



June 5, 2019

Item #14

TO: GCTD Board of Directors

FROM: Steve L. Rosenberg   
Director of Finance and Administration

RE: Consider Approval of Adjustments to FY 2018-2019 Budget

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## I. EXECUTIVE SUMMARY

As GCTD approaches the end of Fiscal Year 2018-19 there have been several occurrences that were not consistent with the premises for the FY 2018-19 budget. The most significant of these was the delay in completion of the new Operations and Maintenance Facility. As a result, GCTD is projected to finish FY 2018-19 under the established operating budget of \$26,357,900 by an amount estimated to be \$1.5 - \$1.8 million (excluding non-cash charges).

At the same time, deferred local revenues and existing grant revenues currently programmed for FY 2018-2019 are needed to balance the proposed operating budget for FY 2019-2020, which includes cost increases that will be discussed in a subsequent Board report. To address this, budget adjustments are proposed that will reduce expense line items that have benefitted from lower-than-anticipated costs by \$650,000 and reduce the use of existing grant funds and deferred revenues in FY 2018-19 by \$650,000, making them available to be programmed for FY 2019-2020. The revised FY 2018-19 Operating Budget will be \$25,707,900.

Additionally, GCTD has received a written request from the County of Ventura to reallocate the LTF funding they received from GCTD as a municipal operator, moving \$20,000 from Heritage Valley service to Bus Stop Maintenance. This change does not impact GCTD's Operating Budget.

In response to these issues, GCTD staff is proposing the following changes to the FY2018-2019 Operating Budget approved by the Board on June 6, 2018.

- Reduce the Special Transit Fares (FR) – Member Governments revenue line item from \$410,000 to \$230,000, a decrease of \$180,000.
- Reduce the Section 5307 Operating Assistance – Federal revenue line item from \$1,250,000 to \$1,100,000, a decrease of \$150,000.

### GOLD COAST TRANSIT DISTRICT

- Reduce the Preventive Maintenance – Federal revenue line item from \$2,201,173 to \$2,031,173, a decrease of \$170,000.
- Reduce the ADA Assistance – Federal revenue line item from \$918,000 to \$768,000, a decrease of \$150,000.
- Reduce the ADA Paratransit Services expense line item by \$360,000, from \$3,816,200 to \$3,456,200, while increasing the Fuel - Paratransit CNG Vehicles expense line item by \$60,000, from \$73,000 to \$133,000.
- Reduce the Security Services account in the Fleet & Facilities Contract Services expense line item by \$240,000, from \$300,000 to \$60,000.
- Reduce the Contract Repairs – Vehicle Maintenance expense line item by \$50,000, from \$225,100 to \$175,100.
- Reduce the Contract Repairs – Non-Vehicle Maintenance expense line item by \$40,000, from \$125,000 to \$85,000.
- Reduce the Claims Expense account in the Administration Insurance expense line item by \$20,000, from \$160,000 to \$140,000.

Additionally, the proposed changes to GCTD's LTF allocation requested by Ventura County net to zero and do not impact GCTD's accounting. They are:

- Reduce the Transit Service - Heritage Valley line item by \$20,000, from \$300,000 to \$280,000.
- Establish a Recurring Bus Stop Maintenance – Ventura County line item in the amount of \$20,000.

All expense line items being reduced presently project to end the year lower than the adjusted budget, and GCTD still projects to finish the fiscal year compliant with the farebox recovery ratio requirements of California's Transportation Development Act (TDA) statutes.

Following is a summary of the proposed changes to GCTD's FY 2018-19 Operating Budget.

**Revenue Budget Changes**

Acct No	Acct title	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
4020400001	STATE & LOCAL GOVTS TRNS FARES - FIXED ROUTE	\$410,000	\$230,000	(\$180,000)
4130100001	SECTION 5307 OPERATING ASSIST.	\$1,250,000	\$1,100,000	(\$150,000)
4130300001	SECTION 5307 PREVENT. MAINT.	\$2,201,173	\$2,031,173	(\$170,000)
4130400001	ADA ASSISTANCE	\$918,000	\$768,000	<u>(\$150,000)</u>
TOTAL				(\$650,000)

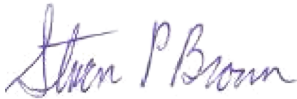
**Expense Budget Changes**

5030701001	ADA PARATRANSIT SERVICES	\$3,816,200	\$3,456,200	(\$360,000)
5040101202	FUEL/LUBE-PARATRANSIT CNG VEH	\$73,600	\$133,600	+\$60,000
5030604201	SECURITY SERVICES	\$300,000	\$60,000	(\$240,000)
5030304101	CONT MAINT SERV-VEHICLE MAINT	\$225,100	\$175,100	(\$50,000)
5030304201	CONT MAINT SERV-NON-VEH MAINT	\$125,000	\$85,000	(\$40,000)
5060416001	CLAIMS EXPENSE	\$160,000	\$140,000	<u>(\$20,000)</u>
TOTAL				(\$650,000)

**II. SUMMARY AND RECOMMENDATIONS**

**IT IS RECOMMENDED that the Board of Directors approve the adjustments to GCTD's FY 2018-19 Operating Budget and LTF allocations discussed herein.**

Concurrence:




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Steven P. Brown  
General Manager