



BUDGET AND FINANCIAL PLAN

2014-15 FISCAL YEAR



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General Manager

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Director of Finance and Administration
June 4, 2014

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GUIDE TO THE BUDGET AND FINANCIAL PLAN

The Gold Coast Transit (GCT) Budget and Financial Plan for FY 2014-15 presents the agency's financial and program plan in a single document for easy reference. It describes the services provided by GCT and presents historical and anticipated costs of each function.

Budget Message and Summary

This section summarizes the budgetary guidelines, highlights, fund structure, significant financial issues, the budget basis and process.

Expenditures

This section summarizes the expenditures in a historical and anticipated level. Included are the staffing levels of GCT.

Capital Improvements

This section summarizes the approved and proposed capital program. Included is the depreciation for the capital equipment.

Operating Revenue

This section summarizes the operating revenue. Included are Local Transportation Funds and other local funds, federal grants, state funds, other revenue and farebox revenue and recovery.

Appendix

Detailed information is provided on the annual expenditures as summarized in the Expenditure section. A glossary of terms is also provided.

FY 14-15 BUDGET AND FINANCIAL PLAN

GOLD COAST TRANSIT MISSION STATEMENT

GCT's Board of Directors in 2009 adopted the following mission statement, providing a clear, concise strategic direction for the organization:

GCT's mission is to provide safe, responsive, convenient, efficient, and environmentally responsible public transportation that serves the diverse needs of our community.

BOARD OF DIRECTORS

City of Ojai

Mayor Paul Blatz
Vice-Chair

Councilmember Betsy Clapp
Alternate

City of Oxnard

Councilman Bryan A.
MacDonald - Director

Mayor Pro Tem Carmen
Ramirez - Alternate

City of Port Hueneme

Councilmember Jonathan
Sharkey – Director

Councilmember Douglas A.
Breeze - Alternate

City of Ventura

Councilmember Carl E. Morehouse
Chair

Councilmember James L. Monahan
Alternate

County of Ventura

Supervisor John C. Zaragoza
Director

Supervisor Steve Bennett
Alternate

SENIOR MANAGEMENT STAFF

Steven P. Brown
General Manager

Steve L. Rosenberg
Director of Finance & Administration

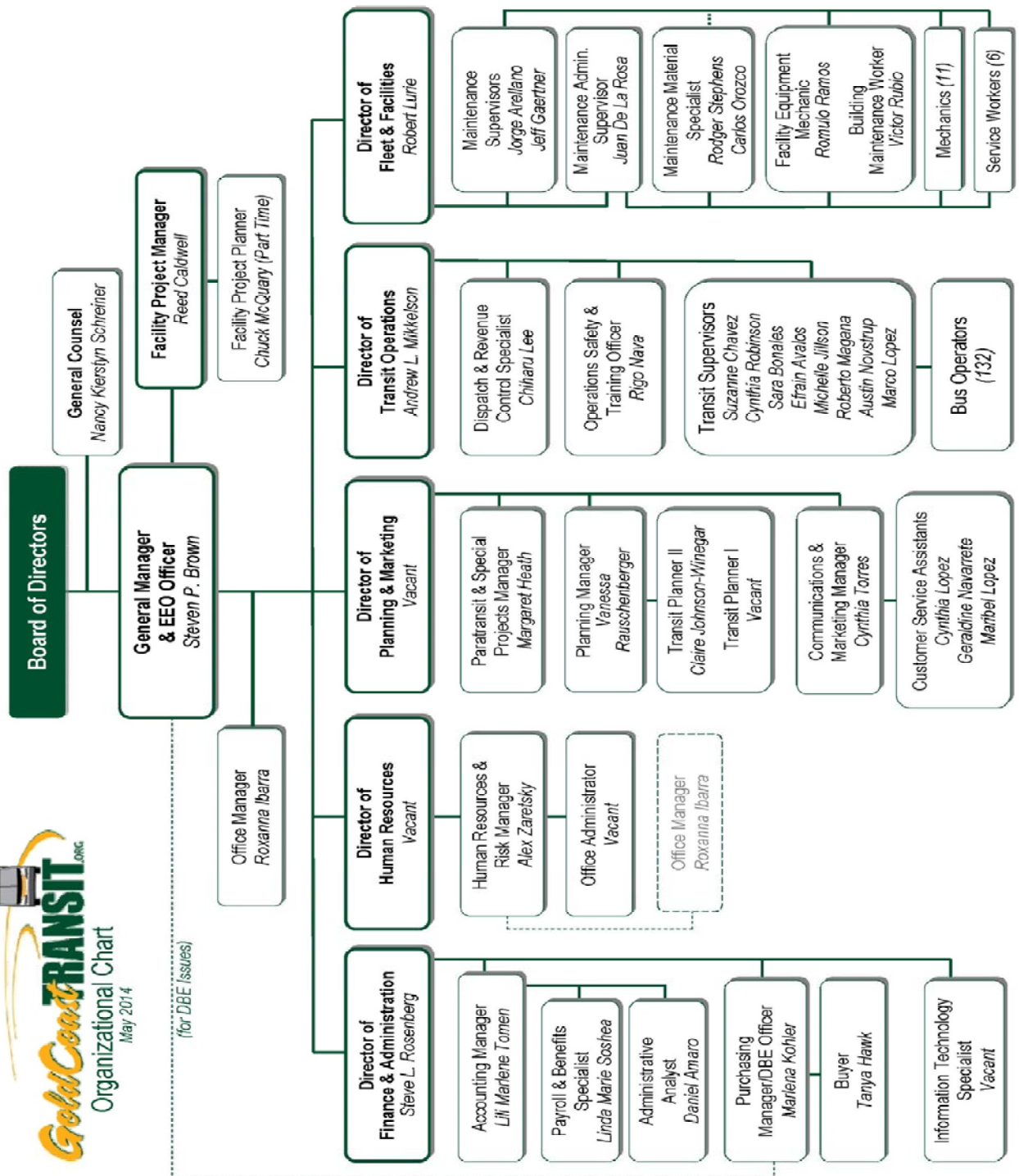
Robert H. Lurie
Director of Fleet & Facilities

Vacant
Director of Human Resources

Vacant
Director of Planning & Marketing

Andrew Mikkelson
Director of Transit Operations

Reed Caldwell
Facility Project Manager



BUDGET MESSAGE AND EXECUTIVE SUMMARY

GCT is committed to the protection of public investment through sound financial practices. This commitment is reflected throughout the process from budget development to final adoption. Following is a description of the budget process.

BUDGETARY GUIDELINES – The budget was developed following these guidelines.

- A. Prudent budgetary control is tied to strategic planning and resource availability.
- B. Meaningful public and JPA member agency input is solicited during the annual budget review.
- C. Salary and benefit increases for employees reflect the agreed upon level. Actual wage or benefit increases are subject to future labor agreements approved by the GCT Board of Directors. GCT non-represented employees received a modest general wage increase of 2% in April 2014, their first general wage increase since February 2009. GCT Represented employees last received a contractual wage increase in November 2009. GCT and Service Employees International Union (SEIU) 721 have been in negotiations for a new Memorandum of Understanding (MOU) since October 2013.
- D. Appropriate insurance coverage is budgeted to mitigate the risk of material loss.
- E. Major capital items are specified in the Ten-Year Plan and are anticipated in the capital reserve funding request to the extent feasible. The annual capital reserve contribution was restored in FY 2012-13 after being deferred for three prior fiscal years as the result of resource constraints.
- F. Budget versus actual financial information is reported on a monthly basis.

BUDGET HIGHLIGHTS FOR FY 2013-14 - THE **CURRENT** BUDGET YEAR

The proposed operating budget for FY 2013-14 was \$20,616,700, a 5.7% increase from the original FY 2012-13 budget. Ventura County Local Transportation Fund (LTF) revenues were up 5.2% from FY 2012-13 and approximately 36% from their historic low levels in FY 2010-11. On the expense side, the key increase factors were a 6.6% increase in revenue service hours from FY 2012-13, increased workers' compensation costs and staff additions necessary to meet the increased service workload, keep up with current transit technology being introduced into GCT and fill longstanding voids in GCT's staffing plan.

Budget highlights were as follows:

Revenues – GCT's primary revenue source is Local Transportation Fund revenues received by its member agencies from a .25% state sales tax generated by the Transportation Development Act (TDA). LTF funds allocated to GCT's member

agencies for provision of transit service were projected to increase 5.2% in FY 2012-13 compared to FY 2011-12.

GCT was to receive its State Transit Assistance (STA) allocation, estimated at just over \$182,000, and included in the FY 2013-14 budget another \$13,000 carried over from the previous year's allocation.

GCT's primary source of federal funding is FTA Section 5307 grant funding. The FTA's authorizing transit funding legislation passed in 2012 is entitled MAP-21. Under MAP-21, GCT's Section 5307 formula allocation for FY 2013-14 was just over \$3.3M, \$224K less than FY 2012-13. MAP-21 realigned funds formerly used for Section 5309 Bus and Bus Facility Project grant awards, such as GCT's \$15M facility grant, into Section 5339 formula grants. Under that formula GCT was allocated \$501K. As a result, GCT's total allocation increased \$277K, however GCT (and other similarly-sized transit agencies) lost an important funding source for larger projects such as bus purchases and facility upgrades.

GCT's FY 2013-14 operating budget also included three (3) route-specific federal grants totaling \$1,367,800. Congestion Mitigation and Air Quality (CMAQ) grants for demonstration projects serving the Vineyard-Rose corridor in north Oxnard (Route 17, a three-year grant that commenced in February 2012) and the Victoria Ave. corridor from Port Hueneme to Ventura (Route 21, a two-year grant that commenced February 2013), and a Jobs Access – Reverse Commute (JARC) program grant to support the addition of the OTC/Lombard/Gonzalez/Fifth Route (Route 20, a two-and-one-half year grant that commenced August 2013).

GCT generates local revenue through sales of exterior bus advertising. This program was budgeted to provide \$200,000 in local revenue in FY 2013-14.

Labor – Labor costs were anticipated to increase as the result of a 6.6% increase in revenue service hours as well as some additional staff positions being added. The FY 2013-14 operating budget included staff additions necessary to meet the increased service workload, keep up with current transit technology being introduced into GCT and fill longstanding voids in GCT's staffing plan. Included were a second shift dispatcher for Operations, an Electronics Technician and Building Maintenance Worker for Maintenance, an I.T. Business Systems Analyst and a Human Resources Generalist for Administration, an Entry-Level Planner for Planning & Marketing and an Office Administrator for Admin/General Manager.

GCT's Memoranda of Understanding (MOUs) with SEIU Local 721 covering its three employee units expired on October 31, 2013. In January 2013 GCT settled a reopener clause by providing a 9% increase for medical benefit contribution to cover both 2013 and 2014.

Boardings – The budget premise for FY 2013-14 fixed route service was 3.73 million boardings, a 1.6% increase from the FY 2012-13 forecast of 3.66 million and a 5% increase over the forecasted FY 2012-13 year end. The increase was based

primarily on the addition of new service on Routes 20 and 21. The budget premise for FY 2013-14 fixed route fare revenue was \$2.87 million, a 1% increase from the FY 2012-13 budget.

The budget premise for FY 2013-14 paratransit was for 73,100 boardings, a 4% increase from the FY 2012-13 forecast. Recent trends had indicated that the reduction in paratransit ridership GCT had experienced over the past few years had bottomed out, and ridership would start to rebound. The budget premise for FY 2013-14 paratransit fare revenue was \$166,600, a 7% increase from the FY 2012-13 budget.

Service Adjustments – GCT implemented 6% more revenue service in FY 2013-14, with revenue service hours (RSH) increasing from 183,600 in FY 2012-13 to 195,791 in FY 2013-14. Revenue service miles (RSM) increased 12%, from 1,834,233 in FY 2012-13 to 2,055,691 in FY 2013-14. The service improvements were:

- Added limited weekend service to Route 21 (Victoria) beginning August 2013.
- Added limited weekend service to Route 19 (OTC/ Gonzalez /Lombard) beginning August 2013.
- Added weekday and limited weekend service on new Route 20 (OTC/Lombard/ Gonzalez/Fifth), the reverse route to Route 19, beginning August 2013.
- Added weekday booster service on Route 11 (Telephone Road / Saticoy)

GCT's budgeted fixed route cost per revenue hour for FY 2013-14 was \$ 92.86, a .9% decrease from \$93.67 in the FY 2012-13 budget, and the budgeted fixed route cost per revenue mile was \$8.84, a 5.7% decrease from \$9.38 in the FY 2012-13 budget.

- Fuel - The budget for fueling the fixed route and paratransit fleets with CNG in FY 2013-14 was \$549,900, a 23% decrease from the FY 2012-13 budget of \$716,100. The decrease resulted primarily from the retroactive extension of the Alternate Fuels Excise Tax Rebate through December 31, 2013. The FY 2013-14 Budget included a credit of \$254,200 for the rebate. The unit price used to calculate the FY 2013-14 budget was \$.5917 per therm, based on 15% above the wholesale price for April 2013. While April 2013 represented an eighteen-month high for natural gas pricing, the natural gas market was historically low.
- Paratransit operations - The budget for contracted paratransit services in FY 2013-14 was \$2,188,800, a 4.7% increase from the FY 2012-13 budget. A modest increase in the contract rate and a 4% increase in projected ridership accounted for the increase.

- Farebox Recovery Ratio – California regulations require that a transit service claimant for TDA funds have a system wide ratio of fare and local revenues to operating cost of at least 20%, or that the claimant realize a farebox recovery ratio (FBRR) of 20% for fixed route service and 10% for paratransit service. The FY 2013-14 budget met the latter goal by supplementing on-board farebox receipts with local advertising revenue as well as local non-TDA funds in the form of route guarantees for fixed route service and service guarantees for paratransit service to support service to senior citizens who are not ADA eligible. Advertising revenue and route or service guarantee revenue was counted as fare and local revenues in calculating the FBRR. The FY 2013-14 budget included guarantees of \$565,000 for fixed route service and \$80,000 for paratransit service, a total of \$645,000, as well as \$200,000 in advertising revenue.
- Capital Reserve Contribution – For FY 2013-14, GCT's members were budgeted to contribute \$500,000 to GCT's capital reserve fund, a significant milestone after three consecutive years (FY 2009-10 through FY11-12) of completely deferring contributions as a result of reduced transit funding levels and the need to restore and improve service.

Member contribution - The FY 2013-14 member contribution, including both TDA and non-TDA contribution, was \$11,116,475, a 5.7% increase from the FY 2012-13 member contribution of \$10,516,668.

BUDGET HIGHLIGHTS FOR FY 2014-15, THE UPCOMING BUDGET YEAR

Effective July 1, 2014, Gold Coast Transit will cease operating as a Joint Powers Authority (JPA) and begin operating as Gold Coast Transit District, the eighteenth such district created by the California legislature. This change will impact GCT's governance structure and increase its long-term stability, but the most immediate change will be in how GCT receives Local Transportation Funds (LTF). GCT's JPA agreement allowed GCT to claim LTF allocated to its members based on revenue miles in each jurisdiction, in accordance with GCT's budget requirements. Under GCT's district legislation, GCT is entitled to claim all of the LTF allocated to its members, except that district members may claim from GCT a portion of the funds for transit services or the operation and maintenance of locally supported transit facilities. The district's by-laws, once adopted, will provide for this process. GCT and its members, working together, have implemented a procedure based on this concept in establishing this FY 2014-15 budget.

The proposed operating budget for FY 2014-15 is \$21,858,400, a 6.0% increase from the adopted FY 2013-14 budget. Ventura County LTF revenues allocated to GCT based on its members' population decreased 3.1% from FY 2013-14. This is still 33% higher than the historic recession low of FY 2010-11; however LTF funds have not returned to the pre-recession level of FY 2006-07. On the expense side, the key increase factors are increased fuel costs resulting from a combination of higher natural

gas prices and the expiration the Federal Alternative Fuel Tax Credit, and higher costs for contracted paratransit service resulting from ridership trending up toward pre-recession levels.

Budget highlights are as follows:

Revenues – GCT's primary revenue source has historically been Local Transportation Fund revenues, allocated to its member agencies based on population, from a .25% state sales tax generated by the 1971 Transportation Development Act (TDA). LTF allocated to GCT's members for the provision of transit service in FY 2014-15 is projected to be 3.1% less than in FY 2013-14.

In accordance with the process being established to allow members to claim a portion of LTF for other transit requirements such as transit services or the operation and maintenance of locally supported transit facilities, each member has submitted to GCT its LTF funding requests. Working together through GCT's Technical Advisory Committee, GCT and the members have established a baseline for recurring expenses; this baseline will be the initial basis for future years' claim requests. Requests for non-recurring expenses will be assessed and either funded in the current year or incorporated into the capital planning process.

For FY 2014-15, the full LTF allocation to GCT's members is \$14,393,437, and members' claims for recurring transit services costs total \$2,437,985, leaving \$11,955,452 available to GCT. For provision of transit services in FY 2013-14, GCT received \$11,116,175 in LTF from its members.

GCT will receive its FY 2014-15 State Transit Assistance (STA) allocation, currently estimated at \$192,694, and in addition is including in the FY 2014-15 budget another \$57,306 carried over from the previous year's allocation.

GCT's primary source of federal funding is FTA Section 5307 grant funding. The FTA's authorizing transit funding legislation is entitled MAP-21. Under MAP-21 for FY 2014-15, GCT's will receive from Section 5307 formula funding, including allocations for Jobs Access Reverse Commute (JARC) and Section 5339 (Bus and Bus Facilities), a total \$3.94M, \$100K more than GCT's FY 2013-14 allocation.

GCT's FY 2014-15 operating budget also includes funds from three (3) route-specific federal grants totaling \$1,128,200. They are Congestion Mitigation and Air Quality (CMAQ) grants for demonstration projects serving the Vineyard-Rose corridor in north Oxnard (Route 17, a three-year grant which commenced in February 2012) and the Victoria Ave. corridor from Port Hueneme to Ventura (Route 21, a three-year grant which commenced February 2013), and a Jobs Access – Reverse Commute (JARC) program grant to support the addition of the OTC/Lombard/Gonzalez/Fifth Route (Route 20, a two-and-one-half year grant commencing August 2013).

GCT will be including in its budget for the first time in FY 2014-15 revenue claimed through Ventura County to partially reimburse GCT for providing Medi-Cal eligible trips on the GCT ACCESS service. GCT has been working with Ventura County Public Health for several years to establish this program.

GCT also generates local revenue through sales of exterior bus advertising. This program continues to grow and is budgeted to provide \$225,000 in local revenue in FY 2014-15.

Labor – GCT projects a year-to-year labor budget increase of less than 1% in FY 2014-15, however this small increase relates directly to budget underruns being experienced in FY 2013-14. In the previous current budget year (FY 2013-14) labor costs were budgeted to increase 6% as the result of increased revenue service hours, additional staff positions being added, and the anticipation of modest wage increases as a result of new Memoranda of Understanding (MOUs) with SEIU Local 721 covering our three employee units. The previous MOUs were set to expire on October 31, 2013.

During FY 2013-14 revenue service did increase, however some staff additions were delayed, with the remainder offset by unanticipated staff vacancies. GCT and SEIU 721, as of this writing, have yet to reach an agreement. GCT's employees had not had a wage rate increase since 2009; non-represented employees recently received a modest increase, however negotiations with represented employees are ongoing.

As a result, GCT's labor expenditures in FY 2013-14 have been lower than anticipated. The increased labor costs GCT anticipated in the FY 2013-14 budget are incorporated into the FY 2014-15 budget. Staffing levels are anticipated to be equal to those projected in the FY 2013-14 budget except for small adjustments to the bus operators and maintenance rosters.

Boardings – The budget premise for FY 2014-15 fixed route service is 3.89 million boardings, a 4.3% increase from the FY 2013-14 budget premise of 3.73 million boardings. This would be 1.1% higher than current forecast for FY 2013-14 actual boardings at year-end.

The budget premise for FY 2014-15 paratransit service is for 90,733 boardings, a 24% increase from the FY 2013-14 budget premise of 73,100 boardings. During FY 2013-14 GCT has experienced a sharp increase in paratransit service demand; the current forecast for FY 2013-14 boardings at year-end is 83,000, compared to 70,927 in FY 2012-13. This increase in demand for service is the result of increased local ADA certifications, more riders returning to work or school as the recession eases, and a noticeable increase in service to dialysis patients. The demand increase is reflected in projected cost increases for paratransit contract service in FY 2014-15.

The budget premise for FY 2014-15 paratransit fare revenue is for \$224,100, a 34% increase from the FY 2013-14 budget. GCT has seen an increase in fares per boarding as no-charge rides decrease as a percentage of total boardings.

Service Adjustments – GCT will be implementing 1.2% more revenue service in FY 2014-15, with revenue service hours (RSH) increasing from 195,791 in FY 2013-14 to 198,165 in FY 2014-15. Revenue service miles (RSM) will increase .8%, from 2,055,691 in FY 2013-14 to 2,071,251 in FY 2014-15. The increase is the result of the service changes implemented in August 2013 being part of the service for a full twelve months in FY 2014-15.

GCT's budgeted fixed route cost per revenue hour for FY 2014-15 is \$ 95.30, a 2.6% increase from \$92.86 in the FY 2013-14 budget, and the budgeted fixed route cost per revenue mile is \$9.12, a 3.2% increase from \$8.84 in the FY 2013-14 budget.

- Fuel - The FY 2014-15 budget for fuel and lubricants is \$1,155,500, a 73% increase from the FY 2013-14 budget of \$667,400. The increase results from a combination of higher natural gas prices and the expiration of the Alternate Fuels Excise Tax Rebate on December 31, 2013. The FY 2013-14 Budget included a credit of \$254,200 for the rebate. The unit price used to calculate the FY 2014-15 budget was \$.8115 per therm, based on 15% above the wholesale price for March 2014. March 2014 represents the highest price point for natural gas fuel since 2008; considering that price was 58% higher than the March 2013 price, budgeting at 15% above that price is an appropriately conservative approach.
- Paratransit operations - The budget for contracted paratransit services in FY 2014-15 is \$2,625,200, a 20% increase from the FY 2013-14 budget. A 24% increase in projected ridership accounts for the increase, which is moderated by contract efficiencies realized as the result of higher ridership and a recent agreement with the contractor to keep rates at the FY 2013-14 level.
- Farebox Recovery Ratio – California TDA regulations require that a transit service claimant for TDA funds realize a system wide farebox recovery ratio (FBRR), the ratio of fare and local revenues to operating cost, of at least 20%, or that the claimant realize a FBRR of 20% for fixed route service and 10% for paratransit service. GCT's FY 2014-15 budget meets the latter goal by supplementing on-board farebox receipts with local advertising revenue as well as local non-TDA funds in the form of route and service guarantees. Advertising revenue and route or service guarantee revenue count as fare and local revenues in calculating the FBRR. TDA regulations allow claimants to exempt from the ratio calculation "extensions of public transportation services until two years after the end of the fiscal year in which the extension of services was put into operation." GCT's FY 2014-15 budget includes three such routes; costs and fare revenues associated with those routes are excluded from the calculation.
- Capital Reserve Contribution – For FY 2014-15, GCT's members will contribute \$250,000 to GCT's capital reserve fund. During the recent recession the capital

reserve fund went three consecutive years (FY 2009-10 through FY11-12) with no contribution as the result of reduced transit funding levels and the need to restore and improve service. GCT contributed \$1.1 million in FY 2012-13 and initially budgeted to contribute \$500,000 in FY 2013-14; a proposed budget change in June 2014 will increase that contribution by \$250,000. GCT recognizes the need to build its capital reserve so it may maintain its ability to compete for federal grants to build the agency and maintain and expand service.

BUDGET PROCESS

The proposed budget was developed by the Director of Finance and Administration in consultation with the GCT General Manager and GCT senior management team. Budget premises and a draft proposed budget were discussed and reviewed with the GCT Technical Advisory Committee (TAC) on April 16, 2014 and the Board of Directors Ad Hoc Budget and Finance Committee on April 18, 2014 before being presented for discussion and direction to the Board at the May Board Meeting on May 7, 2014. The final version was reviewed once again with the TAC on May 21, 2014.

BUDGET SUMMARY

The budget summary is displayed in Table 1, Operating Budget Summary, Revenues and Expenses, and Table 2, Operating Budget – Functional Categories. Table 1 provides a summary of both revenue and expense, categorized by both expenditure type and department, Table 2 provides a line item breakout of the expenses by type.

The budget document provides details for the operating budget in the **Expenditures** (page 14) section, the capital project budget in the **Capital Improvements** (page 17) section and the revenue sources in the **Operating Revenue** (page 26) section. These sections include tables reflecting the operating expense budgets by line item breakouts, and are accompanied by a discussion of significant cost categories. In the appendix are detailed tables of the line items by each of GCT's departments and a glossary of terms.

TABLE 1
Gold Coast Transit
Operating Budget Summary
July 1, 2014 to June 30, 2015

<u>Operating Revenues</u>	<u>FY12-13</u> <u>Budget</u>	<u>FY12-13</u> <u>Actuals</u>	<u>FY13-14</u> <u>Budget</u>	<u>Proposed</u> <u>Budget</u> <u>FY14-15</u>	<u>% +/-</u> <u>FY15 vs.</u> <u>FY14</u>
Passenger Fares-Fixed Route	\$2,845,700	\$2,708,046	\$2,870,000	\$2,993,700	+4.3%
Passenger Fares-Paratransit	\$155,800	\$170,054	\$166,600	\$224,100	+34.5%
Special Transit Fares (FR) - Member Gov'ts	\$440,000	\$200,000	\$565,000	\$350,000	(38.1%)
Special Transit Fares (PT) - Member Gov'ts	\$80,000	\$70,000	\$80,000	\$0	(100.0%)
Interest	\$12,000	\$15,758	\$18,000	\$15,000	(16.7%)
Advertising Income	\$180,000	\$219,932	\$200,000	\$225,000	+12.5%
Other	\$1,000	\$11,931	\$1,000	\$1,000	+0.0%
Operating Assistance-State	\$200,000	\$191,613	\$192,000	\$250,000	+30.2%
Operating Assistance-Local (LTF)	\$10,278,800	\$8,976,087	\$11,636,300	\$12,385,200	+6.4%
Other Local/State Assistance	\$0	\$4,463	\$0	\$0	N/A
Demo Project - Market-Valentine Shuttle	\$0	\$487	\$0	\$0	N/A
Demo Project - Vineyard Corridor Route	\$558,200	\$504,993	\$574,800	\$297,200	(48.3%)
Demo Project - Victoria Route	\$196,300	\$196,300	\$683,000	\$701,500	N/A
JARC Funding For Route 19	\$0	\$14,771	\$0	\$0	N/A
JARC Funding For Route 20	\$0	\$0	\$110,000	\$129,500	N/A
Operating Assistance-Federal	\$0	\$118,637	\$1,000,000	\$1,100,000	N/A
Preventive Maintenance-Federal	\$1,408,000	\$1,408,000	\$1,500,000	\$1,750,000	+16.7%
Paratransit Assistance-Federal	\$922,900	\$922,900	\$940,000	\$990,000	+5.3%
Planning Assistance-Federal	\$590,000	\$590,000	\$80,000	\$346,200	+332.8%
Medi-Cal Reimbursement / Paratransit	\$0	\$0	\$0	\$100,000	N/A
Other Fed Grants and Reimbursements	\$0	\$34,087	\$0	\$0	N/A
TOTAL	\$17,868,700	\$16,358,059	\$20,616,700	\$21,858,400	+6.0%
<u>Operating Expenses</u>	<u>FY12-13</u> <u>Budget</u>	<u>FY12-13</u> <u>Actuals</u>	<u>FY13-14</u> <u>Budget</u>	<u>Proposed</u> <u>Budget</u> <u>FY14-15</u>	<u>% +/-</u> <u>FY15 vs.</u> <u>FY14</u>
<u>FUNCTIONAL CATEGORIES</u>					
Employee Support	13,227,000	12,235,200	15,061,300	15,200,100	+0.9%
Service/Supplies - Operational	3,862,600	3,441,781	4,517,500	5,611,900	+24.2%
Service/Supplies - Support	1,019,100	961,493	1,037,900	1,046,400	+0.8%
<u>DEPARTMENT CATEGORIES</u>					
Fixed Route	9,867,100	9,171,277	11,460,200	11,915,500	+4.0%
Paratransit	2,261,600	2,233,641	2,434,800	2,974,200	+22.2%
Maintenance	3,154,200	2,471,205	3,462,800	3,582,600	+3.5%
Administration	2,011,400	1,918,049	2,331,400	2,414,400	+3.6%
Planning and Marketing	814,400	848,095	927,500	971,700	+4.8%
TOTAL	18,108,700	16,642,267	20,616,700	21,858,400	+6.0%
Total Fixed Route	15,847,100	14,408,626	18,181,900	18,884,200	+3.9%
Total Paratransit	2,261,600	2,233,641	2,434,800	2,974,200	+22.2%
Farebox Recovery Ratio	19%	18%	17%	18.9%	
FRR Fixed Route	21%	20%	20%	20.3%	
FRR Paratransit	10%	11%	10%	11.2%	

TABLE 2

Gold Coast Transit
Operating Budget – Functional Categories
July 1, 2014 to June 30, 2015

	<u>FY12-13</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>Proposed</u>	<u>% +/-</u>
	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY15 vs.</u>
<u>Employee Support</u>				<u>FY14-15</u>	<u>FY14</u>
Salaries	8,711,400	8,105,115	10,027,900	10,058,200	+0.3%
Health Benefits	1,444,100	1,398,228	1,668,600	1,671,400	+0.2%
WCI	800,000	715,583	860,000	895,500	+4.1%
Retirement	1,791,100	1,660,410	2,023,900	2,065,100	+2.0%
Other Benefits	277,800	164,625	263,700	287,600	+9.1%
Uniforms	63,700	42,952	73,300	76,500	+4.4%
Medical Exams	38,900	33,605	40,400	42,800	+5.9%
Safety & Training	82,000	45,654	80,500	86,000	+6.8%
Contracts	<u>18,000</u>	<u>69,028</u>	<u>23,000</u>	<u>17,000</u>	<u>(26.1%)</u>
TOTAL	\$13,227,000	\$12,235,200	\$15,061,300	\$15,200,100	+0.9%
				<u>Proposed</u>	<u>% +/-</u>
	<u>FY12-13</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>Budget</u>	<u>FY15 vs.</u>
<u>Service/Supplies - Operational</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>FY14-15</u>	<u>FY14</u>
Fuel/Lubricants	158,600	154,172	667,400	1,155,500	+73.1%
Tires	155,000	104,467	147,000	165,000	+12.2%
Repair Parts	600,000	421,678	585,000	667,000	+14.0%
CNG Fuel Station	150,000	52,950	130,000	130,000	+0.0%
Paratransit Service Contract	2,090,700	2,041,702	2,188,800	2,625,200	+19.9%
Contract Repair	310,000	206,305	315,000	300,000	(4.8%)
Contract Services	134,500	182,190	195,500	185,000	(5.4%)
Supplies	137,300	138,197	135,800	154,500	+13.8%
Tickets/Schedules	63,000	50,252	61,000	80,500	+32.0%
Marketing	38,000	69,989	38,000	102,700	+170.3%
OTC Facilities *	11,500	10,631	34,000	24,000	(29.4%)
Maintenance Agreements	14,000	9,249	20,000	22,500	+12.5%
Warranty Recovery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+0.0%</u>
TOTAL	\$3,862,600	\$3,441,781	\$4,517,500	\$5,611,900	+24.2%
				<u>Proposed</u>	<u>% +/-</u>
	<u>FY12-13</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>Budget</u>	<u>FY15 vs.</u>
<u>Service/Supplies - Support</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>FY14-15</u>	<u>FY14</u>
Telephones/Utilities	176,100	158,680	176,500	188,800	+7.0%
Insurance	513,000	480,630	523,500	536,400	+2.5%
Contract Services	68,000	50,672	68,000	70,000	+2.9%
Supplies	74,000	142,370	78,700	73,200	(7.0%)
Legal	93,000	43,854	91,200	76,000	(16.7%)
Audit	23,000	19,358	20,000	21,000	+5.0%
Officers & Directors	36,000	31,263	36,000	36,000	+0.0%
Dues	<u>36,000</u>	<u>34,666</u>	<u>44,000</u>	<u>45,000</u>	<u>+2.3%</u>
TOTAL	\$1,019,100	\$961,493	\$1,037,900	\$1,046,400	+0.8%
GRAND TOTAL	\$18,108,700	\$16,638,474	\$20,616,700	\$21,858,400	+6.0%

EXPENDITURES

Employees – Support

The proposed budget for employee support shows an increase of \$138,800 (.9%). This modest increase is the result of very little change in the budget premises for the cost drivers from the FY 2013-14 budget. Service and staffing premises are essentially unchanged at FY2013-14 levels except for the Board-approved addition of a grant-funded Project Manager for GCT new facility project. While it is anticipated that labor costs will increase in FY 2014-15 as the result of new union MOUs currently under negotiation, those increases were largely anticipated and included in the FY 2013-14 budget premises.

GCT's workers' compensation coverage is obtained through the County Supervisors Association of California Excess Insurance Authority (CSAC-EIA), and the 4.1% increase in Workers' Comp Insurance (WCI) is attributable to industry rate increases.

GCT's CalPERS employer contribution rate will increase .754%, from 14.967% in FY 2013-14 to 15.721% in FY 2014-15. Cost savings from employee-portion cost sharing from those GCT employees hired during or after November 2011 provide a small but growing offset to the rate increase. Effective in July 2014, all GCT non-represented employees will begin contributing toward their pensions. GCT's Memoranda of Understanding (MOUs) with SEIU Local 721 covering our three employee units remain in negotiations.

Last year It was anticipated that the implementation of the statewide Public Employees Pension Reform Act (PEPRA) covering new employees hired into the CalPERS system after January 1, 2013 would eventually help to slow the growth in GCT's pension costs, however the application of PEPRA to transit agencies that accept federal funds (such as GCT) was challenged by the Federal Department of Labor in 2013. To end a stalemate that threatened federal transit funds for California transit agencies the state passed AB1222, which excludes transit employees from PEPRA until the matter is adjudicated. The case (State of California, et al. v. US Department of Labor et al.) is pending.

GCT anticipates beginning the fiscal year with approximately 131-133 bus operators and maintaining at approximately that level throughout FY 2014-15. Operator headcount is driven by service levels and other variables, and actual headcount typically will vary throughout the year. Non-operator headcount is projected to be 58.5. Table 3 shows the Employee Support expense budget.

TABLE 3

**Gold Coast Transit
Employee Support Expenses
July 1, 2014 to June 30, 2015**

<u>Employee Support</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>	<u>% +/- FY15 vs. FY14</u>
Salaries	8,711,400	8,105,115	10,027,900	10,058,200	+0.3%
Health Benefits	1,444,100	1,398,228	1,668,600	1,671,400	+0.2%
WCI	800,000	715,583	860,000	895,500	+4.1%
Retirement	1,791,100	1,660,410	2,023,900	2,065,100	+2.0%
Other Benefits	277,800	164,625	263,700	287,600	+9.1%
Uniforms	63,700	42,952	73,300	76,500	+4.4%
Medical Exams	38,900	33,605	40,400	42,800	+5.9%
Safety & Training	82,000	45,654	80,500	86,000	+6.8%
Contracts	<u>18,000</u>	<u>69,028</u>	<u>23,000</u>	<u>17,000</u>	<u>(26.1%)</u>
TOTAL	\$13,227,000	\$12,235,200	\$15,061,300	\$15,200,100	+0.9%

Service/Supplies – Operational

The proposed budget for Service/Supplies - Operational shows an increase of \$1,094,400 (24.2%) from FY 2013-14. The increase is largely from two line items - fuel and paratransit service.

Low fuel costs from a combination of historically low natural gas prices, GCT owning and operating its CNG dispensing station and the availability of the Federal Alternate Fuels Excise Tax Rebate was a major factor in allowing GCT to maintain service levels during the economic downturn. For FY 2014-15 the rebate has expired and natural gas prices have increased – using a similar formula the budget premise for FY 2014-15 is 37% higher than for FY 2013-14. Prices have dropped recently but recognizing the volatility of the natural gas market GCT has left its premise unchanged.

The budget for contracted paratransit services in FY 2014-15 is \$2,625,200, a 20% increase from the FY 2013-14 budget. This increase is entirely the result of a projected 24% increase in ridership from the FY 2013-14 budget premise, from 73,100 to 90,733. During FY 2013-14 GCT has experienced a sharp increase in paratransit service demand; the current forecast for FY 2013-14 boardings at year-end is 83,000, compared to 70,927 in FY 2012-13. This increase in demand for service is the result of increased local ADA certifications, more riders returning to work or school as the recession eases, and a noticeable increase in service to dialysis patients.

A projected increase in repair parts expense reflects one of GCT's bus fleets going out of warranty for major components as well as GCT performing more major repair work in-house. A projected increase in marketing expense reflects a number of work initiatives

for FY 2014-15, including updating the “guide-a-ride” panels at bus stops and redesigning GCT website.

Table 4 shows the Operational Service/Supply expense budget.

TABLE 4
Gold Coast Transit
Service/Supplies – Operational Expenses
July 1, 2014 to June 30, 2015

<u>Service/Supplies -</u>	<u>FY12-13</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>Proposed</u>	<u>% +/-</u>
<u>Operational</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY15 vs.</u>
				<u>FY14-15</u>	<u>FY14</u>
Fuel/Lubricants	158,600	154,172	667,400	1,155,500	+73.1%
Tires	155,000	104,467	147,000	165,000	+12.2%
Repair Parts	600,000	421,678	585,000	667,000	+14.0%
CNG Fuel Station	150,000	52,950	130,000	130,000	+0.0%
Paratransit Service Contract	2,090,700	2,041,702	2,188,800	2,625,200	+19.9%
Contract Repair	310,000	206,305	315,000	300,000	(4.8%)
Contract Services	134,500	182,190	195,500	185,000	(5.4%)
Supplies	137,300	138,197	135,800	154,500	+13.8%
Tickets/Schedules	63,000	50,252	61,000	80,500	+32.0%
Marketing	38,000	69,989	38,000	102,700	+170.3%
OTC Facilities *	11,500	10,631	34,000	24,000	(29.4%)
Maintenance Agreements	14,000	9,249	20,000	22,500	+12.5%
Warranty Recovery	0	0	0	0	+0.0%
TOTAL	\$3,862,600	\$3,441,781	\$4,517,500	\$5,611,900	+24.2%

* OTC - Oxnard Transportation Center

Service/Supplies – Support

The proposed budget for service/supplies support in FY 2014-15 shows an increase of \$8,500 (.8%) from FY2013-14, primarily due to small increases in GCT’s utility/telecommunications expense and insurance expense. GCT’s overall higher level of general, labor and employment counsel activities over the past few years is expected to continue into FY2014-15 but at a somewhat lower level.

Budgeted costs for general liability and property damage insurance will be flat in FY 2014-15 compared to FY 2013-14. GCT belongs to the California Transit Systems Joint Powers Authority (formerly known as the California Transit Insurance Pool), or CalTIP, a joint powers insurance authority consisting of thirty-five member transit operators joining together to provide more stable, cost-effective risk financing and risk management services. For FY 2013-14 as in prior years, GCT will benefit from an adjustment for certain prior years having closed with lower-than-expected claims.

Table 5 shows the Support Service and Supply expense budget.

TABLE 5

**Gold Coast Transit
Service/Supplies – Support Expenses
July 1, 2014 to June 30, 2015**

	<u>FY12-13</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>Proposed</u> <u>Budget</u>	<u>% +/-</u> <u>FY15 vs.</u>
<u>Service/Supplies - Support</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>FY14-15</u>	<u>FY14</u>
Telephones/Utilities	176,100	158,680	176,500	188,800	+7.0%
Insurance	513,000	480,630	523,500	536,400	+2.5%
Contract Services	68,000	50,672	68,000	70,000	+2.9%
Supplies	74,000	142,370	78,700	73,200	(7.0%)
Legal	93,000	43,854	91,200	76,000	(16.7%)
Audit	23,000	19,358	20,000	21,000	+5.0%
Officers & Directors	36,000	31,263	36,000	36,000	+0.0%
Dues	<u>36,000</u>	<u>34,666</u>	<u>44,000</u>	<u>45,000</u>	<u>+2.3%</u>
TOTAL	\$1,019,100	\$961,493	\$1,037,900	\$1,046,400	+0.8%

CAPITAL IMPROVEMENTS

Capital Project Funding

GCT capital projects are typically funded by a combination of Federal, State and local matching funds. FTA Section 5307 funds are provided for capital projects, typically at 80% of the cost, with a 20% required local match. For certain projects, Congestion Mitigation and Air Quality (CMAQ) funds are provided; CMAQ funds vary from 75% to 100% of the project cost with any remainder made up from local matching funds. CMAQ funding may be used for the purchase of alternative fuel buses (such as CNG).

GCT historically has been eligible to apply for funds under FTA Section 5309, which provided a discretionary allocation for bus-related capital projects. GCT's \$15 million new facility grant in 2011 was a Section 5309 grant. The current FTA transit funding authorizing legislation, MAP-21, is a two-year authorization bill passed in 2012. This bill restructured federal transit funding in a number of areas which generally favored larger and rail-oriented transit providers. By reallocating Section 5309 Bus and Bus Facilities funding, formerly used to fund larger competitive project grants, to Section 5339 formula funds, MAP-21 resulted in a small net increase to GCT annual formula funding but at the same time reduced GCT's ability to pursue the type of grants that will be required for GCT to fund much of this Capital Plan.

State funds for capital projects are provided under the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), created by Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. PTMISEA-funded projects typically do not require a local funding component.

In FY 2009-10 GCT received \$7.5 million under the American Recovery and Reinvestment Act (ARRA), commonly known as stimulus funds. The ARRA program was initiated by the federal government to fund infrastructure investments and create jobs. Stimulus funds did not require local match, so they may be used to fund 100% of a project. Several projects scheduled for completion in FY 2013-14 are funded by an ARRA grant that will expire in 2014.

Local matching funds are provided through the GCT Capital Reserve. The capital reserve allows funding for major capital projects to be planned and funded in advance without placing sudden or excessive demands on local funding sources. As recently as FY 2008-09, the approved annual allocation from LTF to the GCT Capital Reserve fund was \$1,200,000. For three consecutive years, from FY 2009-10 through FY 2011-12, annual allocations to the GCT Capital Reserve fund were deferred in their entirety in response to the economic recession and state funding crisis. In FY 2012-13 GCT reinstated the capital reserve contribution and contributed \$1,100,000. The budgeted capital reserve contribution for FY 2013-14 is \$500,000, with a proposed budget change in June 2014 for an additional \$250,000, and the proposed contribution for FY 2014-15 is \$250,000.

The capital reserve fund balance on April 30, 2014 was \$3,326,342.

Ten-Year Capital Project Plan

A capital project plan has been developed to ensure that:

- GCT plans for the necessary fleet, facilities and equipment to provide service in a safe and cost efficient manner;
- Capital costs are identified and programmed in advance and distributed throughout a number of fiscal cycles to avoid sudden or excessive demand on local funding sources;
- A capital reserve is established to allow for major procurements without sudden or excessive demand on funding sources. Although most of GCT's major capital investments are made using grant funding, many grants (including most Federal grants) require the agency to provide matching funds; and
- Long lead times required for certain tasks are understood and accommodated. The development of specifications and the required competitive procurement process for selecting a bus manufacturer can easily take six to twelve months. It may take the manufacturer another one to two years to build a transit bus.

Proposed Capital Projects

The most significant item in the FY 2014-15 ten-year capital project is a new Maintenance and Operations facility for GCT. The existing facility is operating well above its designed capacity; it is far smaller than the industry standard for our current fleet and service level, and both staffing and service expansion while remaining on the existing site is not feasible.

GCT has \$26.7 million in identified funding for this project, including a \$15 million federal grant for property acquisition, design and construction of a new maintenance and operations facility announced by the FTA in October 2011. Also included is \$9.7M in California Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) funds generated from Proposition 1B in 2006; GCT has already received \$4.1M of this funding, with the remainder programmed by 2015. The current full project cost estimate is \$62.5 million. GCT has applied for a Federal TIGER grant for the remaining funding requirement, and has also begun to engage the project finance community to assess our alternative financing options.

Other significant items on the ten-year capital project plan include provision of expansion buses for anticipated service growth, periodic additions to and replacement of our bus and service vehicle fleets, major bus fleet refurbishment and periodic routine replacement of GCT's paratransit fleet.

The total projected cost for all items on the ten-year capital project plan is \$131.2 million, which includes \$62.5 million for the new facility project, \$11.2 of programmed projects for which funding has been identified (listed in Table 6) and \$57.5 million of programmed projects (listed in Table 7) for which funding has not yet been identified. GCT anticipates having \$4.1 in capital reserves at FY 2013-14 year end.

Historically the Federal government has authorized its transit capital funding programs in five or six-year authorization cycles. As previously discussed, the current authorizing legislation, MAP-21, reallocated Section 5309 Bus and Bus Facilities funding to Section 5339 formula funds, reducing GCT's ability to pursue the type of grants that will be required for GCT to fund much of this Capital Plan. Industry groups representing small operators such as GCT have been working with congressional leaders to address this issue for the next authorization.

Table 6 details the programming for GCT's planned new facility, Table 7 shows a list of projects on the ten-year capital project plan for which funding has been identified, and Table 8 reflects those items in the ten-year capital project plan which are programmed but for which funding has not currently been identified. Table 9 provides summary-level data for the entire plan, and Table 10 details the revenue vehicle programming.

TABLE 6
Gold Coast Transit
Ten-Year Capital Project Plan –New Facility Funding Program

<u>Description</u>	<u>Funding Type</u>	<u>Federal</u>	<u>State - PTMISEA/ PROP 1B - Funded</u>	<u>State - PTMISEA/ PROP 1B - Committed</u>	<u>Local / Other</u>	<u>Total</u>
New Facility Requirements Planning	5309 Funds - Funded	\$475,000			\$118,750	\$593,750
New Operations & Administration Facility	5307 Funds - Funded	\$400,000	\$83,407		\$16,593	\$500,000
New Operations & Administration Facility	5307 Funds - Committed	\$100,000	\$25,000			\$125,000
New Operations & Administration Facility	5309 Funds - Committed	\$15,000,000	\$3,750,000			\$18,750,000
TIGER Grant (Applied) and/or Other	TIGER Grant (Applied) and/or Other	\$33,000,000	\$190,000	\$5,610,000	\$3,731,250	\$42,531,250
TOTAL		\$48,975,000	\$4,048,407	\$5,610,000	\$3,866,593	\$62,500,000
<hr/>						
SUBTOTAL - Funded		\$875,000	\$4,048,407	\$0	\$135,343	\$5,058,750
SUBTOTAL - Funds Committed		\$15,100,000	\$0	\$5,610,000	\$0	\$20,710,000
SUBTOTAL - Applied or Other (Not Identified)		\$33,000,000	\$0	\$0	\$3,731,250	\$36,731,250
Project Total		<u>\$48,975,000</u>	<u>\$4,048,407</u>	<u>\$5,610,000</u>	<u>\$3,866,593</u>	<u>\$62,500,000</u>

TABLE 7
Gold Coast Transit
Ten-Year Capital Project Plan – Projects with Identified Funding

	<u>Status</u>	<u>Federal</u>	<u>State</u>	<u>Local / Other</u>	<u>Total</u>
Fare Collection/APC Systems	ARRA - Expend in 2014	\$306,857		\$0	\$306,857
Renovate Existing GCT Facility	ARRA - Expend in 2014	\$30,459		\$0	\$30,459
Business Systems Upgrade	5307 Funds - FY2013-14	\$280,000		\$70,000	\$350,000
Service Vehicle	5307 Funds - FY2013-14	\$20,000		\$5,000	\$25,000
Replace Bus Cooling Systems	5307 Prev. Maint. Funds - FY2013-14	\$400,000		\$100,000	\$500,000
Miscellaneous Support Equipment	5307 Funds - FY2012-13	\$120,000		\$30,000	\$150,000
Automatic Vehicle Stop Annunciators	PTMISEA - Funded		\$577,029	\$0	\$577,029
Operator Training Module (To be Redeployed)	PTMISEA - Funded		\$90,301	\$0	\$90,301
New Facility Safety & Security / CSC Remodel	PTMISEA - Funded		\$24,071	\$0	\$24,071
Replace Older NABI Transit Buses (11)	PTMISEA - Funded / Federal CMAQ: Pending	\$3,040,000	\$3,560,990	\$0	\$6,600,990
Replace Paratransit Vehicles - 2014 Funding	PTMISEA - Pending		\$866,667		\$866,667
Replace Paratransit Vehicles - Pending Funding	PTMISEA - Pending		\$1,733,333		\$1,733,333
TOTAL		<u>\$4,197,316</u>	<u>\$6,852,391</u>	<u>\$205,000</u>	<u>\$11,254,707</u>

TABLE 8
Gold Coast Transit
Ten-Year Capital Project Plan – Projects Programmed / Funding Not Identified

<u>Project/Project Year</u>	<u>Budget Year</u>	<u>Federal</u>	<u>State</u>	<u>Local / Other</u>	<u>Total</u>	<u>Project Type</u>
<u>FY 2015-16</u>						
Bus Component Rebuild Program	2015-16	\$572,000		\$142,000	\$714,000	Bus Major Repair
Expansion Transit Buses (5)	2015-16	\$2,240,000		\$560,000	\$2,800,000	New Buses
Miscellaneous Support Equipment	2015-16	\$85,000		\$21,000	\$106,000	Bldgs & Equipment
Service Vehicles (5)	2015-16	\$120,000		\$30,000	\$150,000	Service Vehicles
Supervisor Van	2015-16	<u>\$45,000</u>		<u>\$11,000</u>	<u>\$56,000</u>	Service Vehicles
		\$3,062,000		\$764,000	\$3,826,000	
<u>FY 2016-17</u>						
Bus Component Rebuild Program	2016-17	\$586,000		\$146,000	\$732,000	Bus Major Repair
Expansion Transit Buses (5)	2016-17	\$2,296,000		\$574,000	\$2,870,000	New Buses
Maintenance Support Vehicles	2016-17	\$37,000		\$9,000	\$46,000	Service Vehicles
Miscellaneous Support Equipment	2016-17	\$88,000		\$21,000	\$109,000	Bldgs & Equipment
Service Vehicles (5)	2016-17	\$124,000		\$31,000	\$155,000	Service Vehicles
Supervisor Vehicle	2016-17	<u>\$45,000</u>		<u>\$11,000</u>	<u>\$56,000</u>	Service Vehicles
		\$3,176,000		\$792,000	\$3,968,000	
<u>FY 2017-18</u>						
Bus Component Rebuild Program	2017-18	\$600,000		\$150,000	\$750,000	Bus Major Repair
Expansion Transit Buses (4)	2017-18	\$1,882,000		\$470,000	\$2,352,000	New Buses
Miscellaneous Support Equipment	2017-18	\$90,000		\$22,000	\$112,000	Bldgs & Equipment
Replacement Paratransit Buses (8)	2017-18	\$768,000		\$192,000	\$960,000	Paratransit Vehicles
Replacement Transit Buses (9)	2017-18	\$4,234,000		\$1,058,000	\$5,292,000	New Buses
Service Vehicles (5)	2017-18	\$128,000		\$32,000	\$160,000	Service Vehicles
Supervisor Van	2017-18	<u>\$46,000</u>		<u>\$11,000</u>	<u>\$57,000</u>	Service Vehicles
		\$7,748,000		\$1,935,000	\$9,683,000	
<u>FY 2018-19</u>						
Bus Component Rebuild Program	2018-19	\$615,000		\$153,000	\$768,000	Bus Major Repair
Expansion Transit Buses (4)	2018-19	\$1,930,000		\$482,000	\$2,412,000	New Buses
Miscellaneous Support Equipment	2018-19	\$92,000		\$23,000	\$115,000	Bldgs & Equipment
Replacement Paratransit Buses (8)	2018-19	\$788,000		\$196,000	\$984,000	Paratransit Vehicles
Replacement Transit Buses (9)	2018-19	\$4,342,000		\$1,085,000	\$5,427,000	New Buses
Supervisor Vehicle	2018-19	<u>\$47,000</u>		<u>\$11,000</u>	<u>\$58,000</u>	Service Vehicles
		\$7,814,000		\$1,950,000	\$9,764,000	
<u>FY 2019-20</u>						
Bus Component Rebuild Program	2019-20	\$629,000		\$157,000	\$786,000	Bus Major Repair
Maintenance Support Vehicles	2019-20	\$95,000		\$23,000	\$118,000	Service Vehicles
Miscellaneous Support Equipment	2019-20	\$95,000		\$23,000	\$118,000	Bldgs & Equipment
Replacement Transit Buses (8)	2019-20	\$3,956,000		\$988,000	\$4,944,000	New Buses
Service Vehicles (3)	2019-20	\$82,000		\$20,000	\$102,000	Service Vehicles
Supervisor Van	2019-20	<u>\$48,000</u>		<u>\$11,000</u>	<u>\$59,000</u>	Service Vehicles
		\$4,905,000		\$1,222,000	\$6,127,000	

TABLE 8 (continued)
Gold Coast Transit
Ten-Year Capital Project Plan – Projects Programmed / Funding Not Identified

<u>Project/Project Year</u>	<u>Budget Year</u>	<u>Federal</u>	<u>State</u>	<u>Local / Other</u>	<u>Total</u>	<u>Project Type</u>
<u>FY 2020-21</u>						
Bus Component Rebuild Program	2020-21	\$644,000		\$160,000	\$804,000	Bus Major Repair
Expansion Transit Buses (4)	2020-21	\$2,026,000		\$506,000	\$2,532,000	New Buses
Miscellaneous Support Equipment	2020-21	\$97,000		\$24,000	\$121,000	Bldgs & Equipment
Replacement Paratransit Buses (8)	2020-21	\$826,000		\$206,000	\$1,032,000	Paratransit Vehicles
Replacement Transit Buses (9)	2020-21	\$4,558,000		\$1,139,000	\$5,697,000	New Buses
Supervisor Vehicle	2020-21	<u>\$48,000</u>		<u>\$12,000</u>	<u>\$60,000</u>	Service Vehicles
		\$8,199,000		\$2,047,000	\$10,246,000	
<u>FY 2021-22</u>						
Bus Component Rebuild Program	2021-22	\$658,000		\$164,000	\$822,000	Bus Major Repair
Miscellaneous Support Equipment	2021-22	\$100,000		\$24,000	\$124,000	Bldgs & Equipment
Replacement Transit Buses (8)	2021-22	\$4,154,000		\$1,038,000	\$5,192,000	New Buses
Service Vehicles (3)	2021-22	\$87,000		\$21,000	\$108,000	Service Vehicles
Supervisor Van	2021-22	<u>\$50,000</u>		<u>\$12,000</u>	<u>\$62,000</u>	Service Vehicles
		\$5,049,000		\$1,259,000	\$6,308,000	
<u>FY 2022-23</u>						
Bus Component Rebuild Program	2022-23	\$672,000		\$168,000	\$840,000	Bus Major Repair
Maintenance Support Vehicles	2022-23	\$102,000		\$25,000	\$127,000	Service Vehicles
Miscellaneous Support Equipment	2022-23	\$102,000		\$25,000	\$127,000	Bldgs & Equipment
Supervisor Vehicle	2022-23	\$52,000		\$12,000	\$64,000	Service Vehicles
Expansion Transit Buses (4)	2022-23	<u>\$2,128,000</u>		<u>\$532,000</u>	<u>\$2,660,000</u>	New Buses
		\$3,056,000		\$762,000	\$3,818,000	
<u>FY 2023-24</u>						
Bus Component Rebuild Program	2023-24	\$692,000		\$172,000	\$864,000	Bus Major Repair
Miscellaneous Support Equipment	2023-24	\$104,000		\$26,000	\$130,000	Bldgs & Equipment
Expansion Transit Buses (4)	2023-24	<u>\$2,183,000</u>		<u>\$545,000</u>	<u>\$2,728,000</u>	New Buses
		\$2,979,000		\$743,000	\$3,722,000	
TOTAL		<u>\$45,988,000</u>	<u>\$0</u>	<u>\$11,474,000</u>	<u>\$57,462,000</u>	

TABLE 9
Gold Coast Transit
Ten-Year Capital Project Plan – Summary Tables

<u>Funding Year</u>	<u>Federal</u>	<u>State</u>	<u>Local/ Other</u>	<u>Total</u>
New Facility	\$48,975,000	\$9,658,407	\$3,866,593	\$62,500,000
Other Projects/Identified Funding	\$4,197,316	\$6,852,391	\$205,000	\$11,254,707
FY 2015-16	\$3,062,000		\$764,000	\$3,826,000
FY 2016-17	\$3,176,000		\$792,000	\$3,968,000
FY 2017-18	\$7,748,000		\$1,935,000	\$9,683,000
FY 2018-19	\$7,814,000		\$1,950,000	\$9,764,000
FY 2019-20	\$4,905,000		\$1,222,000	\$6,127,000
FY 2020-21	\$8,199,000		\$2,047,000	\$10,246,000
FY 2021-22	\$5,049,000		\$1,259,000	\$6,308,000
FY 2022-23	\$3,056,000		\$762,000	\$3,818,000
FY 2023-24	\$2,979,000		\$743,000	\$3,722,000
Total - All Projects	<u>\$99,160,316</u>	<u>\$16,510,798</u>	<u>\$15,545,593</u>	<u>\$131,216,707</u>
<u>by Funding Status</u>				
New Facility / Funding Identified	\$15,975,000	\$9,658,407	\$135,343	\$25,768,750
New Facility / Funding NOT Identified	\$33,000,000		\$3,731,250	\$36,731,250
Other Projects Programmed / Funding Identified	\$4,197,316	\$6,852,391	\$205,000	\$11,254,707
Other Projects Programmed / Funding NOT Identified	<u>\$45,988,000</u>	<u>\$0</u>	<u>\$11,474,000</u>	<u>\$57,462,000</u>
	<u>\$99,160,316</u>	<u>\$16,510,798</u>	<u>\$15,545,593</u>	<u>\$131,216,707</u>
<u>by Project Type</u>				
New Facility	\$48,975,000	\$9,658,407	\$3,866,593	\$62,500,000
New Buses	\$38,969,000	\$3,560,990	\$8,977,000	\$51,506,990
New Paratransit Vehicles	\$2,382,000	\$2,600,000	\$594,000	\$5,576,000
On-Board Equipment	\$306,857	\$667,330	\$0	\$974,187
Bus Major Repair	\$6,068,000	\$0	\$1,512,000	\$7,580,000
Bldgs & Equipment	\$1,003,459	\$24,071	\$239,000	\$1,266,530
Service Vehicles	\$1,176,000	\$0	\$287,000	\$1,463,000
Other	<u>\$280,000</u>	<u>\$0</u>	<u>\$70,000</u>	<u>\$350,000</u>
Total - All Projects	<u>\$99,160,316</u>	<u>\$16,510,798</u>	<u>\$15,545,593</u>	<u>\$131,216,707</u>
<u>Local Funding</u>				
Total Required		<u>\$131,216,707</u>		
Total Funded				
Federal		\$20,172,316		
State		\$16,510,798		
Projected Capital Reserve - June 30, 2013		\$4,074,000		
Remaining to Fund		<u>\$90,459,593</u>		

TABLE 10
Gold Coast Transit
Ten-Year Capital Project Plan – Programmed Vehicle Procurements

<u>Project</u>	<u>Funding Year</u>	<u>Federal</u>	<u>State</u>	<u>Local/ Other</u>	<u>Total</u>
<i>New Fixed Route Buses</i>					
Replace Older NABI Transit Buses (11)	PTMISEA - Funded / Federal	\$3,040,000	\$3,560,990	\$0	\$6,600,990
Replacement Transit Buses (9)	2017-18	\$4,234,000		\$1,058,000	\$5,292,000
Replacement Transit Buses (9)	2018-19	\$4,342,000		\$1,085,000	\$5,427,000
Replacement Transit Buses (9)	2020-21	\$4,558,000		\$1,139,000	\$5,697,000
Replacement Transit Buses (8)	2019-20	\$3,956,000		\$988,000	\$4,944,000
Replacement Transit Buses (8)	2021-22	\$4,154,000		\$1,038,000	\$5,192,000
Expansion Transit Buses (5)	2015-16	\$2,240,000		\$560,000	\$2,800,000
Expansion Transit Buses (5)	2016-17	\$2,296,000		\$574,000	\$2,870,000
Expansion Transit Buses (4)	2017-18	\$1,882,000		\$470,000	\$2,352,000
Expansion Transit Buses (4)	2018-19	\$1,930,000		\$482,000	\$2,412,000
Expansion Transit Buses (4)	2020-21	\$2,026,000		\$506,000	\$2,532,000
Expansion Transit Buses (4)	2022-23	\$2,128,000		\$532,000	\$2,660,000
Expansion Transit Buses (4)	2023-24	<u>\$2,183,000</u>		<u>\$545,000</u>	<u>\$2,728,000</u>
		\$38,969,000	\$3,560,990	\$8,977,000	\$51,506,990
<i>New Paratransit Vehicles</i>					
Replace Paratransit Vehicles	PTMISEA - 2014		\$866,667		\$866,667
Replace Paratransit Vehicles	PTMISEA - Pending		\$1,733,333		\$1,733,333
Replacement Paratransit Buses (8)	2017-18	\$768,000		\$192,000	\$960,000
Replacement Paratransit Buses (8)	2018-19	\$788,000		\$196,000	\$984,000
Replacement Paratransit Buses (8)	2020-21	<u>\$826,000</u>		<u>\$206,000</u>	<u>\$1,032,000</u>
		\$2,382,000	\$2,600,000	\$594,000	\$5,576,000
<i>Service Vehicles</i>					
Service Vehicle	5307 Funds - FY2013-14	\$20,000		\$5,000	\$25,000
Service Vehicles (5)	2015-16	\$120,000		\$30,000	\$150,000
Supervisor Van	2015-16	\$45,000		\$11,000	\$56,000
Maintenance Support Vehicles	2016-17	\$37,000		\$9,000	\$46,000
Service Vehicles (5)	2016-17	\$124,000		\$31,000	\$155,000
Supervisor Vehicle	2016-17	\$45,000		\$11,000	\$56,000
Service Vehicles (5)	2017-18	\$128,000		\$32,000	\$160,000
Supervisor Van	2017-18	\$46,000		\$11,000	\$57,000
Supervisor Vehicle	2018-19	\$47,000		\$11,000	\$58,000
Maintenance Support Vehicles	2019-20	\$95,000		\$23,000	\$118,000
Service Vehicles (3)	2019-20	\$82,000		\$20,000	\$102,000
Supervisor Van	2019-20	\$48,000		\$11,000	\$59,000
Supervisor Vehicle	2020-21	\$48,000		\$12,000	\$60,000
Service Vehicles (3)	2021-22	\$87,000		\$21,000	\$108,000
Supervisor Van	2021-22	\$50,000		\$12,000	\$62,000
Maintenance Support Vehicles	2022-23	\$102,000		\$25,000	\$127,000
Supervisor Vehicle	2022-23	<u>\$52,000</u>		<u>\$12,000</u>	<u>\$64,000</u>
		\$1,176,000	\$0	\$287,000	\$1,463,000

Depreciation

Capital assets are depreciated over the course of their useful life. Table 11 is the depreciation schedule for FY 2014-15.

TABLE 11

**Gold Coast Transit - Depreciation Schedule
July 1, 2014 to June 30, 2015**

<u>Item</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>
Facility	478,960	486,881	478,960	494,781
Buses	1,794,665	1,795,746	1,794,665	1,604,163
Other Vehicles	73,511	67,160	73,511	38,428
Shop Equipment	25,700	17,621	25,700	19,478
Office/Other Equipment	130,901	126,830	130,901	233,107
OTC Improvements	0	0	0	5,000
Intangible Assets	0	13,134	13,134	8,756
Paratransit Revenue Vehicles	401,972	399,106	401,972	54,200
Paratransit Other Equipment	<u>21,996</u>	<u>4,818</u>	<u>21,996</u>	<u>0</u>
Total Depreciation	\$2,927,705	\$2,911,297	\$2,940,839	\$2,457,913

OPERATING REVENUE

Funding for GCT operating activities is derived from several sources, including passenger fares; local, state and federal funds; bus advertising sales and interest income and gain on disposed property. Table 12 reflects the revenue for operating activities in FY 2014-15.

TABLE 12

**Gold Coast Transit
Operating and Planning Revenue
July 1, 2014 to June 30, 2015**

<u>Operating Revenues</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>	<u>% +/- FY15 vs. FY14</u>
Passenger Fares-Fixed Route	\$2,845,700	\$2,708,046	\$2,870,000	\$2,993,700	+4.3%
Passenger Fares-Paratransit	\$155,800	\$170,054	\$166,600	\$224,100	+34.5%
Special Transit Fares (FR) - Member Gov'ts	\$440,000	\$200,000	\$565,000	\$350,000	(38.1%)
Special Transit Fares (PT) - Member Gov'ts	\$80,000	\$70,000	\$80,000	\$0	(100.0%)
Interest	\$12,000	\$15,758	\$18,000	\$15,000	(16.7%)
Advertising Income	\$180,000	\$219,932	\$200,000	\$225,000	+12.5%
Other	\$1,000	\$11,931	\$1,000	\$1,000	+0.0%
Operating Assistance-State	\$200,000	\$191,613	\$192,000	\$250,000	+30.2%
Operating Assistance-Local (LTF)	\$10,278,800	\$8,976,087	\$11,636,300	\$12,385,200	+6.4%
Other Local/State Assistance	\$0	\$4,463	\$0	\$0	N/A
Demo Project - Market-Valentine Shuttle	\$0	\$487	\$0	\$0	N/A
Demo Project - Vineyard Corridor Route	\$558,200	\$504,993	\$574,800	\$297,200	(48.3%)
Demo Project - Victoria Route	\$196,300	\$196,300	\$683,000	\$701,500	N/A
JARC Funding For Route 19	\$0	\$14,771	\$0	\$0	N/A
JARC Funding For Route 20	\$0	\$0	\$110,000	\$129,500	N/A
Operating Assistance-Federal	\$0	\$118,637	\$1,000,000	\$1,100,000	N/A
Preventive Maintenance-Federal	\$1,408,000	\$1,408,000	\$1,500,000	\$1,750,000	+16.7%
Paratransit Assistance-Federal	\$922,900	\$922,900	\$940,000	\$990,000	+5.3%
Planning Assistance-Federal	\$590,000	\$590,000	\$80,000	\$346,200	+332.8%
Medi-Cal Reimbursement / Paratransit	\$0	\$0	\$0	\$100,000	N/A
Other Fed Grants and Reimbursements	\$0	\$34,087	\$0	\$0	N/A
TOTAL	\$17,868,700	\$16,358,059	\$20,616,700	\$21,858,400	+6.0%

Following is a brief discussion of each major revenue area.

Passenger Fares

Passenger fare revenues for FY 2013-14 are anticipated to finish the year approximately 3.6% higher than budgeted. Fixed route fares are projected to end the year 2.2% above the FY 2013-14 budgeted amount, attributable to increased boardings. Paratransit fares are forecast to be 28% higher than the FY 2013-14 budgeted amount, attributable to sharply increased paratransit boardings.

The budget premise for FY 2014-15 fixed route fare revenue is \$2.99 million, a 2.1% increase from the current FY 2013-14 forecast of \$2.93 million and 4.3% higher than the FY 2013-14 budget. The budget premise for FY 2014-15 paratransit fare revenue is for \$224,100, a 6.0% increase from the current FY 2013-14 forecast and 35% higher than the FY 2013-14 budget.

Table 13 shows the current GCT passenger fare structure. During FY 2013-14, GCT made changes to the multi-ride ticket and monthly pass structure, replacing 10-ride, 20-ride and 30-ride passes with a 15-ride pass and replacing the monthly pass, which was valid for one calendar month, with a 31-day pass that is valid for 31 days starting on the date of first use on any day of any month. This change was in conjunction with the new fare collection system installed in GCT fixed route bus fleet in May 2013. The base cash fare amount has not changed.

TABLE 13
Gold Coast Transit Passenger Fare Structure

GCT FIXED ROUTE	<u>Fare Amount</u>	<u>Multi-Ride Ticket or Monthly Pass</u>	<u>Fare Amount</u>
<u>Cash Fares (One Way)</u>		Adult	
Adult	\$1.50	15-Ride	\$20.00
Youth (through age 18)	\$1.50	31-Day Pass	\$50.00
Seniors (65-74 years of age with GCT I.D or proof of age)	\$0.75	Youth	
Medicare (with Medicare Card)	\$0.75	15-Ride	\$15.00
Disabled (ADA card or GCT I.D.)	\$0.75	31-Day Pass	\$40.00
Seniors 75+ (with GCT I.D. – restricted hours)	Free	Reduced Fare (Senior/Disabled)	
Seniors 75+ (with GCT I.D or proof of age)	Free	15-Ride	\$10.00
Children under 45" tall (when accompanied by paid fare)	Free	31-Day Pass	\$25.00
Day Pass (One-Day/Unlimited Boardings)	\$4.00		
Day Pass for Seniors/Medicare/Disabled	\$2.00		
		<u>GCT ACCESS (Paratransit)</u>	
		Cash Fare (one-way) - ADA Certified or Senior	\$3.00
		Senior Nutrition (registered with County program)	Donation
		Book of Ten Tickets - ADA Certified or Senior	\$30.00

* Senior is 65 years of age and older w/proof of age

Fixed Route Ridership

Boardings in FY 2013-14 (through March) are trending 8.6% ahead of FY 2012-13 and 10.7% ahead of FY 2011-12, and are at the highest level since FY 2008-09. Projections are that GCT will have the highest ridership in its history (records exist going back to FY 1981-82).

For FY 2014-15, the budget premise is that ridership will be 3.89 million boardings, 1% higher than the FY 2013-14 year-end projection.

Paratransit Ridership

Paratransit boardings for the first ten months of FY 2013-14 are running 17.8% ahead of the same period for FY 2012-13. Last year ridership increased 3.4% after decreases of 10.6%, 1.6% and 5.6% over the previous three years. Throughout the economic downturn ridership on ACCESS declined for a number of reasons. Senior centers had lower attendance for classes and events, passengers that were using ACCESS for transportation to school have stopped attending school, a number of ACCESS passengers lost their jobs as part of workforce reductions, eliminating those trips, and financial concerns forced passengers to reduce their spending and take fewer discretionary trips.

During FY 2013-14 the trend has clearly turned upward, with a year-to-year increase of over ten thousand boardings in the first ten months of the year. Riders who had

reduced their discretionary trips are returning, there is an increase in ADA certifications and we are seeing an increase in ridership for scheduled medical services.

Farebox Recovery

The *California Code of Regulations*, § 6633.2 requires that a transit service claimant in an urbanized area, to qualify for allocation of TDA funds, must have a systemwide ratio of fare revenues to operating cost of at least twenty percent (20%), or that the claimant realize a farebox recovery ratio (FBRR) of 20% for fixed route service and 10% for paratransit service. Other transit-generated revenue from non-TDA sources, such as route guarantee funds, other fare payments or on-board advertising revenue, may be included as fare revenue in this calculation.

Beginning in FY 2007-08, GCT has received from its JPA member cities special transit fare revenue in the form of route guarantee funds from non-TDA funding sources and included it in the FBRR calculation. Additionally, GCT sells advertising on its buses, primarily on the exterior. Beginning in FY 2011-12, advertising revenues have been included in the calculation. In FY 2013-14, GCT started receiving from Ventura County partial reimbursement for paratransit service to Medi-Cal patients, and this revenue is included as fares in the calculation. For FY 2014-15, GCT will utilize a regulation that allows it to remove from the calculation the cost and fare revenues from new routes or new route extensions.

Historically GCT used the 20% system-wide standard. Beginning in FY 2010-11, GCT's budget premise was to achieve compliance with the FBRR requirement by meeting the standard of 20% FBRR for fixed route service and 10% FBRR for paratransit service. This has been met by supplementing on-board farebox receipts with local non-TDA funds in the form of route guarantees for fixed route service and service guarantees for paratransit service to support the provision of such service beyond the mandatory requirements. Since FY 2010-11 GCT has met both the 20% system-wide standard and the 20% FBRR for fixed route service and 10% FBRR for paratransit service standards, and GCT projects to achieve both standards again in FY 2013-14. The FY 2014-15 is budgeted to achieve FBRR compliance by meeting the 20% FBRR for fixed route service and 10% FBRR for paratransit service standard.

Table 14 shows for ten years (1) the unlinked passenger trips, fare revenue and FBRR for fixed route service, (2) the one-way trips, fare revenue and FBRR for paratransit service and (3) the systemwide ratio of fare revenues to operating cost.

TABLE 14

**Gold Coast Transit
Ridership, Revenue and Farebox Return
FY 2005-06 to FY 2014-15**

<u>Fiscal Year</u>	<u>(1) Fixed Route</u>			<u>(2) Paratransit</u>			<u>(3) Total</u>
	<u>Unlinked Passenger Trips</u>	<u>Farebox</u>	<u>Farebox Return</u>	<u>One Way Trips</u>	<u>Farebox</u>	<u>Farebox Return</u>	<u>Farebox Return</u>
FY 2005-06	3,438,989	\$2,499,831	21.6%	78,362	\$157,100	9.3%	20.0%
FY 2006-07	3,395,500	\$2,641,230	23.0%	76,054	\$156,854	9.3%	21.3%
FY 2007-08	3,495,875	\$2,931,149 *	23.9%	79,686	\$162,457	9.2%	22.0% *
FY 2008-09	3,568,028	\$3,044,665 *	24.0%	82,655	\$161,476	6.5%	21.1% *
FY 2009-10	3,442,005	\$2,975,992 *	22.2%	77,985	\$161,839	7.5%	20.2% *
FY 2010-11	3,353,539	\$2,581,811 *	21.3%	76,730	\$164,858 *	12.1%	20.1% #
FY 2011-12	3,476,408	\$3,274,747 **	22.8%	68,618	\$243,823 *	12.0%	21.4% #
FY 2012-13	3,566,470	\$3,127,978 **	21.7%	70,927	\$240,054 *	10.7%	20.2% #
FY 2013-14 (Projected)	3,849,400	\$3,554,800 **	21.8%	83,000	\$337,300 ***	13.0%	20.1% #
FY 2014-15 (Budgeted)	3,887,900	\$ 3,568,700 ****	20.3%	90,733	\$ 334,100 ***	11.2%	18.9% #

* Includes Special Transit Fare Revenue for Non-TDA Route or Service Guarantees

** Includes Special Transit Fare Revenue for Non-TDA Route or Service Guarantees and Fleet Advertising Revenue

*** Includes Special Transit Fare Revenue for Non-TDA Service Guarantees and MAA Reimbursements

**** Includes Special Transit Fare Revenue for Non-TDA Service Guarantees and Fleet Advertising Revenue -

Return % includes adjustment for New/Expanded Routes

Farebox Recovery Ratio compliance to be achieved by realizing both 20% on Fixed Route and 10% on Paratransit

Interest and Other Income

Interest is earned on temporary investments with the State of California Local Agency Investment Fund (LAIF) and on money market funds held at Union Bank. Interest revenue for FY 2013-14 was budgeted at \$18,000. Actual income will finish somewhat lower, based on continuing low interest rates and slightly lower-than expected average balances. The budget for FY 2014-15 is \$15,000. Other income consists of the sale of miscellaneous surplus property and is largely unanticipated activity. The budget for FY 2014-15 is \$1,000.

Advertising Income

GCT has internally managed a commercial bus advertising sales program since FY 2006-07, and continues to attract advertising contracts from both local and national entities. Projected revenues for FY 2013-14 are forecast to be approximately \$233,000. GCT budgets this revenue conservatively as the agency has limited resources to dedicate to administering the program. The budget for FY 2013-14 is \$225,000.

Medi-Cal Reimbursement – Paratransit

GCT will be including in its revenue budget for the first time in FY 2014-15 funds received through Ventura County to partially reimburse GCT for providing Medi-Cal eligible trips on the GCT ACCESS service. Funding is based on establishing eligibility on a trip-by-trip basis and is received in arrears. GCT has been working with Ventura County Public Health for several years to establish this program.

State Transit Assistance Funds

State Transit Assistance (STA) Funds are allocated to GCT from the State Controller's Office through VCTC. In 2010, after the state had eliminated STA funds during a budget crisis, they were restored in response to a successful lawsuit. STA is now funded by a state sales tax on diesel fuel.

GCT budgets for STA revenue using very preliminary estimates and normally claims only the budgeted amount, so GCT will typically carryover a balance from year to year when receipts exceed estimates. The preliminary estimate for GCT's FY 2014-15 STA allocation is \$192,694. Including some funds to be carried over from FY 2013-14, GCT has budgeted \$250,000 in STA revenue for FY 2014-15.

Federal Grant Funds

GCT receives FTA Section 5307 formula funds for service administration and support, capital assistance for paratransit and preventive maintenance activities and capital purchases. Starting in FY 2013-14 as a result of a change introduced in the new MAP-21 federal authorization bill, GCT is now eligible to program some of its formula funds for operating assistance.

The matching ratio for Section 5307 formula funds is 80 percent federal and 20 percent local for capital and planning assistance, and 50 percent federal and 50 percent local for operating assistance. The allocation amount of Section 5307 formula funds is determined by the population of the area and the level of service provided. Based on expected funding, VCTC's Program of Projects (POP) for FY 2014-15 allocates to GCT \$3,940,593, a 2.6% increase from the FY 2013-14 POP. The FY 2014-15 POP is allocated as follows:

- \$ 1,100,000 for Operating Assistance
- \$ 200,000 for Service Administration and Support
- \$ 890,000 for Paratransit Assistance
- \$ 1,650,593 for Preventive Maintenance
- \$ 100,000 for GCT Operations & Administrative Facility (Capital Project)

By comparison, GCT's Section 5307 funding allocation for FY 2008-09 was \$3,580,319, for FY 2009-10 was \$3,297,552, for FY 2010-11 was \$3,241,097, for FY 2011-12 was \$3,440,103, for FY 2012-13 was \$3,542,859 and for FY 2013-14 was \$3,840,593. For the FY 2014-15 Operating Budget GCT will make use of \$346,300 in prior year grants

available for preventive maintenance, paratransit assistance and service administration and support.

In FY 2014-15 GCT will claim FTA Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds for two demonstration projects; \$297,200 for the third and final year of a three-year demonstration service serving the North Oxnard and unincorporated County areas, the Vineyard-Rose route, \$701,500 for a full year of a three-year demonstration service serving the Victoria Avenue corridor between Port Hueneme and Ventura. GCT will also claim \$129,500 from a Jobs Access – Reverse Commute (JARC) program grant to support the addition of Route 20, the OTC/Lombard/Gonzalez/Fifth St. Route. This is a two-and-one-half year grant that started August 2013. The match requirement for these grants varies based on the individual grant requirements.

Table 15 summarizes grant funds in the FY 2014-15 operating budget.

TABLE 15
Grant Funded Revenue - FY 2014-15 Operating Budget

	<u>Total</u>	<u>Federal</u>	<u>Local</u>
<u>Operating Assistance - Federal</u>			
Operating Assistance - Federal	\$ 2,200,000	\$ 1,100,000	\$ 1,100,000
<u>Planning Assistance - Federal</u>			
Transit Service Administration and Support	\$ 195,000	\$ 170,000	\$ 25,000
Marketing & Passenger Awareness Activities	\$ 188,000	\$ 163,000	\$ 25,000
Paratransit Service Administration	\$ 38,200	\$ 13,200	\$ 25,000
<u>Capital Assistance - Federal</u>			
ADA Paratransit Service	\$ 1,237,500	\$ 990,000	\$ 247,500
Preventive Maintenance	\$ 2,187,500	\$ 1,750,000	\$ 437,500
TOTAL 5307 Formula Grant Funds	\$ 3,846,200	\$ 4,186,200	\$ 760,000
<u>Operating Assistance - Federal CMAQ/JARC</u>			
Vineyard-Rose Demonstration Service - CMAQ	\$ 297,200	\$ 297,200	\$ -
Victoria Ave. Demonstration Service - CMAQ	\$ 790,300	\$ 701,500	\$ 88,800
OTC/Lombard/Gonzalez/Fifth Route - JARC	\$ 239,500	\$ 129,500	\$ 110,000
	<u>\$ 1,327,000</u>	<u>\$ 1,128,200</u>	<u>\$ 198,800</u>
<u>STATE / LOCAL ASSISTANCE</u>			
	<u>Total</u>	<u>State</u>	<u>Local</u>
State Transit Assistance	\$ 250,000	\$ 250,000	\$ -

Local Assistance

Local Transportation Funding (LTF) is the single largest source of GCT funding for operating costs. The funds are generated through a state quarter-cent sales tax authorized by the state Transportation Development Act (TDA). LTF funds are allocated by VCTC to each local jurisdiction through a population-based formula.

Starting with FY 2014-15, GCT changes from a JPA to a transit district on July 1, 2014. Under GCT's district legislation, GCT is entitled to claim all of the LTF allocated to its members, except that district members may claim from GCT a portion of the funds for transit services or the operation and maintenance of locally supported transit facilities. The district's by-laws, once adopted, will provide for this process. GCT and its members, working together, have implemented a procedure based on this concept in establishing this FY 2014-15 budget. In accordance with the process being established to allow members to claim a portion of LTF for transit services or the operation and maintenance of locally supported transit facilities, each member has submitted to GCT its LTF funding requests. Working together through GCT's Technical Advisory Committee, GCT and the members have established a baseline for recurring expenses; this baseline will be the initial basis for future years' claim requests. Requests for non-recurring expenses will be assessed and either funded in the current year or incorporated into the capital planning process.

For FY 2014-15, the full LTF allocation to GCT's members is \$14,393,437, and members' claims for recurring transit services costs total \$2,437,985, leaving \$11,955,452 available to GCT. For provision of transit services in FY 2013-14, GCT received \$11,116,175 in LTF from its members.

As a JPA, any unspent local transit assistance funds were identified and held as carryover for credit to the member agencies' TDA allocation in the year following completion of the annual financial audit; for example carryover from FY 2012-13 would be returned as a credit on the FY 2014-15 budget. The LTF carryover from FY 2012-13 was \$1,302,713. As a district GCT can retain these funds as deferred revenue but will of course remain subject to all TDA requirements regarding how the funds are spent.

The Sources and Uses of LTF and Local Revenues, including member LTF allocation and reallocation to GCT members for recurring and non-recurring transit services costs, are shown in Table 16.

TABLE 16
Gold Coast Transit
LTF and Other Local Revenue Sources and Uses, FY 2014-15

<u>Sources of LTF and Local Revenues</u>	<u>TOTAL</u>	<u>OJAI</u>	<u>OXNARD</u>	<u>PORT HUENEME</u>	<u>VENTURA</u>	<u>VENTURA COUNTY</u>
June 2014 VCTC LTF Revenue Projection	\$14,393,437	\$248,467	\$6,663,040	\$732,871	\$3,565,084	\$3,183,975
LTF Carryover from GCT FY 12-13 Operations	\$1,302,713					
FY14-15 Local Revenues Provided by Members	\$300,000		\$300,000			
Prior Year Local Revenues	<u>\$50,000</u>					
TOTAL LTF & LOCAL REVENUES	<u>\$16,046,150</u>					
<u>Uses of LTF and Local Revenues</u>						
Recurring Transit Services Requirements, FY 2014-15 (Baseline for Future Years)	\$2,437,985	\$108,790	\$500,000	\$55,000	\$250,000	\$1,524,195
Non-Recurring Transit Facility Capital - Funded Items	\$444,500	\$0	\$300,000	\$69,500	\$0	\$75,000
FY 2014-15 LTF Allocated to GCT Operations	\$12,735,200					
Member Transit Facility Capital Reserve Fund	\$80,000					
GCT Capital Reserve Fund	\$250,000					
GCT TDA Deferred Income	<u>\$98,465</u>					
TOTAL LTF & LOCAL REVENUES	<u>\$16,046,150</u>					

APPENDIX A – Operational Unit Expenditures

TABLE 17

Expenditures: Fixed Route Operating Budget FY 2012-13 through FY 2014-15

<u>FIXED ROUTE</u>	<u>FY12-13</u> <u>Budget</u>	<u>FY12-13</u> <u>Actuals</u>	<u>FY13-14</u> <u>Budget</u>	<u>Proposed</u> <u>Budget</u> <u>FY14-15</u>	<u>% +/-</u> <u>FY15 vs.</u> <u>FY14</u>
<u>Employees</u>					
Salaries	6,232,300	5,870,114	7,026,200	6,959,400	(1.0%)
Health Benefits	1,078,000	1,029,846	1,196,500	1,232,600	+3.0%
WCI	698,600	624,775	746,800	773,600	+3.6%
Retirement	1,283,800	1,193,985	1,421,300	1,450,700	+2.1%
Other Benefits	183,300	97,025	164,200	174,500	+6.3%
Uniforms	49,000	34,003	55,300	56,500	+2.2%
Medical Exams	31,500	27,294	33,000	35,000	+6.1%
Safety & Training	14,000	10,572	13,000	17,500	+34.6%
<u>Service/Supplies - Operational</u>					
Fuel/Lube	95,000	114,312	595,900	982,200	+64.8%
Tires	80,000	53,868	75,000	90,000	+20.0%
Supplies	10,000	13,446	10,000	11,000	+10.0%
Maintenance Agreements	14,000	9,249	20,000	22,500	+12.5%
<u>Service/Supplies - Support</u>					
Telephones/Utilities	<u>97,600</u>	<u>92,789</u>	<u>103,000</u>	<u>110,000</u>	+6.8%
TOTAL	\$9,867,100	\$9,171,277	\$11,460,200	\$11,915,500	+4.0%

TABLE 18

**Expenditures: Maintenance Operating Budget
FY 2012-13 through FY 2014-15**

<u>MAINTENANCE</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>	<u>% +/- FY15 vs. FY14</u>
<u>Employees</u>					
Salaries	1,137,200	997,631	1,389,900	1,420,500	+2.2%
Health Benefits	198,000	187,618	253,300	232,400	(8.3%)
WCI	91,900	82,221	101,600	109,100	+7.4%
Retirement	234,500	202,976	275,400	271,500	(1.4%)
Other Benefits	42,900	18,575	44,000	50,900	+15.7%
Uniforms	14,700	8,249	16,400	18,800	+14.6%
Medical Exams	6,000	4,941	6,000	6,200	+3.3%
Safety & Training	14,500	1,712	14,500	15,500	+6.9%
<u>Service/Supplies - Operational</u>					
Fuel/Lubricants	34,000	15,475	19,000	23,000	+21.1%
Tires	75,000	50,599	72,000	75,000	+4.2%
Repair Parts	600,000	421,678	585,000	667,000	+14.0%
CNG Fuel Station	150,000	52,950	130,000	130,000	+0.0%
Contract Repair	310,000	206,305	315,000	300,000	(4.8%)
Supplies	125,300	124,185	125,300	143,000	+14.1%
Warranty Recovery	0	0	0	0	+0.0%
<u>Service/Supplies - Support</u>					
Telephones/Utilities	52,200	41,625	47,400	49,700	+4.9%
Contract Services	<u>68,000</u>	<u>54,464</u>	<u>68,000</u>	<u>70,000</u>	+2.9%
TOTAL	\$3,154,200	\$2,471,205	\$3,462,800	\$3,582,600	+3.5%

TABLE 19

**Expenditures: Administration Operating Budget
FY 2012-13 through FY 2014-15**

<u>ADMINISTRATION</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>	<u>% +/- FY15 vs. FY14</u>
<u>Employees</u>					
Salaries	771,600	699,297	986,800	1,064,400	+7.9%
Health Benefits	103,100	105,227	126,300	119,800	(5.1%)
WCI	5,500	4,938	7,100	8,100	+14.1%
Retirement	162,700	153,835	202,500	221,100	+9.2%
Other Benefits	37,900	35,052	42,100	49,000	+16.4%
Uniforms	0	179	500	500	N/A
Medical Exams	800	775	800	1,000	+25.0%
Safety & Training	43,500	26,039	43,000	43,000	+0.0%
<u>Service/Supplies - Support</u>					
Telephones/Utilities	23,300	21,715	23,900	26,200	+9.6%
Insurance	513,000	480,630	523,500	536,400	+2.5%
Contract Services	88,000	120,614	107,000	95,200	(11.0%)
Supplies	74,000	140,608	76,700	71,700	(6.5%)
Legal	93,000	43,854	91,200	76,000	(16.7%)
Audit	23,000	19,358	20,000	21,000	+5.0%
Officers & Directors	36,000	31,263	36,000	36,000	+0.0%
Dues	36,000	34,666	44,000	45,000	+2.3%
Total	\$2,011,400	\$1,918,049	\$2,331,400	\$2,414,400	+3.6%

TABLE 20

**Expenditures: Paratransit/ Planning and Marketing Operating Budget
FY 2012-13 through FY 2014-15**

<u>PARATRANSIT / PLANNING AND MARKETING</u>	<u>FY12-13 Budget</u>	<u>FY12-13 Actuals</u>	<u>FY13-14 Budget</u>	<u>Proposed Budget FY14-15</u>	<u>% +/- FY15 vs. FY14</u>
<u>Employees</u>					
Salaries	570,300	538,073	625,000	613,900	(1.8%)
Health Benefits	65,000	75,538	92,500	86,600	(6.4%)
WCI	4,000	3,650	4,500	4,700	+4.4%
Retirement	110,100	109,614	124,700	121,800	(2.3%)
Other Benefits	13,700	13,973	13,400	13,200	(1.5%)
Uniforms	0	520	1,100	700	N/A
Medical Exams	600	595	600	600	+0.0%
Safety & Training	10,000	7,332	10,000	10,000	+0.0%
<u>Service/Supplies - Operational</u>					
Paratransit Service Contract	2,090,700	2,041,702	2,188,800	2,625,200	+19.9%
Fuel/Lubricants	29,600	24,385	52,500	150,300	+186.3%
Tickets/Schedules	63,000	50,252	61,000	80,500	+32.0%
Marketing	38,000	69,989	38,000	102,700	+170.3%
Contracts	16,000	57,992	63,000	63,800	+1.3%
OTC Facilities	11,500	10,631	34,000	24,000	(29.4%)
<u>Service/Supplies - Support</u>					
Telephones/Utilities	3,000	2,551	2,200	2,900	+31.8%
Supplies	2,000	2,328	6,000	2,000	(66.7%)
Contract Services	48,500	72,612	48,500	43,000	(11.3%)
TOTAL	\$3,076,000	\$3,081,736	\$3,365,800	\$3,945,900	+17.2%
PARATRANSIT	\$2,261,600	\$2,233,641	\$2,438,300	\$2,974,200	+22.0%
PLANNING AND MARKETING	\$814,400	\$848,095	\$927,500	\$971,700	+4.8%

APPENDIX B – GLOSSARY

Audit – GCT’s annual financial record audit performed by independent CPA firm Charles Z. Fedak Co.

CNG Fuel Station – Maintenance and upgrade expenses related to GCT’s onsite CNG fueling station.

Contracted Paratransit Service – Contract for the GCT ACCESS paratransit service. This service is presently provided by MV Transportation.

Contract Repair – Expenses incurred to repair vehicles, equipment and facilities through outside vendors. Major overhauls of engines, transmissions, parts, painting, oil/fuel testing and other repairs are charged to this line item.

Contract Services – Expenses include computer hardware/software maintenance; office equipment maintenance, off-site storage fees, temporary help, janitorial, security, landscape and other services.

Dues – Fees associated with professional memberships or subscriptions, such as the American Public Transit Association, California Transit Association, National Safety Council and local Chambers of Commerce.

Employee Support – Includes: salaries, health benefits, worker’s compensation insurance, retirement, life insurance, uniforms, medical exams and safety programs.

Fuels/Lubricants – CNG and lubricant products for GCT revenue and non-revenue vehicles. Also included are fuel taxes--GCT is required to pay State Excise taxes of \$.01/therms of CNG – as well as any alternative fuel excise tax credit earned.

Health Benefits – GCT portion of the health, dental and vision insurance premiums for employees.

Insurance – Liability insurance for vehicles, errors & omission, bonding, traveling, boiler, employer liability, etc.

Legal – Costs associated with legal services required by GCT, including but not limited general counsel and labor/employment counsel services.

Maintenance Agreements – Maintenance agreements include the two-way radio, radio repeater, and coin counting machine.

Medical Exams – The MOU’s provide for bi-annual physical examinations for all represented employees. Management and non-represented employees are provided an exam annually. New employees are given pre-employment exams and employees absent from work for significant periods of time are examined prior to their return to

work. Pre-employment physicals and exams of safety-sensitive personnel include a drug/alcohol screen, which is required by FTA regulations and GCT policy.

Officers & Directors – Expenses related to Board of Directors attendance at board and committee meetings, conferences and travel/per diem while attending conferences or meetings. Included are the costs incurred by senior management employees while attending approved meetings and conferences.

OTC Facilities – The Customer Service Center (CSC) at the Oxnard Transportation Center (OTC), which provides route and schedule information and other services for transit passengers.

Other Benefits – GCT's contribution for unemployment insurance, FICA/Medicare, Employee Assistance Program (EAP), life insurance for represented and non-represented employees and deferred compensation for the General Manager. The EAP is required as a part of GCT's Drug and Alcohol Program and the represented employee MOUs.

Repair Parts – Repair parts are the materials, parts and components used in repairing vehicles and equipment.

Retirement – GCT's contribution for its employees to the California Public Employee Retirement System (CalPERS).

Risk Management – Program to manage and reduce risk, especially industrial injuries.

Safety Programs – Annual safety awards function, safety awareness activities, incentive awards, training videos and similar activities.

Salaries – Salary and wages of all employees. For represented positions this includes current salary, agreed upon step increases, agreed upon longevity and bilingual pay. For non-represented positions this includes current wages, merit increases in accordance with the personnel policy, longevity and bilingual pay, and a projected cost of living increase, if any (to be determined by the Board of Directors).

Schedules/Marketing – This includes the GCT Bus Book, maps, tickets, passes and artwork for public information and promotional products. Also included are media advertising, printing of promotional brochures, participation in fairs, parades, promotions, Chamber of Commerce functions and other community outreach activities.

Service/Supplies – Operational – Items related to operations, including fuels/lubricants, tires, repair parts, CNG fuel station maintenance and upgrades, contracted paratransit service, contract repair, supplies, schedules/marketing, OTC facilities and maintenance agreements.

Service/Supplies – Support – Items related to the support of GCT services, but which are not direct operational expenses. Includes telephones/utilities, insurance, contract services, supplies, legal, audit, officers and directors and dues.

Supplies – For Fixed Route, expenses includes cash handling supplies, repair of locks, gate openers, etc. For Maintenance, expenses includes miscellaneous repair parts, industrial gases, repair of farebox counting equipment, non-stock parts and other miscellaneous parts, printing materials, freight, mail/delivery services, non-vehicle maintenance, and janitorial supplies. Also included is the mechanics' tool allowance as per union contract. For administrative departments, expenses include office supplies, computer supplies, computer software/hardware, copier costs, postage, office printing, office furniture and other associated expenses.

Telephones/Utilities – Costs associated with communications services, as well as electric, gas, water and refuse charges for the facility.

Tires –New tires are required for the front axles of all buses. Recapped tires are typically purchased for the rear axles of the buses.

Uniforms – Uniforms are provided by contract to the maintenance and operation employees. Bus Operators are provided three pairs of pants, five shirts and a cap annually. Every other year jackets/sweaters are provided. Operations supervisors are provided three pairs of pants, five shirts, a vest, a tie and a cap. Maintenance employees are provided rental uniforms cleaned and delivered by a vendor.

Urbanized Area (UZA) – The FTA has designated areas over 200,000 population as specific urbanized areas. GCT is part of the Oxnard UZA.

Workers' Compensation Insurance – Premium for the required workers' compensation insurance provided to GCT by the California State Association of Counties-Excess Insurance Authority (CSAC-EIA).