



DATE: FEBRUARY 1, 2018

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVPAC)

FROM: AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES

SUBJECT: DRAFT FISCAL YEAR 2018/2019 VALLEY EXPRESS BUDGET

RECOMMENDATION

- Consider recommendation of Draft Fiscal Year 2018/2019 Budget to the VCTC.

BACKGROUND

Pursuant to the Cooperative Agreement for the Heritage Valley Transit Service, the “Transit Committee”, (referred to as HVPAC), will review the annual level of service and corresponding budget. Once approved, the draft Valley Express budget will be incorporated into the overall VCTC agency budget. The budget process for VCTC includes draft review by the Administrative Committee, subsequent draft review by the full Commission in April, with final VCTC budget adoption scheduled for June.

Enclosed for review by the HVPAC is the draft Fiscal Year 2018/2019 Budget. The Heritage Valley Technical Advisory Committee (HVTAC) reviewed the draft budget and level of service at the last HVTAC meeting held January 24, 2018. The HVTAC recommended the draft for the HVPAC’s consideration.¹

The Fiscal Year 2018/2019 budget makes the following assumptions and includes:

- *Increased FTA 5307 revenues*
- *No change in the level of service for Fixed Route Mode*
- *Projected utilization of Dial-a-ride Mode from present trend of 15,000 hours annually to 20,000 hours*
- *Increased investment in Marketing program for increased outreach activities – especially Dial-a-ride*
- *Expense for printing of magnetic stripe fare media*
- *Carryover of capital expenses related to upgrade of onboard communications equipment for Dial-a-ride*
- *Projected annual cost increases related to the scheduling software*
- *Assumption of non-TDA Measure “T” funds committed by the City of Santa Paula = \$120,000*

Fiscal Year 2018/2019 Budget Tasks

Future year projects focus primarily on completion of multiple deployments of Intelligent Transportation Systems (ITS), and the continued promotion of service and further analysis for possible ridership/revenue increases.

¹ NOTE: The allocation of Dial-a-ride service hours by jurisdiction was amended following the 1/24/18 HVTAC due to address validation items. Final allocation of hours, Aug. 16, 2017-Dec. 31, 2017, is reflected in the attached budget model – and further described with supplement attachment to Item #7.

Fiscal Year 2018/2019

Fixed Route ITS:

Later this Spring, the Valley Express service will participate in VCTC's countywide implementation of new real-time automatic vehicle location tracking technology (AVL). The AVL system provides next bus arrival information for passengers through mobile apps, text messaging, via desktop computer, and by phone. As well, the system will provide dispatch operations with a host of real-time information tools. The countywide AVL project will also usher in deployment of Automatic Passenger Counters (APCs). The APC component system, a common technology used throughout the industry, is being funded by VCTC's countywide Farebox/APC program, "outside" of the Valley Express budget. The integrated AVL/APC system will provide timelier and more accurate ridership reporting, including by stop and by route, as well as improved on-time performance reporting.

Dial-a-ride ITS:

While the campaign to increase Dial-a-ride passenger utilization is underway, VCTC and MV Transportation staffs will be working on upgrading to the equipment and software used to report the Dial-a-ride trip manifest information, including boardings and alightings. This upgrade is overdue. The existing onboard vehicle equipment and backend software is over 10 years old and is no-longer supported. Like the AVL/APC system's deployment, the new equipment and software will provide the benefit of improved reporting capabilities as well as operational efficiencies for "Check-point Pickups" such as at transfer points/bus stops when Dial-a-ride vehicles meet fixed route Hwy 126 buses. Upgrading the scheduling software will enable other technologies such as ability for patrons to look up Dial-a-ride trips online and track their bus. The cost components of this system have been and will continue to be considered Capital expenditures, not attributable to the operating cost and not applicable to the "Farebox Recovery Calculation".

Fare Media:

This coming year will mark the first full year with the soon-to-be deployed electronic fare media readers. This technology will again add to the level of data collected, specifically farebox and passenger boarding information. The data will be used for planning and marketing purposes with insights into pass usage. On the passenger-side this technology will improve the ease of use between systems as the Valley Express will be on the same fare media platform as the majority of the county's transit operators.

General Service:

Service promotion and growth/awareness campaigns will increase this year, as Celtis, the Valley Express' Marketing and Outreach firm is now in its second year. No significant service changes are anticipated, and the focus can be on promotion of existing services. Much of last year was focused on potential fare increases, service cuts and realignment of the Dial-a-ride service. Now that service levels have stabilized, staff will continue to monitor trends and analyze opportunities to enhance ridership, expansion of Dial-a-ride, particularly – such as exploring Valley Express' participation in state-funded Non-Emergency Non-Medical Transportation (NENMT), which provides outside funding that can be counted toward farebox revenue.

Regarding possible service improvements through annual "Unmet Transit Needs" assessment:

Annually VCTC conducts a formal Unmet Transit Needs (UTN) process as required by State law. The process is applicable to the Cities of Santa Paula, Fillmore, Moorpark and Camarillo. In years' past, (UTN) comments were submitted pertaining to service between Fillmore and Moorpark and the Heritage Valley and Santa Clarita. As this process continues staff will provide reports to the TAC and PAC, as necessary.

The table on the following page reflects the Draft 2018/2019 Valley Express Budget and year over year changes. In addition, the *Heritage Valley Transit Service 2018/2019– Budget Model* is attached.

VALLEY EXPRESS: DRAFT FISCAL YEAR 2018/2019 BUDGET

Funding Source	Fiscal Year 2017/2018	DRAFT BUDGET 2018/2019	Year-over-year Increase (Decrease)
FTA 5307	\$539,923	\$624,254	\$84,331
Prop1B PTMISEA	220,000	0	(\$220,000)
Local Contribution – TDA Funds	1,083,667	1,136,786	\$73,197
Local Contribution – Route Guarantee	100,000	120,000	\$20,000
Local Fee – Farebox	183,910	199,960	\$16,048
Total Funding	\$2,127,500	\$2,081,000	(\$46,424)

Expenditures	Fiscal Year 2017/2018	DRAFT BUDGET 2018/2019	Year-over-year Increase (Decrease)
Salaries	\$43,500	\$43,500	\$0
Fringe and Tax	\$20,800	\$20,800	\$0
Indirect Cost Allocation	\$35,700	\$35,700	\$0
Communications	\$13,200	\$15,500	\$2,300
Mileage	\$2,000	\$2,000	\$0
Postage	\$100	\$100	\$0
Printing	\$5,000	\$6,800	\$1,800
Supplies	\$200	\$200	\$0
Bank Fees	\$1,100	\$800	(\$300)
Legal Services	\$9,000	\$10,000	\$1,000
Professional Services	\$63,000	\$75,000	\$12,000
Marketing	\$79,000	\$90,000	\$11,000
On-board Video System	\$0	\$0	\$0
Bus / Farebox Equipment	\$224,400	\$4,000	(\$220,400)
Contract Services	\$1,630,500	\$1,776,600	\$146,176
Total Expenditures	\$2,127,500	\$2,081,000	(\$46,424)

*Projected Cost Share - Local Contribution	FINAL BUDGET 2017/2018	DRAFT BUDGET 2018/2019	Year-over-year Increase (Decrease)
City of Fillmore- TDA	\$301,958	\$408,447	\$25,713
City of Santa Paula –TDA	\$587,177	\$506,002	\$15,215
City of Santa Paula - Route Guarantee	\$100,000	\$120,000	\$20,000
County of Ventura - TDA	\$194,532	\$222,437	\$12,270
	\$1,183,667	\$1,256,886	\$73,197

In addition to the KPI report provided in this Agenda, staff will present a supplemental budget-to-actuals report to the budget at the February 1, 2018, HVPAC meeting.

Attachment A: Draft Fiscal Year 2018/2019 Valley Express Budget Model

Heritage Valley Transit Service															FY2018/2019	
Valley Express - Annual Budget Model															Dated: Feb. 1, 2018	
Jurisdiction	Fixed Route Hours (note 1)	% of Fixed Hours	Hourly Rate	Fixed Route Cost [hours x rate] (note 1)	Dial-A-Ride Hours (note 2)	Hourly Rate	Dial-A-Ride Cost (hours x rate)	Admin fee (note 3)	Other Svc Exps (note 4)	Total Agency Cost	% total cost	Total Agency cost less Offset	Agency Estimated TDA FY18/19 (note 5)	TDA Balance (note 6)		
Fillmore	2050	29%	\$65.56	\$134,400	6,560	\$65.56	\$430,074	\$33,333	\$68,133	\$665,940	32%	\$408,447	\$541,085	\$132,638		
Santa Paula (Note 6)	2000	28%	\$65.56	\$131,100	11,320	\$65.56	\$742,139	\$33,333	\$68,133	\$974,705	47%	\$626,002	\$1,570,606	\$1,064,604		
Unincorporated County	3050	43%	\$65.56	\$200,000	2,120	\$65.56	\$138,987	\$33,334	\$68,134	\$440,455	21%	\$222,437	(note 7)			
Total	7100			\$465,500.00	20,000		\$1,311,200.00	\$100,000	\$204,400.00	\$2,081,100		\$1,256,886				
Notes:																
1. Fixed Route hours based on current level of service (eff 8/16/17) +15% conting; costs rounded to the nearest whole \$100.00. (Updated 1/26/18)																
2. DAR allocation of annual proj hours based on 4-mo trend (9/1/17- 12/31/17) + 5,000 hours																
3. VCTC Admin fee of \$100,000 split three ways between agencies															Total less offset	
4. Incl. Fleet Insp svcs, Legal, Marketing, Trapeze exp, and supplies, printing etc. (G&A)															FTA	
5. Estimated FY18/19															\$1,256,886	
6. City of Santa Paula Contribution includes \$120,000 non-TDA Funds as "Route Guarantee"															\$624,254	
7. County TDA all to GCTD, County will request sufficient funds															Farebox	
8. FTA Offset uses % of total cost; and Farebox Offset uses % of Fixed Route hours															\$199,960	
															TOTAL FY18/19	
															\$2,081,100	

Offset Revenue Sources (8)		FY2018/2019	
Additional Revenue			
FTA 5307	\$624,254		
Farebox (10% minimum)	\$199,960		
Total Offset	\$824,214		

Offset per Agency Calc				FY2018/2019	
Offset	FTA	Fare	Total		
Fillmore	\$199,758	\$57,735	\$257,493		
Santa Paula	\$292,376	\$56,327	\$348,703		
County	\$132,120	\$85,898	\$218,018		
Total	\$624,254	\$199,960	\$824,214		
	note 7	note 8			

Operating Cost Calculation		FY2018/2019	
Fully Burdened Labor	\$100,000		
Communications - Equipment [Capital]	n/a		
Communications - Airtime [Operations]	\$8,000		
Mileage	\$2,000		
Postage	\$100		
Printing	\$6,800		
Supplies	\$200		
Bank Fees	\$800		
Legal Services	\$10,000		
Prof. Services- Fleet Inspection Services	\$5,000		
Prof. Services- Sched Soft Licenses [Capital]	n/a		
Marketing	\$90,000		
Bus / Farebox Equipment [Capital]	n/a		
Contract Services	\$1,776,700		
Total Operating Cost per TDA	\$1,999,600	\$ 73.79	
Target Farebox Revenues	\$199,960.00	\$ 7.38	

Shared Expenditures				FY2018/2019	
Admin Fee	Fully Burdened Labor	\$100,000	(Note 3)		
Other Svcs	Communications - Equipment [Capital]	\$7,500	\$7,500		
Other Svcs	Communications - Airtime [Operations]	\$8,000	\$8,000		
Other Svcs	Mileage	\$2,000	\$2,000		
Other Svcs	Postage	\$100	\$100		
Other Svcs	Printing	\$6,800	\$6,800		
Other Svcs	Supplies	\$200	\$200		
Other Svcs	Bank Fees	\$800	\$800		
Other Svcs	Legal Services	\$10,000	\$10,000		
Other Svcs	Prof. Services- Fleet Inspection Services	\$5,000	\$5,000		
Other Svcs	Prof. Services- Sched Soft Licenses [Capital]	\$70,000	\$70,000		
Other Svcs	Marketing	\$90,000	\$90,000		
Other Svcs	Bus / Farebox Equipment [Capital]	\$4,000	\$4,000		
Other Svcs	Contract Services	\$1,776,700			
Transit Service	TOTAL EXPENDITURES	2,081,100			
	Subtotal Other svcs	\$ 204,400.00			
	Share per Juris.	\$ 68,133			

Transit Service Projected Hours			FY2018/2019	
Fixed Route	Projected Hours	Projected Share		
Fillmore	2,050	28.9%		
Santa Paula	2,000	28.2%		
County	3,050	43.0%		
Total	7,100	100.0%		
Dial-a-ride	Projected Hours*			
Fillmore	6,560	32.8%		
Santa Paula	11,320	56.6%		
County	2,120	10.6%		
Total	20,000	100.0%		
*15,000 hrs based on current use + 5,000 hrs projected				
*Updated 1/26/18				