



BOARD OF DIRECTORS AGENDA

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, March 5, 2019
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. CALL TO ORDER

2. ROLL CALL OF THE BOARD MEMBERS

Dave Davis (Chair), David Tabor (Vice Chair), Bill Shelor (Secretary), Olivia Rodriguez (Director), Dick Weinberg (Director), Chuck McQuary (Director), Paula Perotte (Director).

3. REPORT REGARDING POSTING OF AGENDA

CONSENT CALENDAR

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

The Board of Directors will be asked to waive the reading of and approve the draft minutes for the meeting of February 19, 2019.

5. CASH REPORT - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board of Directors will be asked to review and approve the Cash Reports from February 12, 2019, through February 25, 2019.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

Members of the public may address the Board of Directors on items within the 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 that includes both a description of the subject you wish to address and, if applicable, the agenda item number for which you would like to comment. Additional public comment will be allowed during each agenda item, including closed session items. Forms are available at www.sbmtd.gov and at MTD Administrative offices.

7. FIRST DRAFT OF FISCAL YEAR 2019-20 BUDGET - (ATTACHMENT - INFORMATIONAL)

Staff will present the first draft of the Fiscal Year 2019-20 Budget to the Board and seek direction on preparing the second draft to be considered by the Board for adoption in June.

BOARD OF DIRECTORS AGENDA

8. **COMMERCIAL AUTO AND GENERAL LIABILITY INSURANCE RENEWAL - (ACTION MAY BE TAKEN)**
Staff will recommend renewal of Commercial Auto and General Liability Insurance coverage with National Interstate Insurance Company (NIIC).
9. **GENERAL MANAGER'S REPORT - (INFORMATIONAL)**
The General Manager will provide an update on district activities.
10. **OTHER BUSINESS AND REPORTS - (INFORMATIONAL)**
The Board will report on other related public transit issues and committee meetings.

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

11. **RECESS TO CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR(S) (GOVERNMENT CODE SECTION 54957.6) – (ACTION MAY BE TAKEN)**
Agency-designated representatives: MTD General Manager and Human Resources and Risk Manager.

Employee organization: International Brotherhood of Teamsters Union, Local 186.
12. **RECESS TO CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR(S) (GOVERNMENT CODE SECTIONS 54957(B)(1); 54957.6) - (ACTION MAY BE TAKEN)**
Unrepresented employees' performance review.

Agency-designated representatives: MTD General Manager and Human Resources and Risk Manager.
13. **ADJOURNMENT**

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 805.963.3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



BOARD OF DIRECTORS DRAFT MINUTES

REGULAR MEETING
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Tuesday, February 19, 2019
8:30 AM
John G. Britton Auditorium
550 Olive Street, Santa Barbara, CA 93101

- 1. CALL TO ORDER**
Chair Dave Davis called the meeting to order at 8:30 AM.
- 2. ROLL CALL OF THE BOARD MEMBERS**
Chair Davis reported that all members were present with the exceptions of Director Bill Shelor and Director Paula Perotte.
- 3. REPORT REGARDING POSTING OF AGENDA**
Christina Perry, Administrative Assistant Lead, reported that the agenda was posted on Friday, February 15, 2019, 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)**
The Board of Directors was asked to waive the reading of and approve the draft minutes for the meeting of February 12, 2019.
- 5. CASH REPORT - (ATTACHMENT - ACTION MAY BE TAKEN)**
The Board of Directors was asked to review and approve the Cash Reports from January 29, 2019, through February 11, 2019.

Vice Chair Dave Tabor moved to approve the consent calendar. Director Olivia Rodriguez seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

- 6. PUBLIC COMMENT**
No public comments were made.

DIRECTOR PEROTTE ENTERED THE MEETING AT 8:38 AM

DIRECTOR SHELOR ENTERED THE MEETING AT 8:42 AM

BOARD OF DIRECTORS DRAFT MINUTES

7. SANTA BARBARA MTD 50TH ANNIVERSARY - (INFORMATIONAL)

Interim Planning and Marketing Manager Hillary Blackerby provided the Board with an update on MTD's 50th Anniversary celebrations in 2019.

8. LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) RESOLUTION - (ATTACHMENTS - ACTION MAY BE TAKEN)

Ms. Blackerby recommended that the Board adopt Resolution 2019-01 authorizing General Manager Jerry Estrada to execute all required documents for an application to the California Department of Transportation (Caltrans) for FY 2019 California cap-and-trade funds from the Low Carbon Transit Operations Program (LCTOP), agreeing to comply with all conditions and requirements set forth in the Certification and Assurances, authorizing the allocation request, and authorizing the submittal to Caltrans of the project "SBMTD Microtransit Pilot."

Chair Davis called for a roll call vote. Resolution 2019-01 was approved unanimously.

9. GENERAL MANAGER'S EMPLOYMENT AGREEMENT - (ATTACHMENT - ACTION MAY BE TAKEN)

The Board was asked to approve and authorize the Board Chair and Secretary to execute the Agreement of Employment for Jerry Estrada to continue to serve as General Manager of the Santa Barbara Metropolitan Transit District.

Director Chuck McQuary moved to approve the Agreement of Employment for Jerry Estrada and authorize Chair Davis and Secretary Shelor to execute. Director Dick Weinberg seconded the motion. The motion passed unanimously.

10. GENERAL MANAGER'S REPORT - (INFORMATIONAL)

General Manager Estrada provided the Board with a general update on district activities, including service disruption and a proposed traffic management project during the upcoming Highway 101 widening.

11. OTHER BUSINESS AND REPORTS - (INFORMATIONAL)

No other business was discussed.

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

No public comments regarding closed session were made prior to recess.

Chair Davis stated that the Board would stand in recess to the closed sessions at 10:03 AM.

12. RECESS TO CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS (GOV. CODE SECTIONS 54957(B)(1); 54957.6) - (ACTION MAY BE TAKEN)

Unrepresented employees' performance review.

Agency-designated representatives: MTD General Manager and Human Resource and Risk Manager.

No reportable action was taken by the Board.

13. ADJOURNMENT

Vice Chair Tabor moved to adjourn the meeting at 10:26 AM. Director Rodriguez seconded the motion. The motion passed unanimously.

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of March 5, 2019
For the Period February 12, 2019 through February 25, 2019

MONEY MARKET

Beginning Balance February 12, 2019 **\$5,539,657.57**

Accounts Receivable	400,042.01
Passenger Fares	96,683.25
Prepays & Advertising	3,281.00
Miscellaneous Income	1,338.21
Total Deposits	501,344.47

Miscellaneous Transfers	(1,239.78)
401(k)/Pension Transfer	(36,088.28)
Payroll Taxes	(162,161.93)
Payroll	(361,232.01)
Accounts Payable	(418,342.76)
Total Disbursements	(979,064.76)

Ending Balance **\$5,061,937.28**

CASH INVESTMENTS

LAIF Account	\$8,554,374.44
Money Market Account	5,061,937.28

Total Cash Balance **\$13,616,311.72**

SELF INSURED LIABILITY ACCOUNTS

WC / Liability Reserves	(\$4,126,759.57)
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Working Capital **\$9,489,552.15**

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

Date	Company	Description	Amount
2/12/2019	CA. Dept. Public Health	Advertising on Buses	5,294.00
2/12/2019	City of SB Creeks Division	Advertising on Buses	300.00
2/12/2019	UCSB - Accts Payable dept	Advertising on Buses	1,860.00
2/13/2019	Jim Haggerty	Retiree - Vision	12.20
2/13/2019	Jim Haggerty	Retiree - Vision	12.20
2/13/2019	Moonlight Graphics/Mktg	Advertising on Buses	7,236.00
2/14/2019	APCD	APCD-Capital Reimbursement FY19	2,663.57
2/14/2019	APCD	APCD-Capital Reimbursement FY18	750.00
2/14/2019	Jill Grisham	Retiree - Vision	12.45
2/14/2019	S.B.C.A.G.	Amtrak Connecting Service Dec '18	12,578.93
2/20/2019	Blue Line Media LLC	Advertising on Buses	1,044.00
2/20/2019	SB School District	Passes/Token Sales	41,250.00
2/20/2019	Wells Marketing, LLC	Advertising on Buses	853.20
2/21/2019	UCSB - Contract Fares	Contract Fares Jan-Mar '19	0.01
2/21/2019	UCSB - Contract Fares	Contract Fares Jan-Mar '19	220,175.45
2/21/2019	UCSB - Contract Fares	Contract Fares Jan-Mar '19	106,000.00
Total Accounts Receivable Paid During Period			\$400,042.01

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
120251	2/15/2019	HENRY ANDREWS	RETIREE HEALTH REIMBURSEMENT	285.00	
120252	2/15/2019	JOSE BAUTISTA	AD MOUNTING/DISMOUNTING	1,024.00	
120253	2/15/2019	JAMES BRACKETT	RETIREE HEALTH REIMBURSEMENT	146.00	
120254	2/15/2019	KARL BRETZ	RETIREE HEALTH REIMBURSEMENT	97.20	
120255	2/15/2019	ROBERT BURNHAM	RETIREE HEALTH REIMBURSEMENT	285.00	
120256	2/15/2019	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	33.13	
120257	2/15/2019	STAN CISOWSKI	RETIREE HEALTH REIMBURSEMENT	347.01	
120258	2/15/2019	CINTAS CORPORATION	FIRST AID SUPPLIES	484.81	
120259	2/15/2019	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	6,667.97	
120260	2/15/2019	CURTIS, NANCY	RETIREE HEALTH REIMBURSEMENT	169.88	
120261	2/15/2019	DIESEL FORWARD, INC.	BUS PARTS	2,558.45	
120262	2/15/2019	DRUG TESTING NETWORK, INC	DRUG TESTING	34.95	
120263	2/15/2019	EASY LIFT TRANSPORTATION, INC	MONTHLY ADA SUBSIDY	78,496.83	
120264	2/15/2019	FGL ENVIRONMENTAL, INC	STORMWATER TEST	189.00	
120265	2/15/2019	STATE OF CALIFORNIA	PAYROLL RELATED	512.28	
120266	2/15/2019	FRONTIER CALIFORNIA INC.	TELEPHONES	98.98	
120267	2/15/2019	GARY GLEASON	RETIREE HEALTH REIMBURSEMENT	285.00	
120268	2/15/2019	GOGETTERS, LLC DBA	COURIER SERVICES	75.00	
120269	2/15/2019	JILL GRISHAM	RETIREE HEALTH REIMBURSEMENT	144.48	
120270	2/15/2019	JIM HAGGERTY	RETIREE HEALTH REIMBURSEMENT	532.42	
120271	2/15/2019	ALI HABIBI	RETIREE HEALTH REIMBURSEMENT	284.44	
120272	2/15/2019	HI-LINE ELECTRIC COMPANY, INC	BUS PARTS	267.19	
120273	2/15/2019	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	182.73	
120274	2/15/2019	INTELLICORP RECORD INC.	PRE-EMPLOYMENT CHECK	124.75	
120275	2/15/2019	JAY DANIEL ROBERTSON	RETIREE HEALTH REIMBURSEMENT	267.41	
120276	2/15/2019	JANICARE DBA	JANITORIAL SERVICES	64.50	
120277	2/15/2019	MCGOWAN GUNTERMANN	ANNUAL AUDIT	5,000.00	
120278	2/15/2019	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	38.87	
120279	2/15/2019	KENNETH B. MILLS	PROCUREMENT SERVICES	2,453.00	
120280	2/15/2019	NATIONAL DRIVE	PAYROLL DEDUCTION	44.00	
120281	2/15/2019	NEW PIG CORP.	SHOP/B&G SUPPLIES	488.30	
120282	2/15/2019	RALPH OVIEDA	RETIREE HEALTH REIMBURSEMENT	313.38	
120283	2/15/2019	CAREY POINDEXTER	RETIREE HEALTH REIMBURSEMENT	282.34	
120284	2/15/2019	AL ROMERO SR.	RETIREE HEALTH REIMBURSEMENT	146.00	
120285	2/15/2019	SANSUM CLINIC	MEDICAL EXAMS	1,540.00	
120286	2/15/2019	SB COUNTY FEDERAL CREDIT UNI	PAYROLL DEDUCTION	260.00	
120287	2/15/2019	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	130.00	
120288	2/15/2019	SANTA BARBARA SHERIFF'S DEPT	PAYROLL RELATED	75.00	

Check #	Date	Company	Description	Amount	Voids
120289	2/15/2019	SANTA BARBARA SIGNS, INC. DB	UPDATED TC SIGNAGE & DISPLAY	20,801.49	
120290	2/15/2019	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	68.83	
120291	2/15/2019	STATE BOARD OF EQUALIZATION	PAYROLL RELATED	250.00	
120292	2/15/2019	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	513.88	
120293	2/15/2019	THE MEDCENTER	MEDICAL EXAMS	1,010.00	
120294	2/15/2019	TK SERVICE, INC.	BUS PARTS & REPAIRS	729.66	
120295	2/15/2019	TANK TEAM INC.	TANK TESTS	2,069.50	
120296	2/15/2019	TEAMSTERS PENSION TRUST	UNION PENSION	97,597.60	
120297	2/15/2019	TEAMSTERS UNION LOCAL NO. 18	UNION DUES	10,627.32	
120298	2/15/2019	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	22,216.90	
120299	2/15/2019	UNITED WAY OF SB	PAYROLL DEDUCTION	68.00	
120300	2/15/2019	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	1,909.69	
120301	2/15/2019	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	1,192.01	
120302	2/15/2019	YACO SCHOLARSHIP FUND	PAYROLL DEDUCTION	48.00	
120303	2/21/2019	ABC BUS COMPANIES INC	BUS PARTS	1,298.95	
120304	2/21/2019	ASBURY ENVIRONMENTAL	WASTE OIL RECYCLER	55.00	
120305	2/21/2019	BIG BRAND TIRES, BRANDCO BILL	SERVICE VEHICLE MAINTENANCE	651.45	
120306	2/21/2019	HILLARY BLACKERBY	REIMBURSEMENT	266.25	
120307	2/21/2019	BUYNAK, FAUVER, ARCHBALD&S	LEGAL COUNSEL	15,037.87	
120308	2/21/2019	CALIFORNIA ELECTRIC SUPPLY, I	SHOP/B&G SUPPLIES	297.30	
120309	2/21/2019	CELTIS VENTURES, INC.	MARKETING SERVICES	15,912.50	
120310	2/21/2019	CINTAS CORPORATION	FIRST AID SUPPLIES	147.51	
120311	2/21/2019	CUMMINS PACIFIC, LLC	BUS PARTS & REPAIRS	5,362.35	
120312	2/21/2019	DOCUPRODUCTS CORPORATION	COPIER MAINTENANCE/SUPPLIES	175.81	
120313	2/21/2019	FEDEX dba	FREIGHT CHARGES	210.68	
120314	2/21/2019	SHERRIE FISHER	RETIREE HEALTH REIMBURSEMENT	283.66	
120315	2/21/2019	FRONTIER CALIFORNIA INC.	TELEPHONES	1,980.50	
120316	2/21/2019	GENFARE, A DIVISION OF SPX COR	FAREBOX REPAIRS & PARTS	876.90	
120317	2/21/2019	GEM EQUIPMENT CO. DBA	BUS PARTS & SUPPLIES	317.82	
120318	2/21/2019	GIBBS INTERNATIONAL INC	BUS PARTS	1,808.70	
120319	2/21/2019	GILLIG LLC	BUS PARTS	3,955.17	
120320	2/21/2019	GOLD COAST TRANSPORT REFRIG	BUS A/C MAINTENANCE	859.42	
120321	2/21/2019	GOODYEAR TIRE & RUBBER CO	BUS TIRE LEASE	13,619.48	
120322	2/21/2019	GRAPHICINK	REPORT TO THE COMMUNITY	382.51	
120323	2/21/2019	GRAINGER, INC.	SHOP/B&G SUPPLIES	48.28	
120324	2/21/2019	HI-LINE ELECTRIC COMPANY, INC	BUS PARTS	321.18	
120325	2/21/2019	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	0.00	V
120326	2/21/2019	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	187.83	
120327	2/21/2019	IRON HORSE AUTO BODY OF SB D	VENDOR BUS REPAIRS	1,434.05	
120328	2/21/2019	INTEGRATED SOFTWARE SYSTEM	WEB SITE CONSULTING	310.00	
120329	2/21/2019	LANSPEED DBA	IT SERVICES	750.00	

Check #	Date	Company	Description	Amount	Voids
120330	2/21/2019	LAWSON PRODUCTS INC	SHOP SUPPLIES	486.77	
120331	2/21/2019	LORI'S MOBILE NOTARY&FINGERP	MOBILE NOTARY	563.00	
120332	2/21/2019	ROBERT H. LURIE	REIMBURSEMENT	130.57	
120333	2/21/2019	STEVEN EDWARD MAAS	REIMBURSEMENT	115.36	
120334	2/21/2019	JUAN MARTINEZ	TOOL ALLOWANCE	1,100.00	
120335	2/21/2019	MC CORMIX CORP. (OIL)	LUBRICANTS	2,044.89	
120336	2/21/2019	MCMASTER-CARR SUPPLY CO.	SHOP/B&G SUPPLIES	497.57	
120337	2/21/2019	KENNETH B. MILLS	PROCUREMENT SERVICES	110.00	
120338	2/21/2019	MOHAWK MFG. AND SUPPLY CO.	BUS PARTS	613.74	
120339	2/21/2019	NEOPART TRANSIT LLC	BUS PARTS	404.22	
120340	2/21/2019	NEWEGG, INC	HIGH CAPACITY VIDEO DRIVES	2,789.22	
120341	2/21/2019	NU-COOL REDI GREEN, INC	COOLANTS & SHOP SUPPLIES	647.08	
120342	2/21/2019	NORTHWEST PUMP & EQUIPMENT	FUEL ISLAND SUPPLIES	89.37	
120343	2/21/2019	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	949.19	
120344	2/21/2019	POWERSTRIDE BATTERY CO.	BATTERIES FOR IT BACKUP	398.29	
120345	2/21/2019	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	164.19	
120346	2/21/2019	NOLAN D ROBERTSON	REIMBURSEMENTS	35.00	
120347	2/21/2019	SAFETY-KLEEN CORPORATION	SHOP SUPPLIES	290.44	
120348	2/21/2019	SANTA BARBARA FASTENERS, INC	SHOP SUPPLIES	96.87	
120349	2/21/2019	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	576.00	
120350	2/21/2019	SILVAS OIL CO., INC.	LUBRICANTS	560.72	
120351	2/21/2019	SANTA BARBARA COUNTY EHS	OLIVE CAP REPORT REVIEW	2,527.70	
120352	2/21/2019	SELECT STAFFING DBA	CONTRACT SERVICES	3,502.08	
120353	2/21/2019	SANTA BARBARA SIGNS, INC. DB	UPDATED TC SIGNAGE & DISPLAY	925.00	
120354	2/21/2019	SM TIRE, CORP.	BUS TIRE MOUNTING	585.17	
120355	2/21/2019	SO. CAL. EDISON CO.	UTILITIES	8,747.28	
120356	2/21/2019	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	344.19	
120357	2/21/2019	SOCALGAS	UTILITIES	936.04	
120358	2/21/2019	SPECIALTY TOOL & BOLT, LTD	SHOP SUPPLIES	50.59	
120359	2/21/2019	STEWART'S DE-ROOTING & PLUM	PLUMBING REPAIRS	385.15	
120360	2/21/2019	TELCOM, INC.	BUS RADIO INSTALLATION & PARTS	1,483.43	
120361	2/21/2019	TRC ENGINEERING SERVICES, LLC	BUS INSPECTION SERVICES	2,280.00	
120362	2/21/2019	TRUMAN ARNOLD COMPANIES (T	DIESEL FUEL	44,600.20	
120363	2/21/2019	UNITED REFRIGERATION INC.	BUS AIR CONDITIONING SUPPLIES	517.23	
120364	2/21/2019	J.C. M. AND ASSOCIATES INC.	UNIFORMS	1,699.99	
120365	2/21/2019	VALLEY POWER SYSTEMS, INC.	BUS PARTS	5,556.08	
120366	2/21/2019	VERIZON WIRELESS	WIRELESS PHONES & AIM CELLULAR	666.41	
120367	2/21/2019	WAXIE SANITARY SUPPLY DBA	JANITORIAL SUPPLIES	790.38	

Check #	Date	Company	Description	Amount	Voids
				<u>418,342.76</u>	
			Current Cash Report Voided Checks:	0.00	
			Prior Cash Report Voided Checks:	0.00	
			Grand Total:	<u><u>\$418,342.76</u></u>	



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 5, 2019 **AGENDA ITEM: #7**
DEPARTMENT: FINANCE
TYPE: INFORMATIONAL ITEM
PREPARED BY: BRAD DAVIS _____
Signature
REVIEWED BY: GENERAL MANAGER _____
Signature
SUBJECT: FIRST DRAFT OF FISCAL YEAR 2019-20 BUDGET

RECOMMENDATION:

Staff will present the first draft of the Fiscal Year 2019-20 Budget to the Board and seek direction on preparing the second draft to be considered by the Board for adoption in June.

DISCUSSION:

The first draft of the operating and capital budget for next fiscal year is attached for Board review. Note that the second column of the budget—showing this year’s budget—has been adjusted for the recent budget revision. The draft incorporates major assumptions for the year such as projected fares and sales tax revenue, the employment level, and wage and benefit rates. It also includes the filling of three needed staff positions that are currently frozen.

The projected deficit under these assumptions is nearly one million dollars, representing 3.6% of the budget. This is very close to last year’s first draft of the budget and is in line with the five-year budget projection prepared last June. Other key assumptions or factors include:

- Service level nearly unchanged
- Fare revenue, LTF & FTA increases of 2%
- Wage increase of 2%
- Health benefit increase of 6%
- Full year of 40% higher fuel costs
- All STA funds remain allocated to capital projects
- Anticipated \$400,000 FTA STIC increase allocated to capital

This budget is reflective of the continuation of the structural operating budget imbalance. It is likely that staff will recommend keeping a number of the unfilled staff positions vacant for next year’s final budget recommendation in June. Doing so has the potential of reducing the deficit a few hundred thousand dollars.

Note that any operating surplus (or deficit) results in an increase (or decrease) to the District’s unrestricted net position (UNP), which is the source of MTD reserves. Perhaps a more accurate way to state this is that the UNP funds the deficit.

BOARD OF DIRECTORS REPORT

The annual OPEB liability adjustment for retiree health benefits also affects the UNP. The liability adjustment has typically reduced the UNP because the liability was growing. However, with the recent prefunding of OPEB costs, the adjustment increased the UNP in FY17-18 and is expected to do so again in the current fiscal year. In fact, this increase more than offset last year's operating deficit and may do so again this year. As a result, even with the current operating deficits, MTD's UNP has actually grown somewhat and MTD reserves remain fully funded. This is not expected in FY19-20 when the OPEB adjustment will likely again reduce the UNP.

The final budget presented in June will include an updated Financial Forecast that includes updated UNP figures.

ATTACHMENT:

- Draft Operating & Capital Budget for Fiscal Year 2019-20



FISCAL YEAR 2019-20
OPERATING & CAPITAL BUDGET
DRAFT

Santa Barbara Metropolitan Transit District
550 Olive Street * Santa Barbara, CA 93101
Phone: (805) 963-3364 * Website: sbmtd.gov

March 5, 2019

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

**OPERATING & CAPITAL BUDGET
FISCAL YEAR 2019-20**

DRAFT

March 5, 2019

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Operating Budget Summary

Fiscal Year 2019-20

	Draft FY 2019-20 Budget	Approved FY 2018-19 Budget	<u>Budget Change</u>	
			Amount	%
<i>OPERATING REVENUE</i>				
Fare Revenue	\$7,119,452	\$6,996,703	\$122,750	2%
LTF Sale Tax Revenue	8,102,028	7,921,258	180,770	2%
FTA Operating Assistance	5,335,000	5,220,966	114,034	2%
Measure A Sale Tax Revenue	2,092,252	2,090,776	1,476	0%
State & Local Operating Assist.	1,470,192	1,388,308	81,884	6%
Property Tax Revenue	1,355,264	1,303,139	52,126	4%
Non-Transportation Income	896,380	1,016,253	(119,873)	-12%
<i>Total Operating Revenue</i>	<u>\$26,370,569</u>	<u>\$25,937,402</u>	<u>\$433,167</u>	2%
<i>OPERATING EXPENSES</i>				
Route Operations	\$16,308,541	\$15,808,969	\$499,572	3%
Vehicle Maintenance	6,021,879	5,846,228	175,651	3%
Passenger Accommodations	1,637,682	1,569,358	68,324	4%
General Overhead	3,385,952	3,043,184	342,768	11%
<i>Total Operating Expense</i>	<u>\$27,354,054</u>	<u>\$26,267,739</u>	<u>\$1,086,316</u>	4%
Surplus / (Deficit)	<u>(\$983,485)</u>	<u>(\$330,336)</u>		

Operating Revenue Summary Fiscal Year 2019-20

	Draft	Approved	Budget Change	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>FAREBOX REVENUE</i>				
Cash Fares & Tokens	\$1,890,103	\$1,890,103	\$0	0%
Adult Passes	1,094,269	1,063,473	30,796	3%
Youth Passes	526,836	522,515	4,321	1%
Senior Passes	198,960	193,165	5,795	3%
Mobility Passes	142,876	142,607	269	0%
Day Passes	10,666	8,533	2,133	25%
Downtown-Waterfront Shuttle	1,187,588	1,155,490	32,098	3%
UCSB Contract Fares	1,111,104	1,088,628	22,476	2%
SBCC Contract Fares	827,050	827,050	0	0%
Special Event Fares & Amtrak	105,000	80,139	24,861	31%
City My Ride Program	25,000	25,000	0	0%
<i>Subtotal</i>	<u>\$7,119,452</u>	<u>\$6,996,703</u>	<u>\$122,750</u>	<u>2%</u>
<i>GRANTS & SUBSIDIES</i>				
TDA Sales Tax Revenue	\$8,102,028	\$7,921,258	\$180,770	2%
FTA Formula Assistance	5,335,000	5,220,966	114,034	2%
Measure A	2,092,252	2,090,776	1,476	0%
State & Local Operating Assist.	1,470,192	1,388,308	81,884	6%
Property Tax Revenue	1,355,264	1,303,139	52,126	4%
<i>Subtotal</i>	<u>\$18,354,737</u>	<u>\$17,924,447</u>	<u>\$430,290</u>	<u>2%</u>
<i>NON-TRANSPORTATION INCOME</i>				
Advertising on Buses	\$550,000	\$525,000	\$25,000	5%
Lease & Other Income	118,250	267,337	(149,087)	-56%
Interest Income	228,130	223,916	4,214	2%
<i>Subtotal</i>	<u>\$896,380</u>	<u>\$1,016,253</u>	<u>(\$119,873)</u>	<u>-12%</u>
<i>Total Operating Revenue</i>	<u><u>\$26,370,569</u></u>	<u><u>\$25,937,402</u></u>	<u><u>\$433,167</u></u>	<u><u>2%</u></u>

Fare Revenue by Category

Cash & Token Fares	1,890,103	1,890,103	0	0%
Pass Sales	1,973,607	1,930,293	43,314	2%
Contract Fares	3,255,742	3,176,307	79,436	3%
<i>Total Farebox Revenue</i>	<u><u>7,119,452</u></u>	<u><u>6,996,703</u></u>	<u><u>122,750</u></u>	<u><u>2%</u></u>

Operating Expense Summary Fiscal Year 2019-20

	Draft	Approved	Budget Change	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>ROUTE OPERATIONS</i>				
Drivers	\$12,236,088	\$11,941,006	\$295,083	2%
Dispatch & Supervision	770,972	751,456	19,517	3%
Hiring & Training	423,341	403,643	19,698	5%
Risk & Safety	1,903,114	1,763,302	139,811	8%
Transportation Subsidies	975,025	949,562	25,463	3%
<i>Subtotal</i>	<u>\$16,308,541</u>	<u>\$15,808,969</u>	<u>\$499,572</u>	3%
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,285,896	\$1,196,169	\$89,727	8%
Cleaners & Fuelers	873,093	848,166	24,927	3%
Supervision	732,981	712,060	20,921	3%
Vehicle Consumables	2,227,424	2,052,762	174,663	9%
Bus Parts & Supplies	705,000	715,000	(10,000)	-1%
Vendor Services	132,500	132,500	0	0%
Risk & Safety	64,984	189,571	(124,587)	-66%
<i>Subtotal</i>	<u>\$6,021,879</u>	<u>\$5,846,228</u>	<u>\$175,651</u>	3%
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$569,647	\$554,538	\$15,109	3%
Transit Development	364,337	256,260	108,077	42%
Marketing & Community Relations	378,577	406,929	(28,352)	-7%
Fare Revenue Collection	325,121	351,631	(26,509)	-8%
<i>Subtotal</i>	<u>\$1,637,682</u>	<u>\$1,569,358</u>	<u>\$68,324</u>	4%
<i>GENERAL OVERHEAD</i>				
Finance	\$615,166	\$581,071	\$34,095	6%
Personnel	264,439	175,353	89,086	51%
Utilities & Communication	267,718	262,763	4,955	2%
Operating Facilities	421,074	401,136	19,938	5%
District Administration	1,817,556	1,622,861	194,694	12%
<i>Subtotal</i>	<u>\$3,385,952</u>	<u>\$3,043,184</u>	<u>\$342,768</u>	11%
<i>Total Operating Expenses</i>	<u><u>\$27,354,054</u></u>	<u><u>\$26,267,739</u></u>	<u><u>\$1,086,316</u></u>	4%

Route Operations Fiscal Year 2019-20

	Draft	Approved	Budget Change	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>DRIVERS</i>				
Scheduled	\$6,804,570	\$6,660,794	\$143,775	2%
Scheduled Overtime	535,803	524,482	11,321	2%
Unscheduled Pay	280,934	274,998	5,936	2%
Driver Lite Duty	9,646	9,457	189	2%
FICA	660,279	646,415	13,863	2%
Pension	983,729	964,440	19,289	2%
Health	1,920,548	1,837,845	82,703	5%
Sick Pay	202,809	198,833	3,977	2%
Vacation Pay	507,698	497,357	10,341	2%
Holiday Pay	253,203	248,238	4,965	2%
Other Pay	36,429	35,715	714	2%
Unemployment Insurance	31,941	33,932	(1,991)	-6%
Uniforms	8,500	8,500	0	0%
<i>Drivers Subtotal</i>	<u>\$12,236,088</u>	<u>\$11,941,006</u>	<u>\$295,083</u>	2%
<i>DISPATCH & SUPERVISION</i>				
Supervisors	\$305,883	\$299,885	\$5,998	2%
Staff	182,585	176,908	5,677	3%
FICA	43,340	42,475	865	2%
Pension	34,663	33,745	918	3%
Health	125,119	118,607	6,512	5%
Sick Pay	4,483	6,887	(2,403)	-35%
Vacation Pay	35,763	34,850	913	3%
Holiday Pay	19,144	18,677	467	3%
Other Pay	18,675	18,022	653	4%
Unemployment Insurance	1,318	1,401	(83)	-6%
<i>Dispatch & Supe. Subtotal</i>	<u>\$770,972</u>	<u>\$751,456</u>	<u>\$19,517</u>	3%
<i>HIRING & TRAINING</i>				
Staff	\$37,219	\$36,135	\$1,084	3%
Student Drivers	126,843	125,000	1,843	1%
Existing Drivers/Supers	142,239	139,450	2,789	2%
FICA	24,479	24,021	458	2%
Pension	11,167	10,909	258	2%
Health	26,605	20,056	6,549	33%
Sick Pay	1,983	1,972	11	1%
Vacation Pay	7,461	7,293	169	2%
Holiday Pay	3,498	3,422	76	2%
Other Pay	746	729	17	2%
Unemployment Insurance	100	106	(6)	-6%
Medical Exams & License Fees	30,000	22,090	7,910	36%
Employment Advertising	6,000	6,000	0	0%
Training, Travel & Meetings	5,000	6,460	(1,460)	-23%
<i>Hiring & Training Subtotal</i>	<u>\$423,341</u>	<u>\$403,643</u>	<u>\$19,698</u>	5%

Route Operations Fiscal Year 2019-20

	Draft	Approved	<u>Budget Change</u>	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>RISK & SAFETY</i>				
<i>Wages & Benefits</i>				
Staff	\$150,244	\$129,433	\$20,811	16%
Supervisors	251,449	246,519	4,930	2%
Driver Accident Pay	1,876	1,839	37	2%
FICA	34,861	35,104	(243)	-1%
Pension	41,393	36,981	4,412	12%
Health	101,263	79,248	22,014	28%
Sick Pay	5,706	25,921	(20,215)	-78%
Vacation Pay	29,561	38,092	(8,531)	-22%
Holiday Pay	13,007	13,110	(103)	-1%
Other Pay	3,860	3,963	(103)	-3%
Unemployment Insurance	1,087	1,156	(69)	-6%
Wages & Benefits Subtotal	\$634,306	\$611,366	\$22,940	4%
<i>Public Liability</i>				
Professional Services	\$120,498	\$115,900	\$4,597	4%
Insurance	311,856	308,437	3,419	1%
Current Year Incident Payouts	50,000	50,000	0	0%
Current Year Incident Reserves	100,000	100,000	0	0%
Prior Years Incident Payouts	75,000	50,000	25,000	50%
Change in Prior Years Reserves	(75,000)	(50,000)	(25,000)	50%
Public Liability Subtotal	\$582,354	\$574,337	\$8,016	1%
<i>Workers' Compensation</i>				
Professional Services	\$349,209	\$348,099	\$1,110	0%
Insurance	92,245	85,500	6,745	8%
Current Year Incident Payouts	75,000	75,000	0	0%
Current Year Incident Reserves	200,000	250,000	(50,000)	-20%
Prior Years Incident Payouts	350,000	400,000	(50,000)	-13%
Change in Prior Years Reserves	(400,000)	(600,000)	200,000	-33%
Miscellaneous Risk & Safety	20,000	19,000	1,000	5%
Workers' Comp Subtotal	\$686,454	\$577,599	\$108,855	19%
<i>Risk & Safety Subtotal</i>	<u>\$1,903,114</u>	<u>\$1,763,302</u>	<u>\$139,811</u>	8%
<i>TRANSPORTATION SUBSIDIES</i>				
ADA Paratransit Service	\$975,025	\$899,562	\$75,463	8%
Easy Lift Van	0	50,000	(50,000)	-100%
Transportation Subsidies Sbtl	<u>\$975,025</u>	<u>\$949,562</u>	<u>\$25,463</u>	3%
<i>Total Route Operations</i>	<u>\$16,308,541</u>	<u>\$15,808,969</u>	<u>\$499,572</u>	3%

Vehicle Maintenance Detail

Fiscal Year 2019-20

	Draft	Approved	<u>Budget Change</u>	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>MECHANICS</i>				
Mechanics	\$718,964	\$683,763	\$35,201	5%
Less Mechanic Capital Labor	(7,597)	(7,478)	(120)	2%
Mechanics-OT	52,066	51,419	646	1%
FICA	66,490	63,812	2,678	4%
Pension	101,580	96,032	5,549	6%
Health	222,083	175,290	46,793	27%
Sick Pay	6,746	6,640	106	2%
Vacation Pay	55,633	58,402	(2,769)	-5%
Holiday Pay	34,036	32,304	1,733	5%
Other Paid Leave	1,702	1,615	87	5%
Unemployment Insurance	2,793	2,969	(176)	-6%
Uniforms	16,000	16,000	0	0%
Tool Allowance	15,400	15,400	0	0%
<i>Mechanics Subtotal</i>	<u>\$1,285,896</u>	<u>\$1,196,169</u>	<u>\$89,727</u>	8%
<i>CLEANERS & FUELERS</i>				
Service Workers	\$465,817	\$456,775	\$9,042	2%
FICA	41,101	40,302	799	2%
Pension	75,907	74,419	1,488	2%
Health	208,170	195,822	12,348	6%
Sick Pay	11,417	11,193	224	2%
Vacation Pay	36,009	35,303	706	2%
Holiday Pay	21,860	21,431	429	2%
Other Paid Leave	2,167	2,125	42	2%
Unemployment Insurance	2,422	2,573	(151)	-6%
Uniforms	6,552	6,552	0	0%
Medical Exams & License Fees	1,671	1,671	0	0%
<i>Cleaners & Fuelers Subtotal</i>	<u>\$873,093</u>	<u>\$848,166</u>	<u>\$24,927</u>	3%
<i>SUPERVISION</i>				
Staff	\$453,199	\$454,855	(\$1,656)	0%
FICA	38,938	38,599	339	1%
Pension	50,899	50,456	443	1%
Health	117,999	102,983	15,016	15%
Sick Pay	4,220	4,087	132	3%
Vacation Pay	31,318	25,999	5,319	20%
Holiday Pay	16,878	16,349	529	3%
Other Paid Leave	3,376	3,270	106	3%
Unemployment Insurance	1,155	1,336	(181)	-14%
Training, Travel & Meetings	15,000	14,125	875	6%
<i>Supervision Subtotal</i>	<u>\$732,981</u>	<u>\$712,060</u>	<u>\$20,921</u>	3%

Vehicle Maintenance Detail

Fiscal Year 2019-20

	Draft	Approved	<u>Budget Change</u>	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>VEHICLE CONSUMABLES</i>				
Bus Fuel	\$1,775,184	\$1,611,870	\$163,314	10%
Oil & Lubricants	135,934	135,934	0	0%
Electric Vehicle Power	131,250	125,000	6,250	5%
Tire Lease	175,056	169,957	5,099	3%
Tire Mounting	10,000	10,000	0	0%
<i>Vehicle Consumables Subtotal</i>	<u>\$2,227,424</u>	<u>\$2,052,762</u>	<u>\$174,663</u>	9%
<i>VEHICLE PARTS & SUPPLIES</i>				
Bus Parts Issued	\$600,000	\$625,000	(\$25,000)	-4%
Shop Supplies	75,000	65,000	10,000	15%
Bus Servicing Supplies	15,000	15,000	0	0%
Hazmat Disposal & Compliance	15,000	10,000	5,000	50%
<i>Veh. Parts & Supplies Subtotal</i>	<u>\$705,000</u>	<u>\$715,000</u>	<u>(\$10,000)</u>	-1%
<i>VENDOR BUS REPAIRS</i>				
Vandalism Repairs	\$5,000	\$5,000	\$0	0%
Accident Damage Repairs	5,000	5,000	0	0%
Accident Claim Collections	(2,500)	(2,500)	0	0%
Other Vendor Repairs	125,000	125,000	0	0%
<i>Vendor Bus Repairs Subtotal</i>	<u>\$132,500</u>	<u>\$132,500</u>	<u>\$0</u>	0%
<i>RISK & SAFETY</i>				
Workers' Comp Services	\$25,129	\$25,071	\$58	0%
Workers' Comp Insurance	4,855	4,500	355	8%
Current Year Incident Payouts	10,000	25,000	(15,000)	-60%
Current Year Incident Reserves	25,000	135,000	(110,000)	-81%
Prior Years Incident Payouts	150,000	150,000	0	0%
Change in Prior Years Reserves	(150,000)	(150,000)	0	0%
<i>Risk & Safety Subtotal</i>	<u>\$64,984</u>	<u>\$189,571</u>	<u>(\$124,587)</u>	-66%
<i>Total Vehicle Maintenance</i>	<u>\$6,021,879</u>	<u>\$5,846,228</u>	<u>\$175,651</u>	3%

Passenger Accommodations Detail

Fiscal Year 2019-20

	Draft	Approved		<u>Budget Change</u>	
	FY 2019-20	FY 2018-19	Budget	Amount	%
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Amount</u>	<u>%</u>
<i>PASSENGER FACILITIES</i>					
<u>Wages & Benefits</u>					
Supervisors	\$165,335	\$162,093	\$3,242		2%
TC Advisors	111,692	103,121	8,571		8%
Staff	41,315	40,318	997		2%
FICA	27,108	26,059	1,048		4%
Pension	27,191	26,769	421		2%
Health	121,747	114,271	7,476		7%
Sick Pay	4,184	4,090	95		2%
Vacation Pay	17,212	16,773	439		3%
Holiday Pay	12,451	12,149	303		2%
Other Paid Leave	2,159	2,102	57		3%
Unemployment Insurance	1,494	1,589	(94)		-6%
Wages & Benefits Subtotal	<u>\$531,888</u>	<u>\$509,335</u>	<u>\$22,553</u>		<u>4%</u>
<u>Buildings & Grounds</u>					
TC Contract Maintenance	\$25,000	\$31,533	(\$6,533)		-21%
TC Repairs/Supplies	5,000	6,000	(1,000)		-17%
Bus Stop Repairs/Supplies	5,000	5,000	0		0%
TC Property Insurance	2,759	2,671	88		3%
Buildings & Grounds Subtotal	<u>\$37,759</u>	<u>\$45,203</u>	<u>(\$7,444)</u>		<u>-16%</u>
<i>Passenger Facilities Subtotal</i>	<u><u>\$569,647</u></u>	<u><u>\$554,538</u></u>	<u><u>\$15,109</u></u>		<u><u>3%</u></u>
<i>TRANSIT DEVELOPMENT</i>					
Staff	\$217,817	\$144,549	\$73,267		51%
FICA	18,827	12,862	5,965		46%
Pension	24,610	16,813	7,797		46%
Health	66,101	49,710	16,391		33%
Sick Pay	2,780	2,949	(169)		-6%
Vacation Pay	14,737	14,108	630		4%
Holiday Pay	8,282	5,020	3,262		65%
Other Paid Leave	2,485	1,506	979		65%
Unemployment Insurance	698	742	(44)		-6%
Training, Travel & Meetings	3,000	3,000	0		0%
Planning Services & Supplies	5,000	5,000	0		0%
<i>Transit Development Subtotal</i>	<u><u>\$364,337</u></u>	<u><u>\$256,260</u></u>	<u><u>\$108,077</u></u>		<u><u>42%</u></u>

Passenger Accommodations Detail

Fiscal Year 2019-20

	Draft	Approved	<u>Budget Change</u>	
	FY 2019-20	FY 2018-19	Amount	%
	<u>Budget</u>	<u>Budget</u>		
MARKETING & COMMUNITY RELATIONS				
<u>Wages & Benefits</u>				
Staff	\$92,374	\$108,844	(\$16,470)	-15%
FICA	7,918	9,166	(1,247)	-14%
Pension	10,351	11,981	(1,630)	-14%
Health	16,000	15,303	697	5%
Sick Pay	2,289	2,691	(401)	-15%
Vacation Pay	5,113	3,890	1,223	31%
Holiday Pay	2,986	3,509	(524)	-15%
Other Paid Leave	746	877	(131)	-15%
Unemployment Insurance	299	318	(19)	-6%
Wages & Benefits Subtotal	<u>\$138,077</u>	<u>\$156,579</u>	<u>(\$18,502)</u>	<u>-12%</u>
<u>Outside Services</u>				
Media Ad Placement	16,000	16,000	0	0%
Brochures & Publications	19,200	19,200	0	0%
Market Research	7,500	7,500	0	0%
Promotional Giveaways	15,000	15,000	0	0%
Bus/Shuttle Decorations	1,500	1,500	0	0%
Other Promotions	92,300	92,300	0	0%
Route Schedules & Information	85,000	94,850	(9,850)	-10%
Training, Travel & Meetings	4,000	4,000	0	0%
Outside Services Subtotal	<u>\$240,500</u>	<u>\$250,350</u>	<u>(\$9,850)</u>	<u>-4%</u>
Marketing & Comm. Relations	<u>\$378,577</u>	<u>\$406,929</u>	<u>(\$28,352)</u>	<u>-7%</u>
FARE REVENUE COLLECTION				
<u>Wages & Benefits</u>				
Staff	\$125,969	\$120,079	\$5,890	5%
FICA	11,231	10,706	525	5%
Pension	14,681	13,995	686	5%
Health	56,995	54,555	2,440	4%
Sick Pay	2,606	2,484	122	5%
Vacation Pay	10,423	9,936	487	5%
Holiday Pay	5,211	4,968	244	5%
Other Paid Leave	2,606	2,484	122	5%
Unemployment Insurance	399	424	(25)	-6%
Wages & Benefits Subtotal	<u>\$230,121</u>	<u>\$219,631</u>	<u>\$10,491</u>	<u>5%</u>
<u>Outside Services</u>				
Fare Processing	\$50,000	\$75,000	(\$25,000)	-33%
Farebox Parts & Repairs	25,000	25,000	0	0%
Tickets, Tokens & Transfers	20,000	32,000	(12,000)	-38%
Outside Services Subtotal	<u>\$95,000</u>	<u>\$132,000</u>	<u>(\$37,000)</u>	<u>-28%</u>
Fare Revenue Collection Sbtl	<u>\$325,121</u>	<u>\$351,631</u>	<u>(\$26,509)</u>	<u>-8%</u>
Total Pssngr Accommodations	<u><u>\$1,637,682</u></u>	<u><u>\$1,569,358</u></u>	<u><u>\$68,324</u></u>	<u><u>4%</u></u>

General Overhead Detail

Fiscal Year 2019-20

	Draft	Approved	<u>Budget Change</u>	
	FY 2019-20 Budget	FY 2018-19 Budget	Amount	%
<i>FINANCE</i>				
Staff	\$339,298	\$328,491	\$10,807	3%
FICA	30,130	29,184	946	3%
Pension	39,385	38,149	1,237	3%
Health	83,899	80,297	3,602	4%
Sick Pay	6,421	6,344	76	1%
Vacation Pay	28,864	27,986	878	3%
Holiday Pay	13,406	12,984	422	3%
Other Paid Leave	5,865	5,681	185	3%
Unemployment Insurance	898	954	(57)	-6%
Financial Audit Services	67,000	51,000	16,000	31%
<i>Finance Subtotal</i>	<u>\$615,166</u>	<u>\$581,071</u>	<u>\$34,095</u>	6%
<i>PERSONNEL</i>				
Staff	\$159,738	\$108,729	\$51,010	47%
FICA	13,438	9,154	4,284	47%
Pension	17,566	11,966	5,600	47%
Health	57,277	34,256	23,021	67%
Sick Pay	1,689	1,151	538	47%
Vacation Pay	5,787	4,602	1,184	26%
Holiday Pay	5,630	3,452	2,178	63%
Other Paid Leave	2,815	1,726	1,089	63%
Unemployment Insurance	499	318	181	57%
<i>Personnel Subtotal</i>	<u>\$264,439</u>	<u>\$175,353</u>	<u>\$89,086</u>	51%
<i>UTILITIES</i>				
Phone & Data Communications	\$77,633	\$76,111	\$1,522	2%
Power, Water & Refuse	175,085	171,652	3,433	2%
Two-Way Radios	15,000	15,000	0	0%
<i>Utilities Subtotal</i>	<u>\$267,718</u>	<u>\$262,763</u>	<u>\$4,955</u>	2%
<i>OPERATING FACILITIES</i>				
<u>Wages & Benefits</u>				
Staff	\$59,923	\$58,453	\$1,470	3%
FICA	5,170	5,044	126	3%
Pension	6,758	6,593	165	3%
Health	10,667	10,202	465	5%
Sick Pay	901	886	15	2%
Vacation Pay	3,899	3,804	95	3%
Holiday Pay	2,599	2,536	63	3%
Other Paid Leave	260	254	6	3%
Unemployment Insurance	200	212	(13)	-6%
<i>Wages & Benefits Subtotal</i>	<u>\$90,377</u>	<u>\$87,984</u>	<u>\$2,393</u>	3%

General Overhead Detail

Fiscal Year 2019-20

	Draft	Approved	Budget Change	
	FY 2019-20	FY 2018-19	Amount	%
	Budget	Budget		
<i>OPERATING FACILITIES (cont'd)</i>				
<u>Service Vehicles</u>				
Parts & Repairs	\$30,000	\$30,000	\$0	0%
Fuel	66,000	69,600	(3,600)	-5%
Service Vehicles Subtotal	\$96,000	\$99,600	(\$3,600)	-4%
<u>Buildings & Grounds</u>				
Contract Maintenance	\$80,720	\$80,720	\$0	0%
Overpass Site Maintenance	25,000	5,500	19,500	355%
B&G Repairs/Supplies	75,000	75,000	0	0%
Property Insurance	53,977	52,332	1,644	3%
Buildings & Grounds Subtotal	\$234,697	\$213,552	\$21,144	10%
<i>Operating Facilities Subtotal</i>	<u>\$421,074</u>	<u>\$401,136</u>	<u>\$19,938</u>	5%
<i>DISTRICT ADMINISTRATION</i>				
<u>Wages & Benefits</u>				
Staff	\$685,682	\$563,170	\$122,511	22%
FICA	61,208	50,554	10,654	21%
Pension	95,011	81,083	13,927	17%
Health	187,787	136,533	51,254	38%
Sick Pay	10,595	8,809	1,785	20%
Vacation Pay	66,703	60,296	6,407	11%
Holiday Pay	28,559	21,215	7,345	35%
Other Paid Leave	8,568	7,344	1,224	17%
Unemployment Insurance	1,696	1,591	105	7%
Wages & Benefits Subtotal	\$1,145,807	\$930,594	\$215,213	23%
<u>Administrative Services</u>				
Directors Fees	\$12,600	\$12,600	\$0	0%
Public Officials Insurance	69,248	67,143	2,106	3%
Legal Counsel	100,000	100,000	0	0%
Pension Administration	2,500	2,500	0	0%
Office Equipment Maintenance	200,000	188,930	11,070	6%
Miscellaneous Services	50,000	76,694	(26,694)	-35%
Office & Computer Supplies	50,000	60,000	(10,000)	-17%
Dues & Subscriptions	52,400	52,400	0	0%
Conferences, Meetings, Training	20,000	19,000	1,000	5%
Employee Relations	25,000	19,365	5,635	29%
Mandated Fees & Permits	40,000	40,000	0	0%
Bus Ad Revenue Program	10,000	15,000	(5,000)	-33%
Misc. Expenses & Losses	40,000	38,636	1,364	4%
Admin. Services Subtotal	\$671,748	\$692,268	(\$20,519)	-3%
<i>District Admin. Subtotal</i>	<u>\$1,817,556</u>	<u>\$1,622,861</u>	<u>\$194,694</u>	12%
<i>Total General Overhead</i>	<u>\$3,385,952</u>	<u>\$3,043,184</u>	<u>\$342,768</u>	11%

Capital Project Budget

Fiscal Year 2019-20

	FY 2019-20 Appropriations	Carryover Appropriations	Total Unspent Appropriations
<i>REVENUE VEHICLE PURCHASES</i>			
40' Diesel Buses (10)	\$0	\$5,300,000	\$5,300,000
40' Electric Buses (4)	0	3,750,000	3,750,000
30' Electric Buses (Capital Lease)	0	2,329,000	2,329,000
Subtotal	<u>\$0</u>	<u>\$11,379,000</u>	<u>\$11,379,000</u>
<i>REVENUE VEHICLE IMPROVEMENTS</i>			
Bus Refurbishing/Repainting	\$300,000	\$125,000	\$175,000
Bus Component Replacements Allowance	250,000	0	250,000
Subtotal	<u>\$550,000</u>	<u>\$125,000</u>	<u>\$425,000</u>
<i>OPERATING FACILITIES</i>			
Shop Structural Upgrades	\$250,000	\$0	\$250,000
Charging Infrastructure	50,000	50,000	100,000
Security Upgrades	10,000	5,000	15,000
Operating Facilities Allowance	100,000	0	100,000
Calle Real Property Development	200,000	0	200,000
Subtotal	<u>\$610,000</u>	<u>\$55,000</u>	<u>\$665,000</u>
<i>PASSENGER FACILITIES</i>			
Transit Center Improvements	\$500,000	\$3,200,000	\$3,700,000
Bus Stop Improvements	0	400,000	400,000
Subtotal	<u>\$500,000</u>	<u>\$3,600,000</u>	<u>\$4,100,000</u>
<i>INTELLIGENT TRANSPORTATION SYSTEMS</i>			
AVL Systems (AIM)	\$50,000	\$0	\$50,000
Advanced Fare Payment System	400,000	0	400,000
Subtotal	<u>\$450,000</u>	<u>\$0</u>	<u>\$450,000</u>
<i>INFORMATION SYSTEMS</i>			
Business Software Applications	50,000	0	50,000
IT Systems & Security	85,000	0	85,000
Subtotal	<u>\$135,000</u>	<u>\$0</u>	<u>\$135,000</u>
<i>OTHER EQUIPMENT</i>			
Shop Equipment Allowance	\$50,000	\$0	\$50,000
Service Vehicles	200,000	250,000	450,000
Farebox & Radio Allowance	30,000	0	30,000
Office Furniture Allowance	10,000	0	10,000
Subtotal	<u>\$290,000</u>	<u>\$250,000</u>	<u>\$540,000</u>
Total Capital Projects	<u><u>\$2,535,000</u></u>	<u><u>\$15,409,000</u></u>	<u><u>\$17,694,000</u></u>



BOARD OF DIRECTORS REPORT

MEETING DATE: MARCH 5, 2019 **AGENDA ITEM: #8**
DEPARTMENT: RISK
TYPE: ACTION ITEM
PREPARED BY: MARY GREGG _____
Signature
REVIEWED BY: GENERAL MANAGER _____
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 4/1/19 – 4/1/20 at the current \$4,750,000 Excess Indemnity over a \$250,000 Self Insured Retention (SIR) and \$5,000,000 Excess/Umbrella, for an annual premium of \$316,831.

DISCUSSION:

The quote for the first layer SIR Excess Indemnity is based on a vehicle type rate calculated by the number of vehicles in MTD’s fleet as of the submission of the renewal application: 113 Buses, 3 Articulated Buses, 26 Service/Private Passenger cars, and 10 Buses comprised of Electric Vehicles and Nova buses that will be retired out of the fleet at a future date during the policy year. For the 19-20 policy, NIIC has offered the same per vehicle rate as the expiring 18-19 policy, effectively a flat renewal for this segment of the policy. NIIC has also extended coverage on the 10 transitional buses at 75% off the renewal rate recognizing that these buses will be retired. A pro-rated credit will be issued when these vehicles are retired and removed from the policy. The final cost for the policy at the end of the policy period is subject to endorsement as vehicles are added/deleted.

Per Unit Pricing	Renewal 19-20	Expiring 18-19	Expiring 17-18
Transit Bus	\$1,625	\$1,625	\$1,569
Articulated Bus	\$1,788	\$1,788	\$1,726
Service/Private Passenger	\$805	\$805	\$799
“Spare” Transit Bus	\$407	\$407	N/A

The second layer Excess coverage is a flat annual rate and not subject to increase by changes in fleet size. NIIC renewal quote reflects a \$1,919 increase, or approximately 2.4%, over the expiring policy. For the entirety of claims history with NIIC, MTD has never pierced the Excess threshold. The Claims Service Agreement is also a flat annual rate, which increased \$1,180 over the expiring policy, representing a 6% increase.

BOARD OF DIRECTORS REPORT

FINANCIAL INFORMATION:

Line of Coverage	Renewal 19-20	Expiring 18-19	Expiring 17-18
SIR Excess Indemnity	\$214,249	\$214,669	\$205,467
Excess/Umbrella	\$81,651	\$79,732	\$70,231
Claims Services Agreement	\$20,931	\$19,752	\$17,368
Totals	\$316,831	\$314,153	\$293,336

To: MTD Board of Directors
From: Jerry Estrada, General Manager
Date: March 5, 2019
Subject: General Manager's Report

Operations, Fleet & Facilities

Operations held a Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) recertification this past week for all supervisors; this training is valid for 2 years. Two classes were held on one day to accommodate different work schedules.

Mandatory VTT (Verification of Transit Training) sessions are being conducted this week. The California Department of Motor Vehicles (DMV) requires this for operators with a Class B license that includes a passenger endorsement. Various transit topics are discussed during these classes. Training continues for our new operators in training: Gabriel Ochoa, Eddie Martinez and Georgina Gomez. They are in various stages of their training and all three are progressing well.

After a few repairs from a Gillig technician, 4 of 10 of the new 40' Gillig buses have been released for revenue service. The remaining six buses will be released for service in the next couple of weeks. MTD has five buses currently pending retirement: four Nova's and one Gillig. MTD will decommission one bus at a time and transfer the farebox and other accessories over to a new Gillig bus on a one-for-one basis. The five retired buses will then be prepped and shipped to auction.

As of this week 11 of the 13 BYD buses on site are up and running in service. Bus 35 is temporarily out of revenue service to test rainy day window solutions. Bus 41, delivered earlier this month, is awaiting registration.

Nolan Robertson and Ryan Gripp took a trip to the Antelope Valley Transit Authority (AVTA) for an open house organized by the California Transit Association (CTA). The trip provided insight into AVTA's ambitious transportation electrification plans, which will eventually include 85 BYD battery-electric buses. AVTA representatives offered to share information with MTD staff about their experience with BYD buses and extended an open invitation to allow MTD maintenance personnel to join AVTA's maintenance team in trainings.

On March 1, staff is scheduled to attend a Southern California Edison (SCE) workshop developed to aid their customers in meeting the Innovative Clean Transit Regulation recently passed by the California Air Resources Board (CARB). SCE representatives will be discussing the various funding opportunities available through SCE to transit agencies to support transportation electrification.

Administration

Consultants that SBCAG has hired to conduct the Triennial Performance Audits mandated by the California Transportation Development Act (TDA) conducted their site visit of MTD all day on

Wednesday, February 20. The consultants met with General Manager Estrada and other MTD managers to discuss MTD's operations. The consultants expect to produce a draft report this spring. The final report is due to the State in June 2019.

On Thursday, February 21, staff attended the quarterly utility coordination meeting organized by Goleta to discuss potential impacts to public services resulting from development projects.

Risk recently hosted a meeting with neighboring transit agency Gold Coast Transit District (GCTD) to discuss the Federal Transit Administration (FTA) requirement to prepare a Public Transportation Agency Safety Plan (PTASP). The FTA rule to develop a PTASP goes into effect July 19, 2019, and requires certain operators of public transportation systems that receive certain federal funds to develop safety plans that include the processes and procedures to implement Safety Management Systems (SMS). The PTASP is then required to be adopted by an agency's Board by July 19, 2020. MTD is preparing for the development of a PTASP, and the meeting with GCTD gave both agencies an opportunity to share information, discuss resources, and discuss how we may be of assistance to each other during the development phase. MTD was represented by Mary Gregg, Manager Human Resources and Risk, Bill Morris, Manager of Operations, and Steve Maas, Manager of Government Relations & Compliance. GCTD was represented by Alex Zaretsky, Human Resources and Risk Manager, Andy Mikkelson, Operations Manager, and Roxanna Ibarra, Human Resources Coordinator.

Bids for renewable diesel fuel were due last February 20 for the one-year contract period starting this December. Given the smaller market and supply of this alternative fuel, only one bid was received. Two other bids had been expected but the vendors opted not to submit a bid. Given that it was a competitive process and that the price was determined as fair and reasonable, a fixed-price contract of \$2.24 per gallon was awarded to IPC (USA). The Board had previously provided advance authority to award the \$1.4 million contract if the price did not exceed \$2.75. This cost is nearly the same as current regular diesel prices. Thus, MTD will not be paying a premium for switching to the cleaner, non-fossil-fuel-based renewable diesel.

MTD is actively seeking bids for a three-year contract for bus parts inventory counting services. The previous three-year agreement ended with last year's count. The 10 new high-capacity Apollo videos drives have been installed on buses. While no issues are expected, there will be a test period before moving forward with replacing the video drives of MTD's full fleet.

Finance staff has prepared and submitted the information and testing required for Fidelity to prepare the annual IRS 5500 information return for MTD's staff pension plan. It is due this October. The annual return is not required for the 457(b) plan, which is available to represented employees to set aside pre-tax dollars for retirement. The TDA-LTF sales tax apportionments for next fiscal year were recently released by SBCAG. Staff will be bringing the necessary resolution to the Board on March 19 and will submit the claim for MTD's largest operating subsidy by the April 1 deadline.