	(1,780)	4,797
Health	20,907	14,902	6,006	6,165
Sick Pay	1,358	1,277	81	620
Vacation Pay	6,166	5,152	1,014	2,732
Holiday Pay	3,501	3,444	57	2,131
Other Paid Leave	875	861	14	1,097
Unemployment Insurance	300	382	(82)	207
Wages & Benefits Subtotal	\$128,518	\$143,538	(\$15,020)	\$62,819
Outside Services				
Media Ad Placement	5,000	5,000	0	3,803
Brochures & Publications	5,000	7,500	(2,500)	769
Promotional Giveaways	5,000	5,000	0	1,387
Bus/Shuttle Decorations	2,500	2,500	0	0
Other Promotions	5,000	5,000	0	6,084
Route Schedules & Information	101,700	101,700	0	97,835
Training, Travel & Meetings	1,000	1,000	0	(145)
Outside Services Subtotal	\$125,200	\$127,700	(\$2,500)	\$109,732
Promotion & Information Subtotal	\$253,718	\$271,238	(\$17,520)	\$172,551
FARE REVENUE COLLECTION				
Wages & Benefits				
Security Officer	\$99,792	\$95,452	\$4,340	\$99,359
FICA	8,963	8,558	405	9,095
Pension	11,717	11,187	530	11,059
Health	52,940	45,767	7,173	49,011
Sick Pay	3,175	3,053	122	2,040
Vacation Pay	7,678	7,211	467	7,348
Holiday Pay	4,350	4,106	244	4,987
Other Paid Leave	2,175	2,053	122	2,463
Unemployment Insurance	546	546	0	635
Wages & Benefits Subtotal	\$191,336	\$177,933	\$13,403	\$185,995
Outside Services				
Fare Processing	\$20,000	\$50,000	(\$30,000)	\$10,319
Farebox Parts & Repairs	45,000	40,000	5,000	43,313
Tickets, Tokens & Transfers	30,000	30,000	0	16,219
Outside Services Subtotal	\$95,000	\$120,000	(\$25,000)	\$69,851
Fare Revenue Collection Subtotal	\$286,336	\$297,933	(\$11,597)	\$255,845
TOTAL PSNGR ACCOMMODATIONS	\$1,515,447	\$1,486,377	\$29,070	\$1,365,033

General Overhead Budget Detail

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
FINANCE				
Staff	\$377,638	\$359,933	\$17,705	\$362,435
FICA	33,306	31,745	1,560	30,607
Pension	43,537	41,497	2,040	39,909
Health	96,078	83,004	13,074	80,876
Sick Pay	6,571	6,463	108	4,176
Vacation Pay	32,014	30,903	1,110	28,873
Holiday Pay	15,664	14,458	1,206	18,120
Other Paid Leave	3,481	3,213	268	2,617
Unemployment Insurance	1,502	1,447	55	1,775
Financial Audit Services	49,000	74,000	(25,000)	70,300
<i>Finance Subtotal</i>	<u>\$658,790</u>	<u>\$646,662</u>	<u>\$12,127</u>	<u>\$639,688</u>
PERSONNEL				
Staff	\$67,029	\$65,055	\$1,974	\$64,295
FICA	5,713	5,544	170	5,948
Pension	7,468	7,247	222	8,173
Health	18,685	16,193	2,492	15,656
Sick Pay	1,146	1,127	19	1,276
Vacation Pay	5,631	5,480	151	6,644
Holiday Pay	2,872	2,787	85	3,309
Other Paid Leave	1,149	1,115	34	589
Unemployment Insurance	273	273	0	317
<i>Personnel Subtotal</i>	<u>\$109,967</u>	<u>\$104,820</u>	<u>\$5,147</u>	<u>\$106,208</u>
UTILITIES				
Telephone & Data Communications	\$46,000	\$48,000	(\$2,000)	\$36,207
Power, Water & Refuse	160,000	150,000	10,000	150,137
Two-Way Radios	19,200	22,380	(3,180)	14,743
<i>Utilities Subtotal</i>	<u>\$225,200</u>	<u>\$220,380</u>	<u>\$4,820</u>	<u>\$201,087</u>
OPERATING FACILITIES				
Wages & Benefits				
Staff	\$53,616	\$49,984	\$3,633	\$47,943
FICA	4,624	4,020	605	4,168
Pension	6,045	5,255	790	5,247
Health	10,345	8,926	1,418	8,195
Sick Pay	834	763	71	800
Vacation Pay	3,462	3,000	462	4,000
Holiday Pay	2,308	2,000	308	2,361
Other Paid Leave	231	200	31	0
Unemployment Insurance	273	273	0	317
<i>Wages & Benefits Subtotal</i>	<u>\$81,737</u>	<u>\$74,420</u>	<u>\$7,318</u>	<u>\$73,031</u>

Santa Barbara Metropolitan Transit District Final FY 2014-15 Budget

	Adopted Budget FY 2014-15	Final Budget FY 2013-14	Change	Estimate FY 2013-14
<i>OPERATING FACILITIES (cont'd)</i>				
Service Vehicles				
Parts & Repairs	\$12,000	\$16,000	(\$4,000)	\$11,945
Fuel	60,000	60,000	0	55,689
Service Vehicles Subtotal	\$72,000	\$76,000	(\$4,000)	\$67,635
Buildings & Grounds				
Contract Maintenance	\$74,960	\$72,460	\$2,500	\$73,547
Overpass Site	7,500	7,500	0	7,573
B&G Repairs/Supplies	38,000	35,000	3,000	34,167
Property Insurance	48,267	13,399	34,868	16,167
Buildings & Grounds Subtotal	\$168,727	\$128,359	\$40,368	\$131,453
<i>Operating Facilities Subtotal</i>	<u>\$322,465</u>	<u>\$278,779</u>	<u>\$43,686</u>	<u>\$272,119</u>
<i>DISTRICT ADMINISTRATION</i>				
Wages & Benefits				
Staff	\$407,688	\$411,875	(\$4,187)	\$417,520
Bus Ad Revenue Placement	8,572	8,446	127	8,136
FICA	37,148	37,185	(37)	35,649
Pension	48,559	48,608	(49)	52,172
Health	104,371	94,372	9,999	99,244
Sick Pay	67,854	5,020	62,834	11,417
Vacation Pay	66,891	36,707	30,184	41,445
Holiday Pay	19,466	21,715	(2,249)	23,487
Other Paid Leave	5,840	6,514	(675)	10,241
Unemployment Insurance	1,638	1,706	(68)	2,077
Wages & Benefits Subtotal	\$768,028	\$672,148	\$95,879	\$701,389
Administrative Services				
Directors Fees	\$12,600	\$12,600	\$0	\$11,740
Public Officials Insurance	33,864	27,705	6,159	8,297
Legal Counsel	135,000	140,000	(5,000)	133,727
Pension Administration	20,000	15,000	5,000	26,812
Office Equipment Maintenance	132,948	120,948	12,000	129,660
Miscellaneous Services	84,098	64,098	20,000	48,960
Office & Computer Supplies	47,511	45,000	2,511	43,669
Dues & Subscriptions	43,665	38,000	5,665	43,132
Conferences, Meetings & Training	10,000	5,000	5,000	9,680
Employee Relations	16,000	15,835	165	16,224
Retiree Health Insurance	88,372	83,077	5,296	81,555
Mandated Fees & Permits	38,550	38,550	0	35,973
Bus Ad Revenue Program	1,500	1,500	0	141
Miscellaneous	36,136	26,136	10,000	33,615
Administrative Services Subtotal	\$700,244	\$633,449	\$66,795	\$623,185
<i>District Administration Subtotal</i>	<u>\$1,468,272</u>	<u>\$1,305,597</u>	<u>\$162,675</u>	<u>\$1,324,575</u>
TOTAL GENERAL OVERHEAD	<u><u>\$2,784,693</u></u>	<u><u>\$2,556,238</u></u>	<u><u>\$228,455</u></u>	<u><u>\$2,543,676</u></u>

Capital Project Detail

	Adopted Budget FY 2014-15	Estimate Spent FY 2013-14	Unspent	CY Funding Allocation	Carry-over Funding Allocation
REVENUE VEHICLE PURCHASES					
40' Diesel Buses (5)	\$2,266,475	\$0	\$2,266,475	\$0	\$2,266,475
60' Articulated Buses (3) (\$756,925)	2,270,775	0	2,270,775	0	2,270,775
EV Shuttles (9) (\$375,000)	3,375,000	0	3,375,000	0	3,375,000
Subtotal	\$7,912,250	\$0	\$7,912,250	\$0	\$7,912,250
REVENUE VEHICLE IMPROVEMENTS					
Diesel Fleet Drivetrains	\$564,500	\$350,000	\$214,500	\$564,500	\$0
EV Drivetrain/Battery Chargers etc	64,000	0	64,000	75,000	(11,000)
Lithium Battery Project	491,000	0	491,000	200,000	291,000
Subtotal	\$1,119,500	\$350,000	\$769,500	\$839,500	\$280,000
OFFICE FURNITURE & EQUIPMENT					
Office Furniture Allowance	\$25,000	\$0	\$25,000	\$25,000	\$0
Subtotal	\$25,000	\$0	\$25,000	\$25,000	\$0
MANAGEMENT INFORMATION SYSTEMS					
Software Programming	\$50,000	\$0	\$50,000	\$50,000	\$0
PC Hardware/ IT Infrastructure Upgrades	30,000	0	30,000	30,000	0
Subtotal	\$80,000	\$0	\$80,000	\$80,000	\$0
INTELLIGENT TRANSPORTATION SYSTEMS					
AVL Radio System	\$3,227,635	\$115,000	\$3,112,635	\$500,000	\$2,727,635
Security Cameras on Bus	508,202	0	508,202	0	508,202
Subtotal	\$3,735,837	\$115,000	\$3,620,837	\$500,000	\$3,235,837
SERVICE VEHICLES					
Service Vehicle Replacements	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0
BUS STOP EQUIPMENT					
Superstops	\$251,990	\$50,000	\$201,990	\$0	\$251,990
Bus Stop Upgrades	250,000	0	250,000	0	250,000
Subtotal	\$501,990	\$50,000	\$451,990	\$0	\$501,990
FIXED FACILITIES					
T1 Fixed Facilities	\$350,000	\$25,000	\$325,000	\$0	\$350,000
Security Improvements T1	0	0	0	0	0
TC Expansion Project	550,000	25,000	525,000	0	550,000
TC Fixed Facilities	0	0	0	0	0
WIP - Calle Real Development	0	0	0	0	0
Subtotal	\$900,000	\$50,000	\$850,000	\$0	\$900,000
FAREBOXES & RADIOS					
Fare Collection & Radio Allowance	\$75,000	\$0	\$75,000	\$0	\$75,000
Subtotal	\$75,000	\$0	\$75,000	\$0	\$75,000
SHOP EQUIPMENT					
Shop Equipment Allowance	\$88,000	\$0	\$88,000	\$0	\$88,000
Subtotal	\$88,000	\$0	\$88,000	\$0	\$88,000
Total Capital Projects	\$14,437,577	\$565,000	\$13,872,577	\$1,444,500	\$12,993,077

Projected Capital Project Funding Plan

FISCAL YEAR 2014-15

	<i>Total</i>	TDA-STA	TDA -STA	Measure A	Measure A	Prop 1B	Prop 1B	Federal	Other
	<i>Revenue</i>	CY	PY	CY	PY	PTMISEA	TSC		
REVENUE VEHICLE PURCHASES									
40' Diesel Buses (5)	\$2,266,475		225,598		0	1,622,103		418,774	
60' Articulated Buses (3) (\$756,925)	2,270,775		1,507,364		763,411				
EV Shuttles (9) (\$375,000)	3,375,000		1,280,160	201,060				1,893,780	
<i>Subtotal</i>	<u>\$7,912,250</u>								
REVENUE VEHICLE IMPROVEMENTS									
Diesel Fleet Drivetrains	\$564,500		0	564,500	0				
EV Drivetrain/Battery Chargers etc	64,000		0	64,000	0				
Lithium Battery Project	491,000		459,500	31,500	0				
<i>Subtotal</i>	<u>\$1,119,500</u>								
OFFICE FURNITURE & EQUIPMENT									
Office Furniture Allowance	\$25,000		25,000		0				
<i>Subtotal</i>	<u>\$25,000</u>								
MANAGEMENT INFORMATION SYSTEMS									
Software Programming	\$50,000		50,000		0				
PC Hardware/ Major Software Upgrades	30,000		30,000		0				
<i>Subtotal</i>	<u>\$80,000</u>								
INTELLIGENT TRANSPORTATION SYSTEMS									
AVL Radio System	\$3,227,635		1,767,963		250,000	948,755	260,917		
Security Cameras on Bus	508,202				262,384		245,818		
<i>Subtotal</i>	<u>\$3,735,837</u>								
SERVICE VEHICLES									
Service Vehicle Replacements	\$0		0						
<i>Subtotal</i>	<u>\$0</u>								
BUS STOP EQUIPMENT									
Superstops	\$251,990		13,788		4,425			233,777	
Bus Stop Upgrades	250,000		250,000						0
<i>Subtotal</i>	<u>\$501,990</u>								
FIXED FACILITIES									
T1 Fixed Facilities	\$350,000		350,000						
Security Improvements T1	0								
TC Expansion Project	550,000		236,478		63,299			250,223	
TC Fixed Facilities	0		0						
WIP - Calle Real Development	0								
<i>Subtotal</i>	<u>\$900,000</u>								
FAREBOXES & RADIOS									
Fare Collection & Radio Allowance	\$75,000		75,000		0			0	
<i>Subtotal</i>	<u>\$75,000</u>								
SHOP EQUIPMENT									
Shop Equipment Allowance	\$88,000		88,000		0				
<i>Subtotal</i>	<u>\$88,000</u>								
TOTAL CAPITAL PROJECTS	<u>\$14,437,577</u>	\$0	\$6,358,851	\$861,060	\$1,343,519	\$2,570,858	\$506,735	\$2,796,554	\$0

Revenue Account Background

Revenue Controlled by the Governing Board

- Fare Policy The District fare policy includes cash fares, discounted fares and via contract terms (the UCSB and SBCC student bulk-pass programs). SBCC and UCSB contract terms link revenue paid to the District to enrollment multiplied by a flat fee charged per student. Historically, the growth in the flat fee only occurred when the Adult Cash Fare (\$1.75) increased.
- Advertising Advertising revenue has increased by 22% since FY 2007-08 and a rate increase should be considered for CY 2015.

Federal Operating Assistance

- FTA Federal Formula 5307 Operating Assistance is determined by the federal Transportation Bill. (MAP-21)
- FTA CMAQ Santa Barbara County is no longer eligible for this source of funding as its air quality has reached attainment level. These funds were awarded to the District many years ago for service expansion projects that have been rolled out over a period of time. The amount was limited and only reimbursable for the first three years of the service.

Fare Buy Down & Pass Program

- DWE The City supports the Downtown Waterfront Electric Shuttle (DWE) in the form of a fare buy down. In fiscal year 2012-13, the 25 cent fare on the DWE rose to 50 cents to help mitigate the need for service cuts.

In FY 2007-08, the District generated over \$237,000 in revenue from the MyRide program and now receives less than \$50,000 annually. It is assumed that the majority of the revenue was not lost but rather shifted to discounted passes

as only city employees are now eligible for the program.

Local Assistance

LOA Local Operating Assistance made up in large part by Measure A operating assistance. The Measure A allocation to the District did not result in new funding. The amount each jurisdiction agreed to allocate directly to the District, reflected services in existence or contractually obligated to begin in the (then) near future.

Other

Property Tax The dissolution of the local redevelopment agencies resulted in additional funding to the District as funds that had been previously redirected to local RDA's was returned. The change has resulted in approximately \$100k annually in additional property tax revenue.

Miscellaneous This funding source consists primarily of Overpass Property Lease, Interest on Investments and Sale of Assets. The Overpass Property Lease generates over \$180,000 annually to the District. Unfortunately that gain has been offset considerably by record low interest rates on the District's cash investments.