



DATE: MARCH 13, 2017

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)

FROM: AARON BONFILIO, PROGRAM MANAGER

SUBJECT: DRAFT FISCAL YEAR 2017/2018 VALLEY EXPRESS BUDGET

RECOMMENDATION

- Approve 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 FY2017/2018 budget:

- *Contractor Services -*
 - *Operator rates to increase approximately 1.7%, per agreement¹*
 - *Service levels static, with minimal contingency budgeted for ADA dial-a-ride demand*
- *Significant decrease in capital expenditures for Onboard Video Surveillance System and Bus Purchase/Farebox Capital Equipment, ongoing expense for capital contingency.*
- *Upgrade Communications equipment from discontinued mobile data terminals to tablets²*
- *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 of to City of Santa Paula due to increase in ADA service.*
- *Budgeted Farebox Revenues*
 - *Farebox Recovery equal to 10% of Operating costs (operating costs = total cost – capital expense)³*
 - *FY17/18 is the TDA “determination year” by which the service must make 10% farebox recovery. FY 16/17 trend to-date is approximately 7.6%, which equates to a monthly shortfall of approximately \$3,666/mo. Current revenues are approximately \$9,200/mo.*
 - *April 20, 2017: HVTAC to review Service Analysis report, including service levels and fare pricing*

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.

³ 10% is the minimum requirement per TDA.

DRAFT FISCAL YEAR 2017/2018 VALLEY EXPRESS BUDGET

Funding Source	Fiscal Year 2016/2017	Fiscal Year 2017/2018	<i>Year-over-year Increase (Decrease)</i>
FTA 5307	\$ 502,541	\$ 539,923	\$ 37,382
Prop1B PTMISEA	220,000	0	(\$220,000)
Local Contribution*	1,168,379	1,183,667	\$15,288
Local Fee – Farebox	176,080	183,910	\$7,830
Total Funding	\$ 2,067,000	\$ 1,907,500	(\$159,500)

Expenditures	Fiscal Year 2016/2017	Fiscal Year 2017/2018	<i>Year-over-year Increase (Decrease)</i>
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 / Farebox Equipment	\$220,000	\$4,400	(\$215,600)
Contract Services	\$1,594,672	\$1,630,500	\$35,828
Total Expenditures	\$2,067,000	\$1,907,500	(\$159,500)

*Projected Cost Share - Local Contribution	FINAL BUDGET 2016/2017	DRAFT BUDGET 2017/2018	<i>Year-over-year Increase (Decrease)</i>
City of Fillmore	\$309,035	\$313,500	\$4,465
City of Santa Paula	\$604,205	\$654,685	\$50,480
County of Ventura	\$255,139	\$215,482	(\$39,657)
Total Local Contribution⁴	\$1,168,379	\$1,183,667	\$15,288

See attached Budget Cost Model worksheet for additional information.

⁴ Budget values are total FY17/18 contribution per member. Pending year-end cost for FY16/17, the estimated FY15/16 LTF balance credits to offset charges are: \$82,806 to City of Santa Paula, \$22,659 to City of Fillmore, and, \$31,303 to County of Ventura. Any future FY16/17 LTF credits determined after VCTC audit, October 2017.