DATE: FEBRUARY 13, 2017

MEMO TO: HERITAGE VALLEY TECHNICAL ADVISORY COMMITTEE (HVTAC)

FROM: AARON BONFILIO, PROGRAM MANAGER

SUBJECT: DRAFT FISCAL YEAR 2017/2018 VALLEY EXPRESS BUDGET

RECOMMENDATION

- Approve for recommendation to the HVPAC for recommendation to the Commission

BACKGROUND:

The Valley Express budget is reviewed each fiscal year prior to VCTC establishing the agency-wide budget which includes, among other programs, the Valley Express service. Per the Cooperative Agreement for the Heritage Valley Transit Service, the Heritage Valley Policy Advisory Committee is to formally approve the annual budget for recommendation to the Commission by April 1st.

Key elements and assumptions of the attached ***draft*** FY2017/2018 budget:

- *Contractor Services* -
  - Operator rates to increase approximately 1.7%, per agreement[1]
  - Service levels static, with zero contingency budgeted
- Addition of line-item for *Bus Stop Improvements* project (CMAQ funded with $27,500 of local match)
- Significant decrease in capital expenditures for *Onboard Video Surveillance System* and *Bus Purchase/Farebox Capital Equipment*
- Upgrade *Communications* equipment from discontinued mobile data terminals to tablets[2]
- Share of *Local Contribution* by member-agencies to be similar to FY2016/2017, with noted shift in Dial-a-ride share of hours from County to City of Santa Paula
- *Farebox revenues* equal to 10% of Operating costs (operating costs = total – capital expense)

[1] Year over year contractor rate increase 1.7%; actual expense year over year increase estimated to be 2.25% due to anticipated savings from transit operations.
[2] Capital Expense for equipment not included in operating rate calculation for farebox recovery purposes.

DRAFT FISCAL YEAR 2017/2018 VALLEY EXPRESS BUDGET

Funding Source	**Fiscal Year 2016/2017**	**Fiscal Year 2017/2018**	*Year-over-year Increase (Decrease)*
FTA 5307	$502,541	$539,923	$37,382
CMAQ	0	82,500	$82,500
Prop1B PTMISEA	220,000	0	($220,000)
Local Contribution	1,168,379	1,211,145	$42,766
Local Fee – Farebox	176,080	183,907	$7,827
Total Funding	**$2,067,000**	**$2,017,475**	($49,525)

	Fiscal Year 2016/2017 Budget*	***DRAFT Fiscal Year 2017/2018 Budget***	*Year-over-year Increase (Decrease)*
Salaries	$41,800	**$43,500**	*$1,700*
Fringe and Tax	$21,000	**$20,800**	*($200)*
Indirect Cost Allocation	$34,500	**$35,700**	*$1,200*
Communications	$7,000	**$13,200**	*$6,200*
Mileage	$2,500	**$2,000**	*($500)*
Postage	$200	**$100**	*($100)*
Printing	$5,000	**$5,000**	*$0*
Supplies	$200	**$200**	*$0*
Bank Fees	$1,000	**$1,100**	*$100*
Legal Services	$9,000	**$9,000**	*$0*
Professional Services	$62,000	**$63,000**	*$1,000*
Marketing	*$68,128*	**$79,000**	*$10,872*
On-board Video System	$0	**$0**	*$0*
Bus Stop Improvements	$0	**$110,000**	*$110,000*
Bus / Farebox Equipment	$220,000	**$4,400**	*($215,600)*
Contract Services	*$1,594,672*	**$1,630,475**	*$35,803*
Total Expenditures	$2,067,000	**$2,017,475**	*($49,525)*

Projected Cost Share - Local Contribution	**FINAL BUDGET 2016/2017**	**DRAFT BUDGET 2017/2018**	*Year-over-year Increase (Decrease)*
City of Fillmore	$309,035	$322,152	*$13,117*
City of Santa Paula	$604,205	$665,441	*$61,236*
County of Ventura	$255,139	$223,552	*($31,587)*
Total Local Contribution	**$1,168,379**	**$1,211,145**	*$42,766*

See attached Budget Cost Model worksheet for additional information.