




Item #15

**DATE:** June 5, 2019

**TO:** GCTD Board of Directors

**FROM:** Steve L. Rosenberg   
Director of Finance and Administration

**SUBJECT:** **Conduct Public Hearing to Consider Budget Overview Presentation, Public Comment and Adoption of FY 2019-20 Operating, Planning and Capital Budget**

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## **I. EXECUTIVE SUMMARY**

The Gold Coast Transit District FY 2019-20 operating, planning and capital budget is presented for public hearing before the GCTD Board of Directors. After the public hearing, the Board will consider adoption of the budget. The proposed budget was developed by the Director of Finance and Administration in consultation with the GCTD General Manager and Management Team. An initial budget report was presented to the Board at its May 1, 2019 meeting.

The proposed operating budget for FY 2019-20 is \$27,053,900, a 2.6% increase from the FY 2018-19 budget adopted in June 2018. In May 2019 the Management Team reported that significant budget cuts had already been made and we were still working to present a balanced budget. Since that time the expense budget has been reduced by an additional \$439,700 and certain grant and deferred revenues have been reallocated from FY 2018-19 to FY 2019-20. The budget being considered for adoption today is balanced.

Most of the budget increases fall into a few categories; contractual increases in wage, health benefit and pension costs and increases in liability insurance, workers' compensation insurance, fuel costs and increased technology costs. To bring expenses in line with revenues, the new budget includes a limited number of service adjustments.

GCTD's Local Transportation Fund (LTF) funding, the District's largest funding source, is proposed to be \$16,631,181, anticipating approval by the Ventura County Transportation Commission (VCTC) on June 7, 2019. This is a 7.3% increase from the FY 2018-19 allocation. The allocation for FY 2019-20 Federal 5307 and 5339 formula funding is \$5.02 million, a 1% increase from the initial FY 2018-19 allocation. The budget also includes \$450,000 in Federal Congestion Mitigation Air Quality (CMAQ) demonstration project (new routes) funding for the new Ventura Road Route 23, which begins service in late January 2020.

Estimated passenger fares for FY 2019-20 are \$3.24 million, including fixed route and paratransit as well as revenue from VCTC's college pass program funded by the state's Low Carbon Transit Operations Program (LCTOP) program. The District also generates revenue from its advertising sales program and generates and sells both Low Carbon Fuel Standard (LCFS) credits (State of California) and Renewable Identification Number (RIN) credits (U.S. EPA) from its use of renewable natural gas to fuel the fleet. Since 2011 GCTD has received Medicare Administration Activities (MAA) funding as partial reimbursement for providing Medi-Cal eligible trips on GCTD ACCESS; recent legislation now excludes public transit agencies from receiving these funds and GCTD will receive its final payments (in arrears) this year.

In 2017 GCTD sold \$22,000,000 in 30-year certificates of participation (COPs) to complete the financing of GCTD's new Administration and Operations Facility. GCTD's debt service obligation in FY 2019-20 is \$1,394,437.50, including principal repayment of \$375,000.

In summary, current year revenue sources total \$28.2 million, including \$16.6 million from LTF, \$6.9 million in Federal grant funds, \$3.5 million in passenger revenues, \$.8 million in fare support programs and local revenues, and \$.4 million in State funds. GCTD will make use of \$4.1 million in funds from prior year revenues and grants, including \$1.9 million in LTF carryover funds, \$1.8 million in federal grant funds and \$.4 million in deferred local revenues.

Current year revenue uses for \$31.2 million, \$27.1 million for the GCTD operating budget, \$1.4 million for the debt service budget and \$2.7 million for members' transit requirements. Revenue for future use includes \$1.1 million in Federal grant funds for debt repayment and operations.

The FY 2019-20 Operating, Planning and Capital Budget document follows as an Attachment to this report.

**IT IS RECOMMENDED that the Board of Directors conduct the public hearing to receive public comment on the proposed FY 2019-20 Operating, Planning and Capital budget. After the public hearing is completed, it is recommended that the Board adopt the FY 2019-20 Operating, Planning and Capital budget.**

## **II. BACKGROUND INFORMATION**

### **Operating Budget**

The proposed operating budget for FY 2019-20 is \$27,053,900, a 2.6% increase from the adopted FY 2018-19 budget.

Budget highlights are as follows:

### **Revenues**

GCTD's primary revenue source continues to be LTF revenues from a .25% state sales tax generated by the 1971 Transportation Development Act (TDA) and allocated based on the population of its member jurisdictions. For FY 2019-20, the final LTF revenue allocation for GCTD is expected to be approved by the Ventura County Transportation Commission (VCTC) on June 7, 2019 is \$16,631,181, a 7.3% increase from FY 2018-19; this is GCTD's budget premise.

In accordance with the process by which members may 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 GCTD its LTF funding requests. Working together through GCTD's Technical Advisory Committee, GCTD and its members established a baseline in FY 2014-15 for recurring expenses; this baseline, adjusted by the CPI, will serve as the baseline for future years' claim requests. Funding requests for non-recurring projects will be reviewed and either funded in the current year or incorporated into the capital planning process.

Members' claims for recurring transit services costs in FY 2019-20 total \$2,672,202, however the District will reclaim as a carryover credit \$334,754 in FY 2017-18 operating funds not expended by the members. For FY 2019-20 the District proposes to fund \$63,639 in discretionary non-recurring projects and will reclaim as a carryover credit \$19,558 in unspent capital funds. GCTD will also reclaim \$75,620 from a funded project that has been cancelled. That leaves \$14,325,272 for GCTD's use.

GCTD is budgeting \$352,000 in State Transit Assistance (STA) and State of Good Repair (SGR), for FY 2019-20. In 2017 the legislature passed and the Governor signed into law SB 1, increasing a variety of taxes and fees to fund transportation infrastructure projects. Among the transit uses included in this bill was increased STA funding. Another SB1 transit fund is State of Good Repair (SGR), distributed using the STA formula. GCTD will use SGR funds for preventive maintenance activities.

GCTD's primary source of federal funding is FTA Section 5307 formula grant funding, authorized under the Fixing America's Surface Transportation (FAST) Act of 2015. In FY 2019-20, GCTD is projected to receive \$5.0 million in Section 5307 and Section 5339 (Bus and Bus Facilities) formula funding, a 2.4% increase from GCTD's FY 2018-19 allocation. In addition, the Ventura County Transportation Commission (VCTC) recently allocated to GCTD on a one-time basis \$1.16 million in FY 2018-19 federal funding dedicated exclusively to making payments on GCTD's Certificates of Participation (COPs).

GCTD's FY 2019-20 operating budget includes \$450,000 in funds from a new Federal Congestion Mitigation and Air Quality (CMAQ) grant that supports the provision of new service. GCTD will begin a new "demonstration route" in January 2020, Route 23 serving Ventura Road. This grant cover three years and provides at total of \$3.7 million in federal funds.

Passenger fares revenues for fixed route service including fare media sales and two new fare subsidy programs funded by the state's Low Carbon Transit Operations Program (LCTOP), the county's College Pass program and GCTD's Free Fare Saturday summer program. Fixed route fares are budgeted at \$2.92M, a slight decrease from the FY 2018-19 budget. Fixed route boardings as of March 2019 are tracking 1.7% higher than in FY 2017-18, and corresponding fare revenues as of March 2019 are tracking 4.5% higher than FY 2018-19, the difference primarily attributable to the success of the College Pass program.

Passenger fare revenues for paratransit service are budgeted for \$335K in FY 2019-20, a 4.8% increase above the FY 2018-19 budget. Year-to year passenger boardings in FY 2018-19 are running 4.8% higher than FY 2017-18 through March, this would be the lowest increase since FY2014-15.

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GCTD will for FY 2019-20 introduce two new enhanced mobility programs funded by FTA Section 5310 funding; GO ACCESS direct service to Camarillo and GO ACCESS mobility training. These grants were previously budgeted to begin in FY 2018-19. GCTD has budgeted \$60K in Section 5310 revenue for FY 2019-20.

Working in conjunction with Ventura County Public Health, GCTD has since 2011 received over \$1 million in revenue claimed by VCPH under the Medi-Cal Administrative Activities (MAA) program to partially reimburse GCTD for providing Medi-Cal eligible trips on the GCTD ACCESS service. Recent legislation now excludes public transit agencies from receiving these funds; GCTD has budgeted to receive its final payments (in arrears) this year.

GCTD generates revenue through the sale of exterior and interior bus advertising. This program had grown to \$220,000 in FY 2014-15 but dropped after losing our largest advertising customer. Advertising revenue had stabilized at around \$150K to 160K over the past several years, however we have seen a marked increase in FY 2018-19. GCTD is budgeting \$230,000 for FY 2019-20.

Since FY 2014-15 GCTD has been receiving revenue related to dispensing compressed natural gas (CNG) as a vehicle fuel, generating and selling both Low Carbon Fuel Standard (LCFS) credits from the State of California "cap-and-trade" program and Renewable Identification Number (RIN) credits from U.S. EPA. In October 2017 GCTD negotiated improved contract terms with its vendor that provides natural gas and administers both credit programs. The District's revenue from selling energy credits increased from \$359K in FY 2016-17 to \$586K in FY 2017-18 and is forecasted to exceed \$650K in FY 2018-19, however we are experiencing a downward trend in the second half of FY 2018-19. Additionally, GCTD recently replaced five CNG vans with five gasoline-powered paratransit vans of a type not available with CNG. For FY 2019-20, GCTD is budgeting for \$496K in energy credit revenue.

GCTD had been claiming the Federal Alternative Fuel Excise Tax Credit for its use of CNG as a vehicle fuel since 2007. This credit had been generating approximately \$500,000 per year for the District. This tax incentive expired last year; although Congress retroactively extended this statute multiple times, it appears no extension will be forthcoming. GCTD is not budgeting for this credit in FY 2019-20.

### Operating Expense

Following is a description of the major cost areas.

Labor Expense – Labor and benefits in the FY 2019-20 budget project to a 2.93% increase from the FY 2018-19 budget. Costs for health and pension benefits are increasing at a substantially higher rate, however budget savings from service adjustments have minimized the increase.

For labor, this includes a 2.75% contract wage increase for employees represented by SEIU Local 721. Similar increases are budgeted for other GCTD personnel. During FY 2018-19 GCTD signed a new labor agreement with Teamsters, representing GCTD's supervisory personnel. The agreement establishes a step-increase structure for Teamster-represented employees which provides increases of up to 5% for certain employees. One new position is projected to be added, an Office Coordinator position that will combine the duties of the previous Office Manager position with responsibility for greeting and directing visitors to our new Administration building.

Health & Pension - Health benefit contribution rates will increase 3% in 2020, however utilization increases result in a 6.5% budget increase from FY 2018-19. The most dramatic change in wage/benefit costs for FY 2019-20 is the increase in the employer costs for GCTD's CalPERS pension plan. GCTD's rate increased from 10.172% to 10.26% of eligible income, only a .9% increase, however GCTD's fixed amount for the unfunded liability component increased from \$852K to \$1.02M, an increase of 19.4% from FY 2018-19 and over 45% from FY 2017-18.

Boardings – The budget premise for FY 2019-20 fixed route service is 3.57 million boardings, a .9% decrease from the FY 2018-19 budget premise of 3.6 million boardings and very close to GCTD's projected boardings for FY 2018-19.

The budget premise for FY 2019-20 ACCESS paratransit service is for 126,000 boardings, a 3.3% increase from the FY 2018-19 budget premise of 122,000 boardings. The current trend for actual boardings in FY 2018-19 is 116,600, 4.5% lower than budgeted.

Service Adjustments – GCTD's FY2019-20 operating budget is based on the provision of 195,435 revenue service hours (RSH), a decrease of 3.1% from the FY 2018-19 premise of 201,628 RSH, and 2,103,753 revenue service miles (RSM), a decrease of 3.1% from the FY 2018-19 premise of 2,170,192 RSM.

As a result of GCTD relocating to our new facility in North Oxnard, some routes will see an increase in both deadhead and relief time (the time it takes a bus or relief car to reach the start of a route or return from the end of a route). To minimize the increased cost associated with this additional paid time, GCTD conducted a comprehensive service efficiency study, which resulted in changes to both improve service and minimize costs. A phased in approach to implementing these efficiency changes began in January 2019, with additional measures being implemented with the July service changes.

GCTD typically implements service adjustments to its routes twice a year to address on-time performance issues, gain efficiency and/or reallocate resources to other parts of the system as demand changes. For FY 19-20, planned schedule adjustments include discontinuing a select number of late-night and weekend trips that have very low ridership and have fallen below GCTD's adopted minimum performance standards for over a year. In January 2020, CMAQ funding will enable GCTD to launch new service (Route 23) along Ventura Road. Planned service adjustments will help GCTD meet minimum performance standards and continue to provide high levels of service where demand and need is highest. GCTD staff will be conducting public outreach leading up to changes.

Insurance – GCTD's FY 2019-20 budget includes increases across most insurance lines.

For Workers' Comp GCTD belongs to the California State Association of Counties Excess Insurance Authority (CSAC-EIA) workers compensation pool. Public sector insurance pools allow members to take advantage of being part of a much larger entity to obtain better coverage, rates and stability and remain protected from the vagaries of the commercial insurance market. Final rates are typically determined in mid-June, after GCTD's budget is published, and for FY 2018-19 increases were 10% higher than the 11.5% increase staff anticipated. For FY 2019-20 the budget is 14.9% higher than the FY 2018-19 budget, but 5% higher than our current rates.

For liability insurance GCTD belongs to the California Transit Indemnity Pool (CalTIP), a 35-member Joint Powers Authority formed in 1987 for the purpose of creating a self-funded insurance pool. CalTIP self-insures all claims against pool members up to \$2 million (in FY 2019-20, up from \$1.75M in FY 2018-19), with excess and reinsurance covering claims in excess of that amount. GCTD carries coverage up to \$25 million, with a \$25,000 self-insured retention (SIR, like a deductible). The past few years have been increasingly challenging for all transit liability insurance in California, including CalTIP, with the pool experiencing numerous large claims.

GCTD's budget for liability insurance in FY 2019-20 is \$910,000, an 11% increase from FY 2018-19. This coverage requires the District to establish a claims expense budget for costs under the SIR. GCTD's budget for claims expense in FY 2019-20 is \$110,000, down from \$160,000 in FY 2018-19 as a result of lower-than-expected claims activity in the SIR layer.

The FY 2018-19 budget included provisions for increases to property insurance as the result of moving into a larger, newer and better equipped facility. Those increases will actually take effect in FY 2019-20, however final quotes were somewhat lower than what was budgeted in FY 2018-19, so the budget in this area is lower than in FY 2018-19.

Fuel & Lubricants – GCTD's FY 2019-20 fuel budget reflects a 22.4% increase from the FY 2018-19 budget, which was based on historically low commodity costs for natural gas. Actual costs for fuel are trending higher than budgeted. The District continues to experience commodity prices for natural gas that are still relatively low, as well as a 10% discount from the published market commodity rate that GCTD receives as part of its third-party fuel purchase contract.

To build in a level of conservatism, CNG pricing used in the FY 2019-20 is budget is 12% above the recent 12-month average. A significant factor in the budget increase is the recent introduction of five (5) gasoline-powered paratransit vans not available with CNG. Gasoline is a far more expensive fuel than CNG.

Paratransit operations – Last year GCTD forecast a 23.8% increase in contracted paratransit operations, based on both increased demand service and the expiration of a long-term service contract with the expectation that cost per hour would significantly increase. GCTD was pleased that our competitive bid process resulted in slightly lower hourly rates in the first year of our new contract. Additionally, demand is increasing at a lower rate. Adding to that increased dispatching productivity as the result of a major software upgrade, the FY 2019-20 budget for contracted paratransit service is \$3,511,900, an 8% decrease from the FY 2018-19 budget of \$3,816,200.

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 fares plus 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. GCTD has consistently met this benchmark and expects to meet it again at the close of FY 2018-19, but it has been and will continue to be an ongoing challenge.

Recent legislation clarified how local revenues may be included in the farebox recovery ratio calculation and how certain cost increases can be adjusted with regard to the calculation. This provided a small measure of relief for transit agencies that are challenged to meet the

benchmark. It allows agencies to supplement fare revenues with “any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator” for purposes of calculating the ratio. Many California transit agencies meet this requirement by supplementing fares with local revenue from dedicated transit sales taxes; Ventura County is the most populous county in California that does not have a dedicated transit tax. In the past several years GCTD has included in the calculation its other revenue sources such as advertising sales, energy credit sales, Alternative Fuel Excise Tax Rebate and the Medi-Cal paratransit trip reimbursements.

The statutes also allow for an adjustment to costs, allowing agencies to reduce expenses for purposes of the farebox calculation by “cost increases beyond the change in the Consumer Price Index for...fuel, alternative fuel programs, power, including electricity, insurance premiums and payments in settlement of claims arising out of the operator’s liability, state and federal mandates, startup costs for new services for a period of not more than two years,” as well as “additional operating costs required to provide comparable complementary paratransit service...that exceed(s) the operator’s costs required to provide comparable complementary paratransit service in the prior year as adjusted by the Consumer Price Index.” GCTD includes all applicable adjustments in its calculation.

With costs increasing, ridership (and fare revenues) no longer growing and facing the loss of a number of revenue streams (Alternative Fuel Excise Tax Rebate in FY 2018-19, Medi-Cal paratransit trip reimbursements after this year, deferred local revenue after this year), FY 2019-20 is the first budget in over a decade for which the District is unable to demonstrate FBRR compliance. The budgeted FBRR for GCTD’s FY 2019-20 budget is 17.8% for fixed route and 15.8% for paratransit, for a combined ratio of 17.5%. It is still possible that GCTD can finish FY 2019-20 compliant by increasing local revenues or finishing the year under budget. The first year of non-compliance for any transit entity will be considered a grace year; the penalty for a second year of non-compliance would be a formulaic reduction in the District’s TDA allocation.

### Capital Budget

The most significant Capital Project in GCTD’s history is the new Administration and Operations Facility. The new facility construction is nearly complete, with the ribbon cutting ceremony scheduled for June 29, 2019 and the relocation of GCTD operations scheduled for the end of July 2019. Because this project is nearly complete, it is presented separately from the Ten-Year Capital Project Plan.

The Administration and Operations Facility project budget is \$53 million. GCTD has \$27.8 million in grant funding for this project, including \$16.1 million in Federal grants and nearly \$11.7 million in State grant funds, including PTMISEA funds and Proposition 1B Safety & Security funds. GCTD successfully issued Certificates of Participation (COP) financing to raise \$22 million plus earned interest (\$.3M) for the Project Fund (as well as almost \$1.4 million for a required Reserve Fund). The remaining \$2.9 million of the project cost will be covered by LTF, primarily from GCTD’s Capital Reserve Fund.

Significant items on the ten-year capital project plan include provision of expansion buses for anticipated service growth, major bus fleet refurbishment to extend the useful life of largest fleet, periodic replacement of our current bus, paratransit and service vehicle fleets, and additions to the District’s technology in support of more efficient transit service and a more productive workforce.

Historically most of GCTD's capital funding has come from federal transit grants, which generally cover 80% of cost and require a 20% local match component, however the past few years have seen substantial support and activity for increased transit funding at the State level. California's TIRCP and LCTOP programs may provide increasing support for transit projects in future years.

Additionally, the recently enacted SB1 legislation that primarily provided funding for street and highway repair also provides for transit State of Good Repair funds, additional STA funds and additional funding for the discretionary TIRCP grant program, all of which could benefit GCTD. As a result, for future programmed projects for which funding has not yet been identified, the plan makes no assumption of Federal-State-local split.

The total projected cost for all items on the ten-year capital project plan is \$38 million, of which \$8.2 million is for programmed projects for which funding has been identified (Table 12) and \$29.8 million is for programmed projects (listed in Table 13) over the next ten years for which funding has not yet been identified. Detailed tables are provided in the budget document.

Capital Reserve Contribution – This budget does not include a capital reserve contribution for FY 2019-20. GCTD anticipates finishing FY 2018-19 with approximately \$5.7 million in capital reserves.

#### Debt Service Budget

On March 2, 2017 GCTD closed the sale of \$22,000,000 in 30-year COPs to complete the financing of GCTD's new Administration and Operations Facility. GCTD expects to move into the new facility in July 2019.

For FY 2019-20 GCTD's payments on its long-term debt obligation will total \$1,394,437.50, including \$375,000 in principal. GCTD has been programming Federal Section 5307 and 5339 funds to cover 80% of these payments. As the result of VCTC recently allocating \$1.16 million in FY 2018-19 toll credit federal funding dedicated exclusively to making payments on GCTD's COPs, in addition to GCTD's Federal Section 5339 funding, the District expects to cover 100% of the FY 2019-20 debt payments with Federal funds.

### **III. RECOMMENDED ACTION**

**IT IS RECOMMENDED that the Board of Directors conduct the public hearing to receive public comment on the proposed FY 2019-20 Operating, Planning and Capital budget. After the public hearing is completed, it is recommended that the Board adopt the FY 2019-20 Operating, Planning and Capital budget.**

Concurrence:



Steven P. Brown  
General Manager

Attachment



# Budget and Financial Plan

GOLD COAST TRANSIT DISTRICT  
2019- 2020



Steven P. Brown  
General Manager

Steve L. Rosenberg  
Director of Finance and Administration

June 5, 2019



## **BUDGET AND FINANCIAL PLAN**

**2019-20 FISCAL YEAR**

Steven P. Brown  
General Manager

Steve L. Rosenberg  
Director of Finance and Administration

June 5, 2019



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## **GUIDE TO THE BUDGET AND FINANCIAL PLAN**

The Gold Coast Transit District (GCTD) Budget and Financial Plan for FY 2018-19 presents the agency's financial and program plan in a single document for easy reference. It describes the services provided by GCTD 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 GCTD.

### **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.

### **Debt Service**

This section summarizes GCTD's long-term debt obligation and how these expenditures are being addressed.

### **Capital Improvements**

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

### **Appendix**

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

## **FY 2019-20 BUDGET AND FINANCIAL PLAN**

### **GOLD COAST TRANSIT DISTRICT MISSION STATEMENT**

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

***GCTD'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**

Councilmember Randy Haney  
Director

Councilmember Ryan Blatz  
Alternate

#### **City of Oxnard**

Councilman Bryan A.  
MacDonald - Director

Councilmember Carmen  
Ramirez - Alternate

#### **City of Port Hueneme**

Mayor Will Berg  
Director

Councilmember Richard W. -  
Rollins - Alternate

#### **City of Ventura**

Councilmember Cheryl Heitmann  
Vice-Chair

Deputy Mayor Sofia Rubalcava  
Alternate

#### **County of Ventura**

Supervisor John C. Zaragoza  
Chair

### **SENIOR MANAGEMENT STAFF**

Steven P. Brown  
General Manager

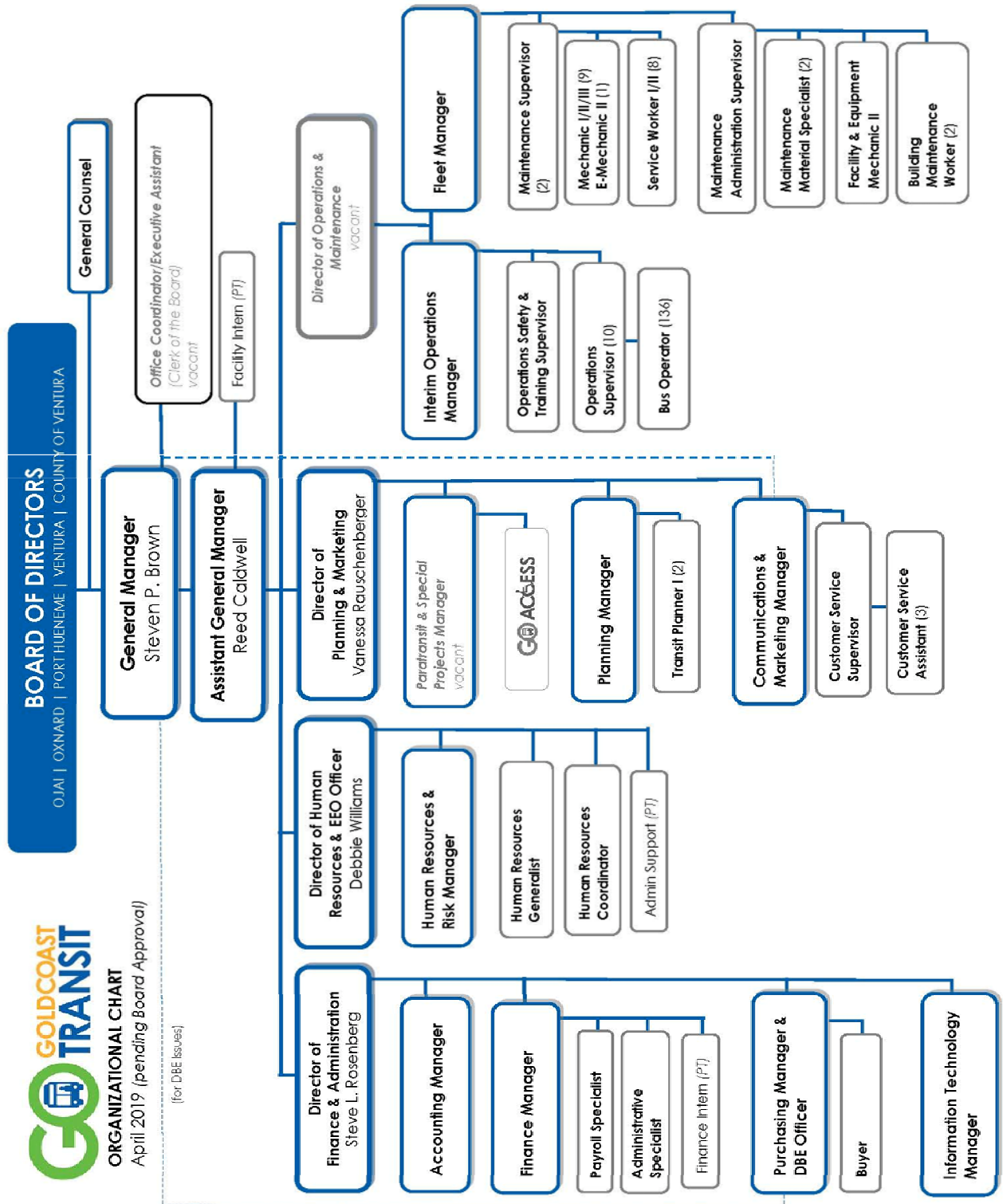
Reed C. Caldwell  
Assistant General Manager

Debbie L. Williams  
Director of Human Resources

Steve L. Rosenberg  
Director of Finance & Administration

Vanessa Rauschenberger  
Director of Planning & Marketing

## Organizational Chart – May 2019





## **BUDGET MESSAGE AND EXECUTIVE SUMMARY**

GCTD is committed to the protection of public investments 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 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 existing labor agreements approved by the GCTD Board of Directors. GCTD and Service Employees International Union (SEIU) 721 negotiated a new Memorandum of Understanding (MOU) effective January 3, 2018 through June 30, 2021 that includes a 2.75% increase in July 2019. Non-represented employees typically receive similar increases.
- D. GCTD and International Brotherhood of Teamsters Local 186 negotiated a new Memorandum of Understanding (MOU) for GCTD's supervisory personnel effective January 3, 2018 through June 30, 2023 that includes a five-step salary structure.
- E. Appropriate insurance coverage is budgeted to mitigate the risk of material loss.
- F. Major capital items are specified in the Ten-Year Plan and are anticipated in the capital reserve funding request to the extent feasible.
- G. Budget versus actual financial information is reported on a monthly basis.

## **INTRODUCTION**

FY 2019-20 marks a key milestone in the history of Gold Coast Transit District as the District prepared to move into its new 15-acre Administration and Operations Facility in early summer of 2019. The larger and more functional facility will allow GCTD to over time keep up with the growing need for public transportation in Western Ventura County. The District secured commitments for over 50% of the total project cost in Federal and State grants, with the remainder coming from a \$22 million Certificates of Participation (COPs) issue and GCTD's Capital Reserve.

GCTD approached this undertaking in a strong financial position for an agency of its size in a county without a dedicated transit tax, with no debt and \$7.8 million in capital reserve. As a Transit District (since 2014), GCTD may claim all Local Transportation Funds (LTF) allocated based on the population of its member jurisdictions under Article 4 of California's 1971 Transportation Development Act (TDA). GCTD by-laws do allow District members to claim from GCTD a portion of LTF for transit services or the operation and maintenance of locally supported transit facilities.

The District anticipates finishing the FY 2018-19 operating year under its operating expense budget by \$1.5 - \$1.7M before a proposed June 2019 budget adjustment (excluding adjustments for GASB 68 pension expense entries that are to be determined).

## BUDGET HIGHLIGHTS FOR FY 2019-20

The proposed operating budget for FY 2019-20 is \$27,053,900, a 2.6% increase from the adopted FY 2018-19 budget.

Budget highlights are as follows:

### Revenues

GCTD's primary revenue source continues to be LTF revenues from a .25% state sales tax generated by the 1971 Transportation Development Act (TDA) and allocated based on the population of its member jurisdictions. For FY 2019-20, the final LTF revenue allocation for GCTD expected to be approved by the Ventura County Transportation Commission (VCTC) on June 2, 2017 is \$16,631,181, a 7.3% increase from FY 2018-19; this is GCTD's budget premise.

In accordance with the process by which members may 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 GCTD its LTF funding requests. Working together through GCTD's Technical Advisory Committee, GCTD and its members established a baseline in FY 2014-15 for recurring expenses; this baseline, adjusted by the CPI, will serve as the baseline for future years' claim requests. Funding requests for non-recurring projects will be reviewed and either funded in the current year or incorporated into the capital planning process.

Members' claims for recurring transit services costs in FY 2019-20 total \$2,672,202, however the District will reclaim as a carryover credit \$334,754 in FY 2017-18 operating funds not expended by the members. For FY 2019-20 the District proposes to fund \$63,639 in discretionary non-recurring projects and will reclaim as a carryover credit \$19,558 in unspent capital funds. GCTD will also reclaim \$75,620 from a funded project that has been cancelled. That leaves \$14,325,272 for GCTD's use.

GCTD is budgeting \$352,000 in State Transit Assistance (STA) and State of Good Repair (SGR), for FY 2019-20. In 2017 the legislature passed and the Governor signed into law SB 1, increasing a variety of taxes and fees to fund transportation infrastructure projects. Among the transit uses included in this bill was increased STA funding. Another SB1 transit fund is State of Good Repair (SGR), distributed using the STA formula. GCTD will use SGR funds for preventive maintenance activities.

GCTD's primary source of federal funding is FTA Section 5307 formula grant funding, authorized under the Fixing America's Surface Transportation (FAST) Act of 2015. In FY 2019-20, GCTD is projected to receive \$5.0 million in Section 5307 and Section

5339 (Bus and Bus Facilities) formula funding, a 2.4% increase from GCTD's FY 2018-19 allocation.

In addition, the Ventura County Transportation Commission (VCTC) recently allocated to GCTD on a one-time basis \$1.16 million in FY 2018-19 federal funding dedicated exclusively to making payments on GCTD's Certificates of Participation (COPs).

GCTD's FY 2019-20 operating budget includes \$450,000 in funds from a new Federal Congestion Mitigation and Air Quality (CMAQ) grant that supports the provision of new service. GCTD will begin a new "demonstration route" in January 2020, Route 23 serving Ventura Road. This grant cover three years and provides at total of \$3.7 million in federal funds.

Passenger fares revenues for fixed route service including fare media sales and two new fare subsidy programs funded by the state's Low Carbon Transit Operations Program (LCTOP), the county's College Pass program and GCTD's Free Fare Saturday summer program. Fixed route fares are budgeted at \$2.92M, a slight decrease from the FY 2018-19 budget. Fixed route boardings as of March 2019 are tracking 1.7% higher than in FY 2017-18, and corresponding fare revenues as of March 2019 are tracking 4.5% higher than FY 2018-19, the difference primarily attributable to the success of the College Pass program.

Passenger fare revenues for paratransit service are budgeted for \$335K in FY 2019-20, a 4.8% increase above the FY 2018-19 budget. Year-to year passenger boardings in FY 2018-19 are running 4.8% higher than FY 2017-18 through March, this would be the lowest increase since FY2014-15.

GCTD will for FY 2019-20 introduce two new enhanced mobility programs funded by FTA Section 5310 funding; GO ACCESS direct service to Camarillo and GO ACCESS mobility training. These grants were previously budgeted to begin in FY 2018-19. GCTD has budgeted \$60K in Section 5310 revenue for FY 2019-20.

Working in conjunction with Ventura County Public Health, GCTD has since 2011 received over \$1 million in revenue claimed by VCPH under the Medi-Cal Administrative Activities (MAA) program to partially reimburse GCTD for providing Medi-Cal eligible trips on the GCTD ACCESS service. Recent legislation now excludes public transit agencies from receiving these funds; GCTD has budgeted to receive its final payments (in arrears) this year.

GCTD generates revenue through the sale of exterior and interior bus advertising. This program had grown to \$232,000 in FY 2013-14 but dropped after losing our largest advertising customer. Advertising revenue had stabilized at around \$150K per year, however - \$160K over the past several years, however we have seen a marked increase in FY 2018-19. GCTD is budgeting \$230,000 for FY 2019-20.

Since FY 2014-15 GCTD has been receiving revenue related to dispensing compressed natural gas (CNG) as a vehicle fuel, generating and selling both Low Carbon Fuel Standard (LCFS) credits from the State of California "cap-and-trade" program and

Renewable Identification Number (RIN) credits from U.S. EPA. In October 2017 GCTD negotiated improved contract terms with its vendor that provides natural gas and administers both credit programs. The District's revenue from selling energy credits increased from \$359K in FY 2016-17 to \$586K in FY 2017-18 and is forecasted to exceed \$650K in FY 2018-19, however we are experiencing a downward trend in the second half of FY 2018-19. Additionally, GCTD recently replaced five CNG vans with five gasoline-powered paratransit vans of a type not available with CNG. For FY 2019-20, GCTD is budgeting for \$496K in energy credit revenue.

GCTD had been claiming the Federal Alternative Fuel Excise Tax Credit for its use of CNG as a vehicle fuel since 2007. This credit had been generating approximately \$500,000 per year for the District. This tax incentive expired last year; although Congress retroactively extended this statute multiple times, it appears no extension will be forthcoming. GCTD is not budgeting for this credit in FY 2019-20.

### Operating Expense

Following is a description of the major cost areas.

Labor Expense – Labor and benefits in the FY 2019-20 budget project to a 2.93% increase from the FY 2018-19 budget. Costs for health and pension benefits are increasing at a substantially higher rate, however budget savings from service adjustments have minimized the increase.

For labor, this includes a 2.75% contract wage increase for employees represented by SEIU Local 721. Similar increases are budgeted for other GCTD personnel. During FY 2018-19 GCTD signed a new labor agreement with Teamsters, representing GCTD's supervisory personnel. The agreement establishes a step-increase structure for Teamster-represented employees which provides increases of up to 5% for certain employees. One new position is projected to be added, an Office Coordinator position that will combine the duties of the previous Office Manager position with responsibility for greeting and directing visitors to our new Administration building.

Health & Pension - Health benefit contribution rates will increase 3% in 2020, however utilization increases result in a 6.5% budget increase from FY 2018-19. The most dramatic change in wage/benefit costs for FY 2019-20 is the increase in the employer costs for GCTD's CalPERS pension plan. GCTD's rate increased from 10.172% to 10.26% of eligible income, only a .9% increase, however GCTD's fixed amount for the unfunded liability component increased from \$852K to \$1.02M, an increase of 19.4% from FY 2018-19 and over 45% from FY 2017-18.

Boardings – The budget premise for FY 2019-20 fixed route service is 3.57 million boardings, a .9% decrease from the FY 2018-19 budget premise of 3.6 million boardings and very close to GCTD's projected boardings for FY 2018-19.

The budget premise for FY 2019-20 ACCESS paratransit service is for 126,000 boardings, a 3.3% increase from the FY 2018-19 budget premise of 122,000 boardings.

The current trend for paratransit boardings in FY 2018-19 is 116,600, 4.5% lower than budgeted.

Service Adjustments – GCTD’s FY2018-19 operating budget is based on the provision of 195,435 revenue service hours (RSH), a decrease of 3.1% from the FY 2018-19 premise of 201,628 RSH, and 2,103,753 revenue service miles (RSM), a decrease of 3.1% from the FY 2018-19 premise of 2,170,192 RSM.

As a result of GCTD relocating to our new facility in North Oxnard, some routes will see an increase in both deadhead and relief time (the time it takes a bus or relief car to reach the start of a route or return from the end of a route). To minimize the increased cost associated with this additional paid time, GCTD conducted a comprehensive service efficiency study, which resulted in changes to both improve service and minimize costs. A phased in approach to implementing these efficiency changes began in January 2019, with additional measures being implemented with the July service changes.

GCTD typically implements service adjustments to its routes twice a year to address on-time performance issues, gain efficiency and/or reallocate resources to other parts of the system as demand changes. For FY 19-20, planned schedule adjustments include discontinuing a select number of late-night and weekend trips that have very low ridership and have fallen below GCTD’s adopted minimum performance standards for over a year. In January 2020, CMAQ funding will enable GCTD to launch new service (Route 23) along Ventura Road. Planned service adjustments will help GCTD meet minimum performance standards and continue to provide high levels of service where demand and need is highest. GCTD staff will be conducting public outreach leading up to changes.

Insurance – GCTD’s FY 2019-20 budget includes increases across most insurance lines.

For Workers’ Comp GCTD belongs to the California State Association of Counties Excess Insurance Authority (CSAC-EIA) workers compensation pool. Public sector insurance pools allow members to take advantage of being part of a much larger entity to obtain better coverage, rates and stability and remain protected from the vagaries of the commercial insurance market. Final rates are typically determined in mid-June, after GCTD’s is published, and for FY 2018-19 increases were 10% higher than the 11.5% increase staff anticipated. For FY 2019-20 the budget is 14.9% higher than the FY 2018-19 budget, but 5% higher than our current rates.

For liability insurance GCTD belongs to the California Transit Indemnity Pool (CalTIP), a 35-member Joint Powers Authority formed in 1987 for the purpose of creating a self-funded insurance pool. CalTIP self-insures all claims against pool members up to \$2 million (in FY 2019-20, up from \$1.75M in FY 2018-19), with excess and reinsurance covering claims in excess of that amount. GCTD carries coverage up to \$25 million, with a \$25,000 self-insured retention (SIR, like a deductible). The past few years have

been increasingly challenging for all transit liability insurance in California, including CalTIP, with the pool experiencing numerous large claims.

GCTD's budget for liability insurance in FY 2019-20 is \$910,000, an 11% increase from FY 2018-19. This coverage requires the District to establish a claims expense budget for costs under the SIR. GCTD's budget for claims expense in FY 2019-20 is \$110,000, down from \$160,000 in FY 2018-19 as a result of lower-than-expected claims activity in the SIR layer.

The FY 2018-19 budget included provisions for increases to property insurance as the result of moving into a larger, newer and better equipped facility. Those increases will actually take effect in FY 2019-20, however final quotes were somewhat lower than what was budgeted in FY 2018-19, so the budget in this area is lower than in FY 2018-19.

Fuel & Lubricants – GCTD's FY 2019-20 fuel budget reflects a 22.4% increase from the FY 2018-19 budget, which was based on historically low commodity costs for natural gas. Actual costs for fuel are trending higher than budgeted. The District continues to experience commodity prices for natural gas that are still relatively low, as well as a 10% discount from the published market commodity rate that GCTD receives as part of its third-party fuel purchase contract.

To build in a level of conservatism, CNG pricing used in the FY 2019-20 is budget is 12% above the recent 12-month average. A significant factor in the budget increase is the recent introduction of five (5) gasoline-powered paratransit vans not available with CNG. Gasoline is a far more expensive fuel than CNG.

Paratransit operations – Last year GCTD forecast a 23.8% increase in contracted paratransit operations, based on both increased demand service and the expiration of a long-term service contract with the expectation that cost per hour would significantly increase. GCTD was pleased that our competitive bid process resulted in slightly lower hourly rates in the first year of our new contract. Additionally, demand is increasing at a lower rate. Adding to that increased dispatching productivity as the result of a major software upgrade, the FY 2019-20 budget for contracted paratransit service is \$3,511,900, an 8% decrease from the FY 2018-19 budget of \$3,816,200.

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 fares plus 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. GCTD has consistently met this benchmark and expects to meet it again at the close of FY 2018-19, but it has been and will continue to be an ongoing challenge.

With costs increasing, ridership (and fare revenues) no longer growing and facing the loss of a number of revenue streams, FY 2019-20 is the first budget in over a decade for which the District is unable to demonstrate FBRR compliance. The budgeted FBRR for GCTD's FY 2019-20 budget is 17.8% for fixed route and 15.8% for paratransit, for a combined ratio of 17.5%. It is still possible that GCTD will finish FY 2019-20 compliant

by increasing revenues or finishing the year under budget. The first year of non-compliance for any transit entity will be considered a grace year; the penalty for a second year of non-compliance would be a formulaic reduction in the District's TDA allocation.

**Capital Reserve Contribution** – This budget does not include a capital reserve contribution for FY 2019-20. GCTD anticipates finishing FY 2018-19 with just under \$5.7 million in capital reserves, with an additional \$2 million having recently been withdrawn to pay remaining costs for the completion of the new Administration and Operations Facility.

**Debt Service Budget** - On March 2, 2017 GCTD closed the sale of \$22,000,000 in 30-year COPs to complete the financing of GCTD's new Administration and Operations Facility. GCTD expects to move into the new facility in July 2019.

For FY 2019-20 GCTD's payments on its long-term debt obligation will total \$1,394,437.50, including \$375,000 in principal. GCTD has been programming Federal Section 5307 and 5339 funds to cover 80% of these payments. As the result of VCTC recently allocating \$1.16 million in FY 2018-19 toll credit federal funding dedicated exclusively to making payments on GCTD's COPs, in addition to GCTD's Federal Section 5339 funding, the District expects to cover 100% of the FY 2019-20 debt payments with Federal funds.

## BUDGET PROCESS

The proposed budget was developed by the Finance and Administration Department in consultation with the GCTD General Manager and the GCTD Management team. A budget report was presented to the Board of Directors in May 1, 2018 and a budget review was held with the GCTD Technical Advisory Committee (TAC) on May 15, 2019.

## BUDGET SUMMARY

The budget summary is displayed in Table 1, Operating Budget Summary, 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 major line item breakout of the expenses by type.

The budget document provides details for the operating budget in the **Expenditures** (page 18) section and the revenue sources in the **Operating Revenue** (page 21), These sections include tables reflecting the operating expense budgets by line item breakouts and are accompanied by a discussion of significant cost categories. A discussion of the capital projects budget appears in the **Capital Improvements** (page 32) section, and a summary of the debt service budget appears in **Debt Service** (page 31). In the appendix are detailed tables of the line items by each of GCTD's departments and a glossary of terms.





**TABLE 1**  
**Gold Coast Transit District**  
**Operating Budget Summary**  
**July 1, 2018 to June 30, 2019**

	<u>FY17-18</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>Proposed</u>	<u>% +/-</u>
<u>Operating Revenues</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY20 vs.</u>
				<u>FY19-20</u>	<u>FY19</u>
<b><u>FARES</u></b>					
Passenger Fares-Fixed Route	\$3,050,500	\$2,808,293	\$2,749,900	\$2,657,000	(3.4%)
Passenger Fares-Paratransit	\$262,200	\$303,830	\$319,600	\$335,100	+4.8%
Special Transit Fares (FR) - Member Gov'ts	\$0	\$0	\$410,000	\$360,000	(12.2%)
LCTOP Fare Support Programs	\$0	\$21,450	\$241,500	\$258,000	+6.8%
Medi-Cal Reimbursement / Paratransit	\$195,000	\$291,754	\$195,000	\$263,500	+35.1%
<b><u>FEDERAL FUNDS</u></b>					
Operating Assistance-Federal	\$1,050,000	\$1,050,000	\$1,250,000	\$1,750,000	+40.0%
Preventive Maintenance-Federal	\$1,534,812	\$1,534,812	\$2,201,173	\$2,792,168	+26.8%
Paratransit Assistance-Federal	\$944,811	\$944,811	\$918,000	\$1,225,534	+33.5%
Planning Assistance-Federal	\$200,000	\$200,000	\$0	\$0	N/A
Mobility Grants - Federal	\$0	\$0	\$60,000	\$60,000	N/A
Demo Project - Ventura Road Route 23	\$0	\$0	\$0	\$450,000	N/A
Demo Project - Wells Center/Nyeland Acres	\$600,000	\$594,433	\$475,000	\$0	N/A
Other Fed Grants and Reimbursements	\$0	\$23,640	\$0	\$0	N/A
<b><u>STATE FUNDS</u></b>					
Operating Assistance-Local (LTF)	\$14,968,600	\$13,804,353	\$16,235,227	\$15,721,098	(3.2%)
Operating Assistance-State	\$159,000	\$159,000	\$440,000	\$352,000	(20.0%)
LCTOP Support for Route 23	\$0	\$0	\$0	\$58,800	N/A
<b><u>LOCAL/OTHER REVENUE</u></b>					
Advertising Income	\$160,000	\$150,069	\$160,000	\$230,000	+43.8%
Energy Credit Revenue	\$353,500	\$586,651	\$646,500	\$495,700	(23.3%)
Alternative Fuel Excise Tax Credit	\$537,177	\$1,315,851	\$0	\$0	N/A
Interest	\$20,000	\$43,597	\$36,000	\$25,000	(30.6%)
Other	\$1,000	\$19,346	\$20,000	\$20,000	+0.0%
<b>TOTAL</b>	<b>\$24,036,600</b>	<b>\$23,851,891</b>	<b>\$26,357,900</b>	<b>\$27,053,900</b>	<b>+2.6%</b>
<b><u>Operating Expenses</u></b>					
<b><u>FUNCTIONAL CATEGORIES</u></b>					
Employee Support	16,778,900	17,394,184	17,928,200	18,547,900	+3.5%
Service/Supplies - Operational	5,691,300	5,103,707	6,422,700	6,471,800	+0.8%
Service/Supplies - Support	1,566,400	1,355,777	2,007,000	2,034,200	+1.4%
<b>TOTAL</b>	<b>\$24,036,600</b>	<b>\$23,853,668</b>	<b>\$26,357,900</b>	<b>\$27,053,900</b>	<b>+2.6%</b>
<b><u>DEPARTMENT CATEGORIES</u></b>					
Fixed Route	12,561,300	12,979,964	13,156,600	13,579,700	+3.2%
Paratransit	3,388,400	3,522,013	4,063,400	3,948,100	(2.8%)
Maintenance	3,629,500	3,184,119	4,426,000	4,487,600	+1.4%
Administration	3,401,400	3,128,417	3,493,100	3,806,000	+9.0%
Planning and Marketing	1,056,000	1,047,008	1,218,800	1,232,500	+1.1%
<b>TOTAL</b>	<b>\$24,036,600</b>	<b>\$23,861,521</b>	<b>\$26,357,900</b>	<b>\$27,053,900</b>	<b>+2.6%</b>
Total Fixed Route	\$20,648,200	\$20,339,508	\$22,294,500	\$23,105,800	+3.6%
Total Paratransit	\$3,388,400	\$3,522,013	\$4,063,400	\$3,948,100	(2.8%)
<b><u>Farebox Recovery Ratio</u></b>					
FRR Fixed Route	19%	21%	19%	17.5%	
FRR Paratransit	20%	23%	20%	17.8%	
	10%	13%	11%	15.8%	

**TABLE 2**  
**Gold Coast Transit District**  
**Operating Budget – Functional Categories**  
**July 1, 2019 to June 30, 2020**

	<u>FY17-18</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>Proposed</u>	<u>% +/-</u>
<u>Employee Support</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY20 vs.</u>
				<u>FY19-20</u>	<u>FY19</u>
Salaries	11,271,200	11,253,770	11,890,400	12,050,300	+1.3%
Health Benefits	1,851,800	1,881,740	1,916,000	2,041,200	+6.5%
WCI	1,019,800	1,010,350	1,136,700	1,306,000	+14.9%
Retirement	1,973,700	2,690,424	2,227,900	2,437,600	+9.4%
Other Benefits	282,400	232,926	314,800	290,800	(7.6%)
Uniforms	81,400	51,648	77,900	72,900	(6.4%)
Medical Exams	45,900	38,247	49,500	49,500	+0.0%
Safety & Training	117,500	111,185	125,000	131,100	+4.9%
Employee Events	46,200	44,107	41,500	32,000	N/A
Contract Support	<u>89,000</u>	<u>79,787</u>	<u>148,500</u>	<u>136,500</u>	<u>(8.1%)</u>
<b>TOTAL</b>	<b><u>\$16,778,900</u></b>	<b><u>\$17,394,184</u></b>	<b><u>\$17,928,200</u></b>	<b><u>\$18,547,900</u></b>	<b><u>+3.5%</u></b>

	<u>FY17-18</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>Proposed</u>	<u>% +/-</u>
<u>Service/Supplies - Operational</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY20 vs.</u>
				<u>FY19-20</u>	<u>FY19</u>
Fuel/Lubricants	785,100	665,686	696,300	852,200	+22.4%
Tires	155,000	80,014	155,000	155,000	+0.0%
Repair Parts	662,000	543,325	689,000	700,800	+1.7%
CNG Fuel Station	100,000	27,968	75,000	75,000	+0.0%
Paratransit Service Contract	3,083,200	3,222,932	3,816,200	3,511,900	(8.0%)
Contract Repair	327,500	137,648	350,100	375,000	+7.1%
Contract Services	195,500	132,013	169,800	359,900	+112.0%
Supplies	168,300	132,726	209,000	226,000	+8.1%
Tickets/Schedules	67,000	78,578	60,000	66,000	+10.0%
Marketing	115,000	58,947	160,500	110,000	(31.5%)
Interest Expense					
OTC Facilities	14,000	12,107	14,000	14,000	+0.0%
Maintenance Agreements	18,700	22,092	27,800	26,000	(6.5%)
Warranty Recovery	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>+0.0%</u>
<b>TOTAL</b>	<b><u>\$5,691,300</u></b>	<b><u>\$5,114,037</u></b>	<b><u>\$6,422,700</u></b>	<b><u>\$6,471,800</u></b>	<b><u>+0.8%</u></b>

	<u>FY17-18</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>Proposed</u>	<u>% +/-</u>
<u>Service/Supplies - Support</u>	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>FY20 vs.</u>
				<u>FY19-20</u>	<u>FY19</u>
Telephones/Utilities	198,000	195,949	225,600	235,200	+4.3%
Insurance	1,022,600	827,985	1,116,500	1,129,800	+1.2%
Contract Services	63,000	61,565	325,000	325,000	+0.0%
Supplies	124,200	125,909	153,400	153,200	(0.1%)
Legal	55,000	55,771	71,000	81,000	+14.1%
Audit	32,000	24,860	35,000	35,000	+0.0%
Officers & Directors	24,500	17,816	24,500	20,000	(18.4%)
Dues	<u>47,100</u>	<u>45,922</u>	<u>56,000</u>	<u>55,000</u>	<u>(1.8%)</u>
<b>TOTAL</b>	<b><u>\$1,566,400</u></b>	<b><u>\$1,355,777</u></b>	<b><u>\$2,007,000</u></b>	<b><u>\$2,034,200</u></b>	<b><u>+1.4%</u></b>
<b>GRAND TOTAL</b>	<b><u>\$24,036,600</u></b>	<b><u>\$23,863,998</u></b>	<b><u>\$26,357,900</u></b>	<b><u>\$27,053,900</u></b>	<b><u>+2.6%</u></b>

## **EXPENDITURES**

### **Employees – Support**

The proposed budget for employee support shows an increase of \$619,700 (3.5%).

GCTD represented personnel will receive 2.75% wage increases in July 2019 in accordance with the District's MOUs with SEIU Local 721; these agreements cover approximately 80% of GCTD employees. Non-represented personnel have historically received adjustments commensurate with SEIU's contractual increases. GCTD current MOUs with SEIU Local 721 cover the period from January 2018 through June 2021. GCTD's supervisory personnel recently chose to become represented by the International Brotherhood of Teamsters Local 186. The first MOU between Teamsters and GCTD was approved by the Board in April 2019 and provides represented employees with a five-step salary progression. This contract runs through June 2023.

GCTD estimates that premised service levels will require approximately 130 bus operators for FY 2019-20. Operator headcount is driven by service planning and other variables, and actual headcount will typically vary throughout the year. Non-operator headcount is projected to be 66, an increase of one full-time employee from the FY 2018-19 budget level of 65. GCTD's headcount budget is shown in Table 3.

The health benefit contribution budget increased 6.5% FY 2019-20. Contributions will increase 3% in January 2020 in accordance with the MOUs, with increased utilization accounting for rest of the increase. GCTD's CalPERS employer pension contribution will increase substantially for FY 2019-20. GCTD's Employer Normal Cost Rate will increase from 10.172% to 10.26% of applicable earnings, however GCTD's fixed charge for Unfunded Accrued Liability will increase from \$852,209 to \$1,017,451, an increase of 19.4%. This fixed contribution has increase over 45% in the past two years, and CalPERS projects continued increases.

GCTD's workers compensation insurance (WCI) budget line item will increase \$169,300 (14.9%) in FY 2019-20, a combination of increased payroll and higher WCI rates.

### **Service/Supplies – Operational**

The proposed FY 2018-19 budget for Service/Supplies - Operational shows an increase of \$49,100 (.8%) from the FY 2018-19 budget. Line items showing material increase are fuel and contract services, mostly offset by a decrease in the budget for GCTD's Paratransit Service Contract.

The FY 2019-20 budget for fuel and lubricants is \$852,200, a 22.4% increase from the FY 2018-19 budget of \$696,300, which was based on historically low commodity costs for natural gas. Actual costs for fuel in FY 2018-19 are trending higher than budgeted. While the commodity price for CNG is higher than last years' historically low prices, a primary driver for the budget increase is introduction of gasoline-powered vans into the paratransit fleet. Gasoline is more a more expensive fuel than CNG.

The increase in contract services expenses comes from a variety of sources, but the most material area is technology services. GCTD has a numerous software and technology maintenance contracts; many were previously on multi-year agreements and nearly all of them come up renewal in FY 2019-20. Additionally, costs associated with the actual relocation of GCTD's operations to our new facility are in the contract services line item.

The FY 2019-20 budget for the Paratransit Service Contract is 8% lower than the FY 2018-19 budget. The 2018-19 budget anticipated both increased ridership demand and a significant increase in contract rates as a new contract took effect. Ridership did increase but at a lower rate than anticipated, and the new contract did not result in materially higher rates, resulting in lower-than-expected costs. The FY 2019-20 is based on budget. As a result, the budget for FY 2019-20 is higher than FY 2018-19 actual costs but lower than what was budgeted.

### **Service/Supplies – Support**

The proposed budget for service/supplies support in FY 2019-20 shows an increase of \$27,200 from the FY 2018-19 budget. Last year's budget showed a 28.1% increase from the prior year, with the additional costs primarily associated with operating a newer and much larger Operations and Administration Facility. As a result in the move being delayed, the line items impacted by that change are well under the FY 2018-19 budget. With the relocation scheduled early in FY 2019-20, the budget again reflects those anticipated costs.

**TABLE 3**  
**Gold Coast Transit District**  
**GCTD Headcount Budget**  
**July 1, 2019 to June 30, 2020**

<b>Position</b>	<b>FY18-19 Approved Budget</b>	<b>FY19-20 Proposed Budget Changes</b>	<b>FY19-20 Proposed Budget</b>
<b><u>Operations</u></b>			
Bus Operator	135	-5	130
<b>Operations Total</b>	<b>135</b>	<b>-5</b>	<b>130</b>
<b><u>Operations Mgmt.</u></b>			
Director of Operations	1	-1	0
Operations Manager	0	+1	1
Operations Safety & Training Supervisor	1	+1	2
Operations Supervisors	10	-1	9
<b>Operations Mgmt. Total</b>	<b>12</b>	<b>0</b>	<b>12</b>
<b><u>Paratransit</u></b>			
Paratransit & Special Projects Mgr.	1		1
<b>Paratransit Total</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b><u>Fleet &amp; Facilities</u></b>			
Assistant General Manager	0	+1	1
Director of Engineering & Construction	1	-1	0
Facilities Intern	0.5		0.5
Fleet Manager	1		1
Maintenance Supervisor	2		2
Maintenance Supervisor (Administration)	1		1
Facility & Equipment Mechanics	2		2
Maintenance Material Specialist	2		2
Mechanics	10		10
Bldg. Maintenance Worker	2		2
Service Worker	8		8
<b>Maintenance Total</b>	<b>29.5</b>	<b>0</b>	<b>29.5</b>
<b><u>Administration</u></b>			
General Manager	1		1
Office Coordinator/Executive Assistant	0	+1	1
Director of Finance & Administration	1		1
Accounting Manager	1		1
Finance Manager	1		1
Payroll Specialist	1		1
Administrative Specialist	1		1
Accounting Intern	0.5		0.5
I.T. Manager	1		1
Purchasing Manager/DBE Officer	1		1
Buyer	1		1
<b>Administration Total</b>	<b>9.5</b>	<b>+1</b>	<b>10.5</b>
<b><u>Human Resources</u></b>			
Director of Human Resources	1		1
Human Resources & Risk Manager	1		1
Human Resources Generalist	1		1
Human Resources Coordinator	1		1
<b>Human Resources Total</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b><u>Planning &amp; Marketing</u></b>			
Director of Planning & Marketing	1		1
Communications & Marketing Manager	1		1
Customer Service Supervisor	1		1
Customer Service Asst	3		3
Transit Planning Manager	1		1
Transit Planner	2		2
<b>Planning &amp; Marketing Total</b>	<b>9</b>	<b>0</b>	<b>9</b>
<b>TOTAL</b>	<b>200</b>	<b>-4</b>	<b>196</b>
<b>Operators</b>	<b>135</b>	<b>-5</b>	<b>130</b>
<b>Non-Operators</b>	<b>65</b>	<b>1</b>	<b>66</b>
<b>Total</b>	<b>200</b>	<b>-4</b>	<b>196</b>

## **OPERATING REVENUE**

Funding for GCTD operating activities is derived from several sources, including passenger fares; local, state and federal funds; energy credit sales. bus advertising sales, other local revenues and interest income. Table 4 reflects the revenue for operating activities in FY 2019-20.

**TABLE 4**  
**Gold Coast Transit District**  
**Operating Budget Revenue**  
**July 1, 2019 to June 30, 2020**

<b><u>Operating Revenues</u></b>	<b><u>FY17-18</u></b> <b><u>Budget</u></b>	<b><u>FY17-18</u></b> <b><u>Actuals</u></b>	<b><u>FY18-19</u></b> <b><u>Budget</u></b>	<b><u>Proposed</u></b> <b><u>Budget</u></b> <b><u>FY19-20</u></b>	<b><u>% +/-</u></b> <b><u>FY20 vs.</u></b> <b><u>FY19</u></b>
<b><u>FARES</u></b>					
Passenger Fares-Fixed Route	\$3,050,500	\$2,808,293	\$2,749,900	\$2,657,000	(3.4%)
Passenger Fares-Paratransit	\$262,200	\$303,830	\$319,600	\$335,100	+4.8%
Special Transit Fares (FR) - Member Gov'ts	\$0	\$0	\$410,000	\$360,000	(12.2%)
LCTOP Fare Support Programs	\$0	\$21,450	\$241,500	\$258,000	+6.8%
Medi-Cal Reimbursement / Paratransit	\$195,000	\$291,754	\$195,000	\$263,500	+35.1%
<b><u>FEDERAL FUNDS</u></b>					
Operating Assistance-Federal	\$1,050,000	\$1,050,000	\$1,250,000	\$1,750,000	+40.0%
Preventive Maintenance-Federal	\$1,534,812	\$1,534,812	\$2,201,173	\$2,792,168	+26.8%
Paratransit Assistance-Federal	\$944,811	\$944,811	\$918,000	\$1,225,534	+33.5%
Planning Assistance-Federal	\$200,000	\$200,000	\$0	\$0	N/A
Mobility Grants - Federal	\$0	\$0	\$60,000	\$60,000	N/A
Demo Project - Ventura Road Route 23	\$0	\$0	\$0	\$450,000	N/A
Demo Project - Wells Center/Nyeland Acres	\$600,000	\$594,433	\$475,000	\$0	N/A
Other Fed Grants and Reimbursements	\$0	\$23,640	\$0	\$0	N/A
<b><u>STATE FUNDS</u></b>					
Operating Assistance-Local (LTF)	\$14,968,600	\$13,804,353	\$16,235,227	\$15,721,098	(3.2%)
Operating Assistance-State	\$159,000	\$159,000	\$440,000	\$352,000	(20.0%)
LCTOP Support for Route 23	\$0	\$0	\$0	\$58,800	N/A
<b><u>LOCAL/OTHER REVENUE</u></b>					
Advertising Income	\$160,000	\$150,069	\$160,000	\$230,000	+43.8%
Energy Credit Revenue	\$353,500	\$586,651	\$646,500	\$495,700	(23.3%)
Alternative Fuel Excise Tax Credit	\$537,177	\$1,315,851	\$0	\$0	N/A
Interest	\$20,000	\$43,597	\$36,000	\$25,000	(30.6%)
Other	<u>\$1,000</u>	<u>\$19,346</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>+0.0%</u>
Other Local/State Assistance	\$0	\$0	\$0	\$0	N/A
<b>TOTAL</b>	<b><u>\$24,036,600</u></b>	<b><u>\$23,851,891</u></b>	<b><u>\$26,357,900</u></b>	<b><u>\$27,053,900</u></b>	<b>+2.6%</b>

Following is a brief discussion of each major revenue area.

## Passenger Fares

The proposed budget for fixed route passenger fare revenues in FY 2019-20 shows a decrease of 2.6% from the FY 2018-19 budget. This includes on-board and fare media sales as well as revenue from fare support programs funded by California's Low Carbon Transit Operations Program (LCTOP). On-board and fare media sales for FY 2018-19 are trending 8% lower than budget; the FY 2019-20 budget forecasts improvement with a 3.4% decrease. In FY 2017-18 GCTD successfully introduced Token Transit, which allows riders to pay transit fares using a free-download smartphone app. LCTOP fare support programs are projected to increase 6.8% from the FY 2018-19 budget as a result of the VCTC College Pass program performing better than GCTD anticipated.

The proposed budget for Paratransit on-board and fare media sales is 4.8% higher than the FY 2018-19 budget. Fare sales for FY 2018-19 are trending well ahead of budget, but that includes some large cyclical purchases. Paratransit ridership continues to increase, but the rate of increase is slowing after four years of double-digit growth.

Special Transit Fares represents deferred revenue from local sources that GCTD has retained for several years and is using in FY 2018-19 and FY 2019-20.

Medi-Cal Reimbursement represents funds received through Ventura County Public Health under the Medi-Cal Administrative Activities (MAA) program, to partially reimburse GCTD for providing Medi-Cal eligible trips on the GCTD ACCESS paratransit service. Recent legislation excludes public transit agencies from receiving these funds; GCTD has budgeted to receive its final payments (in arrears) this year.

Table 5 shows the current GCTD passenger fare structure. The most recent changes were in FY 2013-14, when GCTD changed the multi-ride ticket and monthly pass structure. The base cash fare amount has not changed since 2011.

**TABLE 5**  
**Gold Coast Transit District**  
**Passenger Fare Structure**

### **GCTD FIXED ROUTE FARES**

<u>Cash Fares (One Way)</u>	<u>Fare Amount</u>	<u>Multi-Ride Ticket or Monthly Pass</u>	<u>Fare Amount</u>
Adult	\$1.50	Adult	
Youth (through age 18)	\$1.50	15-Ride	\$20.00
Seniors (65-74 years of age with GCTD I.D or proof of age)	\$0.75	31-Day Pass	\$50.00
Medicare (with Medicare Card)	\$0.75	Youth	
Disabled (ADA card or GCTD I.D.)	\$0.75	15-Ride	\$15.00
Seniors 75+ (with GCTD I.D or proof of age)	Free	31-Day Pass	\$40.00
Children under 45" tall (when accompanied by paid fare)	Free	Reduced Fare (Senior/Disabled)	
Day Pass (One-Day/Unlimited Boardings)	\$4.00	15-Ride	\$10.00
Day Pass for Seniors/Medicare/Disabled	\$2.00	31-Day Pass	\$25.00

### **GCTD ACCESS (Paratransit) FARES**

<u>Cash Fares (One Way)</u>		<u>Multi-Ride Ticket or Monthly Pass</u>	
ADA Certified or Senior	\$3.00	Book of Ten Tickets - ADA Certified or Senior	\$30.00
Senior Nutrition (registered with County program)	Donation		

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

## **Fixed Route Ridership**

Boardings in FY 2018-19 are trending 1.7% ahead of FY 2017-18 and project to 3.53 million. For FY 2019-20, the budget premise is that ridership will be 3.57 million boardings.

## **Paratransit Ridership**

Paratransit ridership in FY 2018-19 is running 4.9% higher than the FY 2017-18 ridership but 4.5% behind the annual budget premise of 122,000. The premise for the FY 2019-20 budget is 126,000 boardings.

## **Farebox Recovery**

California TDA regulations require that a transit service claimant for TDA funds realize a system wide farebox recovery ratio (FBRR), the ratio of fares plus 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. GCTD has consistently met this benchmark and expects to meet it again at the close of FY 2018-19, but it has been and will continue to be an ongoing challenge.

Recent legislation clarified how local revenues may be included in the farebox recovery ratio calculation and how certain cost increases can be adjusted with regard to the calculation. This provided a small measure of relief for transit agencies that are challenged to meet the benchmark. It allows agencies to supplement fare revenues with “any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator” for purposes of calculating the ratio. Many California transit agencies meet this requirement by supplementing fares with local revenue from dedicated transit sales taxes; Ventura County is the most populous county in California that does not have a dedicated transit tax. In the past several years GCTD has included in the calculation its other revenue sources such as advertising sales, energy credit sales, Alternative Fuel Excise Tax Rebate and the Medi-Cal paratransit trip reimbursements.

The statutes also allow for an adjustment to costs, allowing agencies to reduce expenses for purposes of the farebox calculation by “cost increases beyond the change in the Consumer Price Index for...fuel, alternative fuel programs, power, including electricity, insurance premiums and payments in settlement of claims arising out of the operator’s liability, state and federal mandates, startup costs for new services for a period of not more than two years,” as well as “additional operating costs required to provide comparable complementary paratransit service...that exceed(s) the operator’s costs required to provide comparable complementary paratransit service in the prior year as adjusted by the Consumer Price Index.” GCTD includes all applicable adjustments in its calculation.

With costs increasing, ridership (and fare revenues) no longer growing and facing the loss of a number of revenue streams (Alternative Fuel Excise Tax Rebate in FY 2018-



19, Medi-Cal paratransit trip reimbursements after this year, deferred local revenue after this year), FY 2019-20 is the first budget in over a decade for which the District is unable to demonstrate FBRR compliance. The budgeted FBRR for GCTD's FY 2019-20 budget is 17.8% for fixed route and 15.8% for paratransit, for a combined ratio of 17.5%. It is still possible that GCTD will finish FY 2019-20 compliant by increasing revenues or finishing the year under budget. The first year of non-compliance for any transit entity will be considered a grace year; the penalty for a second year of non-compliance would be a formulaic reduction in the District's TDA allocation.

Table 6 shows for the past five years, as well as for the current year and the budgeted year, (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 6**  
**Gold Coast Transit District**  
**Ridership, Revenue and Farebox Return**  
**FY 2013-14 to FY 2019-20**

<u>Fiscal Year</u>	<u>(1)</u> <u>Fixed Route</u>			<u>(2)</u> <u>Paratransit</u>			<u>(3)</u> <u>Combined</u>	
	<u>Unlinked</u> <u>Passenger Trips</u>	<u>Farebox</u>	<u>Farebox</u> <u>Return</u>	<u>One Way</u> <u>Trips</u>	<u>Farebox</u>	<u>Farebox</u> <u>Return</u>	<u>Farebox</u> <u>Return</u>	
FY 2013-14	3,817,758	\$3,334,180	** 24.2%	82,495	\$328,541	** 13.1%	22.5%	
FY 2014-15	3,908,847	\$4,054,301	** 26.8%	84,604	\$461,725	** 17.5%	25.5%	
FY 2015-16	3,800,673	\$4,080,386	*** 24.8%	93,274	\$465,155	*** 16.9%	23.7%	
FY 2016-17	3,616,386	\$3,733,269	*** 20.9%	102,424	\$545,799	*** 19.2%	20.7%	
FY 2017-18	3,474,161	\$4,904,091	*** 25.3%	114,229	\$595,584	*** 18.1%	24.3%	
FY 2018-19 (Projected)	3,540,000	\$4,053,700	*** 20.5%	116,600	\$560,100	*** 16.0%	19.8%	#
FY 2019-20 (Budgeted)	3,566,435	\$4,045,700	*** 17.8%	126,000	\$514,600	*** 15.8%	17.5%	

\* Includes other Local Revenue in Farebox Calculation

\*\* Includes Advertising, MAA Reimbursement and other non-grant revenue in Farebox Calculation; FBRR % includes adjustment for cost/fares on New & Expansion Routes

\*\*\* Includes Cost and Revenue Adjustments in Accordance with 2015 TDA statute changes (SB508)

# 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. GCTD anticipates funding an account with the California Asset Management Program (CAMP) in FY 2019-20. Interest revenue for FY 2018-19 was budgeted at \$36,000. As rates have slowly increased this year, actual income will finish somewhat higher. Based on the expectation that GCTD's cash balances will be somewhat lower, the budget for FY 2019-20 is \$25,000.

Other income consists of the sale of miscellaneous surplus property. This is typically unanticipated activity and budgeted in a de minimis fashion. In FY 2019-20 GCTD will be relocating to a new and larger facility and anticipates having an unusually large volume of surplus property. The budget for FY 2019-20 is \$20,000.

## **Advertising Income**

GCTD 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. Revenues were as high as \$232,000 in FY 2013-14, however due to the loss of our largest advertiser annual revenues dropped to about \$150,000. GCTD has seen a marked increase in FY 2018-19 and is trending to finish the year at \$210,000 - \$215,000. GCTD is budgeting \$230,000 for FY 2019-20.

## **Energy Credit Revenue**

In FY 2014-15 GCTD began generating and selling both Low Carbon Fuel Standard (LCFS) credits (State of California) for using lower-carbon fuel and Renewable Identification Number (RIN) credits (U.S. EPA) for renewable fuel purchases for our 100% compressed natural gas fleet.

The District was receiving close to \$350,000 annually in revenue through FY 2016-17. In October 2017 the District was able to renegotiate the final two years of its third-party contract to increase its discount on natural gas purchases and increase the District's portion of the RIN credit sales. The District's revenue from selling energy credits increased to \$586,000 in FY 2017-18 and is forecasted to exceed \$650,000 in FY 2018-19, however the value of these credits is subject to market fluctuation and we are experiencing a downward trend in the second half of FY 2018-19. For FY 2019-20 the District is budgeting \$495,700 in energy credit revenue.

## **State Transit Assistance (STA) Funds**

Prior to 2017 GCTD's STA allocation varied from \$140,000 to \$200,000 based on the economy. In 2017 the Governor signed into law SB 1, increasing a variety of taxes and fees to fund transportation infrastructure projects. A portion of SB1 revenue is distributed to transit providers using the STA formula. Another portion of SB1 funds

fund the State of Good Repair (SGR) program, which is similarly distributed. GCTD can use SGR funds for preventive maintenance activities.

GCTD's FY 2018-19 budget included an allocation for part of FY 2017-18 as well as the FY 2018-19 allocation for both STA and SGR. GCTD budgeting \$440,000 for STA/SGR for FY 2018-19. The previous year's budget had been \$159,000. For FY 2019-20 GCTD is using the State Controller's January 2019 estimate (the most recent published estimate) to establish a budget of \$352,000.

## **Federal Grant Funds**

GCTD is allocated FTA Section 5307 formula funds for operating assistance, service administration and support, capital assistance for paratransit and preventive maintenance activities, and capital programming. GCTD is also allocated FTA Section 5339 formula funds for Bus and Bus Facilities capital programs. The matching ratio for Section 5307 and Section 5339 formula funds is 80 percent federal and 20 percent local for capital and planning assistance (including preventive maintenance), and 50 percent federal and 50 percent local for operating assistance. The allocation formulas are 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 2019-20 allocates to GCTD from formula funding is \$5,019,082, a 9.2% increase from the \$4,598,316 FY 2018-19 POP initially approved by VCTC in June 2018 and a 4% increase from the \$4,824,352 revised FY 2018-19 POP later approved by VCTC in October 2018.

Of that amount, \$4,264,160 is allocated under Section 5307 and \$754,922 is allocated under Section 5339. .

The formula funding in GCTD's FY 2019-20 POP is allocated as follows:

### Section 5307

\$ 1,600,000 for Operating Assistance (50% local match)  
\$ 937,583 for Paratransit Assistance (20% local match)  
\$ 1,726,577 for Preventive Maintenance (20% local match)

### Section 5339

\$ 754,922 for GCTD Operations & Administration Facility Bond  
Bond Repayment (20% local match)

Additionally, in April 2019 VCTC and GCTD signed a Letter of Agreement (LOA) to allocated to GCTD an additional \$1,161,246 in 5307 funding to be added to the FY 2018-19 POP. This additional funding is dedicated to making future specifically limited to making debt service payments on the COPs issued to finance GCTD's new facility.

Including an FY 2018-19 budget change staff proposed to the Board in June 2019, GCTD will carry \$1.85 million in grant funds for operating budget activities from a prior

year allocation into FY 2019-20 and has budgeted to use \$1.5 million of that backlog for FY 2019-20 operating activities. The District has carried a backlog for several years; easing cash flow concerns for a revenue source that typically is not available to the District until the end of our fiscal year.

In the FY 2019-20 operating budget GCTD will use \$450,000 in Federal Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds for the first five months of a three-year demonstration service serving Ventura Road (Route 23).

The revised FY 2018-19 POP also included FTA Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds allocated to Ventura County for two new GCTD projects; \$1,821,046 for a Midlife Bus Refurbishment & Engine Replacement for 14 buses to begin in FY 2018-19, and \$1,451,141 for the same project for an additional 12 buses beginning in FY 2019-20. The match requirement for these grants is 11.5%.

Table 7 summarizes Federal grant funds in the FY 2019-20 POP and the revised FY 2018-19 POP.

**TABLE 7**  
**Gold Coast Transit District**  
**Federal Grant Funds Included in FY 2019-20 and FY 2018-19 POP**

<b>FY2019-20 Program of Projects</b>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Operating Assistance (50%) - 5307 Formula	\$ 1,600,000	\$ 1,600,000	\$ 3,200,000
ADA Paratransit Service (80%) - 5307 Formula	\$ 937,583	\$ 234,396	\$ 1,171,979
Preventive Maintenance (80%) - 5307 Formula	\$ 1,726,577	\$ 431,644	\$ 2,158,221
GCTD New Facility Bond Payment (80%) - 5339 Formula	\$ 754,922	\$ -	\$ 754,922
<b>TOTAL</b>	<b>\$ 5,019,082</b>	<b>\$2,266,040</b>	<b>\$ 7,285,122</b>

<b>FY2018-19 Program of Projects (Revised in 2019)</b>	<u>Federal</u>	<u>Local</u>	<u>Total</u>
Operating Assistance (50%) - 5307 Formula	\$ 1,250,000	\$ 1,250,000	\$ 2,500,000
ADA Paratransit Service (80%) - 5307 Formula	\$ 918,000	\$ 229,500	\$ 1,147,500
Preventive Maintenance (80%) - 5307 Formula	\$ 1,719,768	\$ 429,942	\$ 2,149,710
GCTD New Facility Bond Payment - 5307 Formula	\$ 1,161,246	\$ -	\$ 1,161,246
GCTD New Facility Bond Payment - 5339 Formula	\$ 710,548	\$ -	\$ 710,548
Ventura Road Transit Service - CMAQ (88.5%)	\$ 3,731,713	\$ 483,483	\$ 4,215,196
Midlife Bus Refurbishment & Engine Replacement for 14 Buses - CMAQ (88.5%)	\$ 1,821,046	\$ 235,936	\$ 2,056,982
Midlife Bus Refurbishment & Engine Replacement for 12 Buses - CMAQ (88.5%)	\$ 1,451,141	\$ 188,011	\$ 1,639,152
<b>TOTAL</b>	<b>\$12,763,462</b>	<b>\$2,816,872</b>	<b>\$ 15,580,334</b>

<b>Oxnard Urbanized Area - FY 2018/19 Section 5310 / New Freedom Projects</b>			
GCTD Access Direct Service to Camarillo	\$ 81,066	\$ 20,267	\$ 101,333
GCTD Young Adult Mobility Education	\$ 48,000	\$ 12,000	\$ 60,000
<b>5310 TOTAL</b>	<b>\$ 129,066</b>	<b>\$ 32,267</b>	<b>\$ 161,333</b>

## Local Assistance

Local Transportation Funding (LTF) is the single largest source of GCTD 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.

Since July 1, 2014 when Gold Coast Transit changed from a joint powers authority (JPA) to a transit district, the District is entitled to claim all of the LTF allocated to its member jurisdictions. In accordance with GCTD's enabling legislation, GCTD members may claim from GCTD a portion of those funds for transit services or the operation and maintenance of locally supported transit facilities. The district's by-laws provide for this process, by which each member may submit to GCTD its LTF funding 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 2019-20, the full LTF allocation to GCTD is \$16,631,181. Members' claims for recurring transit services costs total \$2,672,202, less \$334,754 in funds allocated to

members but not expended in FY 2017-18 per audited financials; these funds are to be returned to GCTD as a credit to the respective members in FY 2019-20. The FY 2019-20 budget allocates an additional net \$63,639 in LTF to members for transit capital projects, less \$19,558 in capital funds not expended and returned to GCTD as a credit. Net LTF funding available to GCTD is \$14,249,652. Additionally, GCTD will receive by direct payment \$75,620 from the city of Port Hueneme as a refund for a project funded but later cancelled by mutual agreement.

A summary of FY 2019-20 LTF Revenue and funding detail for members' recurring and non-recurring transit services items is shown in Table 8.

**TABLE 8**  
**Gold Coast Transit District**  
**LTF Revenue and Members' Transit Services Funding – FY 2019-20**

<b><u>TDA- LTF REVENUE PROJECTIONS</u></b>		<b><u>TOTAL</u></b>	<b><u>OJAI</u></b>	<b><u>OXNARD</u></b>	<b><u>PORT HUENEME</u></b>	<b><u>VENTURA</u></b>	<b><u>VENTURA COUNTY</u></b>
<b>June 2019 Preliminary LTF Allocation</b> (Subject to Final VCTC Adoption - June 2019)		<b>\$16,631,181</b>	<b>\$285,026</b>	<b>\$7,664,752</b>	<b>\$888,188</b>	<b>\$4,130,041</b>	<b>\$3,632,516</b>
<b><u>FUNDING REQUESTS FOR RECURRING TRANSIT REQUIREMENTS</u></b>							
Ojai Trolley Operations & Maintenance	Ojai	\$158,000	\$158,000				
OTC Operation & Maintenance / Transit Services	Oxnard	\$502,194		\$502,194			
Operation & Maintenance at VTC /AMTRAK/ MetrolinkStation/ Bus Stops	Ventura	\$246,935				\$246,935	
Recurring Bus Stop Maintenance	Oxnard / P.H./ V.C.	\$100,073		\$53,500	\$26,573		\$20,000
County Transit Services Management & Oversight	Ventura County	\$180,000					\$180,000
Transit Service - Heritage Valley	Ventura County	\$320,000					\$320,000
Transit Service - Ojai Trolley	Ventura County	\$220,000					\$220,000
Transit Service - T.O. D-A-R / Unincorporated Area	Ventura County	\$250,000					\$250,000
Transit Service - ECTA D-A-R	Ventura County	\$45,000					\$45,000
Transit Service - Kanan Road Shuttle	Ventura County	\$650,000					\$650,000
<b>TOTAL - RECURRING TRANSIT REQUIREMENTS</b>		<b>\$2,672,202</b>	<b>\$158,000</b>	<b>\$555,694</b>	<b>\$26,573</b>	<b>\$246,935</b>	<b>\$1,685,000</b>
Less: Credit for FY 2017-18 Operating Carryover		<u>(\$334,754)</u>	<u>\$0</u>	<u>(\$132,965)</u>	<u>(\$13,958)</u>	<u>\$0</u>	<u>(\$187,831)</u>
Net LTF Funding for FY 2019-20 Recurring Transit Requirements		<b>\$2,337,448</b>	<b>\$158,000</b>	<b>\$422,729</b>	<b>\$12,615</b>	<b>\$246,935</b>	<b>\$1,497,169</b>
<b><u>REQUESTED MEMBER CAPITAL IMPROVEMENT PROJECTS</u></b>		<b><u>TOTAL</u></b>	<b><u>OJAI</u></b>	<b><u>OXNARD</u></b>	<b><u>PORT HUENEME</u></b>	<b><u>VENTURA</u></b>	<b><u>VENTURA COUNTY</u></b>
Replace two (2) Bus Shelters	Ventura	\$20,226				\$20,226	
Bus Stop Shelters	Port Hueneme	\$39,630			\$39,630		
Bus Stop Sign Replacements	Port Hueneme	\$3,783			\$3,783		
<b>TOTAL CAPITAL IMPROVEMENTS</b>		<b>\$63,639</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,413</b>	<b>\$20,226</b>	<b>\$0</b>
Less: Credit for FY 2017-18 (and earlier) Capital Carryover		<u>(\$19,558)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$16,562)</u>	<u>(\$2,996)</u>	<u>\$0</u>
Net LTF Funding for FY 2019-20 Capital Improvement Projects		<b>\$44,081</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,851</b>	<b>\$17,230</b>	<b>\$0</b>
<b>TOTAL NET MEMBER FUNDING REQUIREMENTS</b>		<b>\$2,381,529</b>	<b>\$158,000</b>	<b>\$422,729</b>	<b>\$39,466</b>	<b>\$264,165</b>	<b>\$1,497,169</b>
<b>Available FY 2019-20 LTF Funding for GCTD</b>		<b>\$14,249,652</b>					
<b><u>PRIOR YEAR CAPITAL IMPROVEMENT PROJECTS - PROJECT CANCELLATIONS / REDUCTIONS</u></b>							
<i>Funds to be Returned to GCTD by Credit (See above)</i>		<b><u>TOTAL</u></b>	<b><u>OJAI</u></b>	<b><u>OXNARD</u></b>	<b><u>PORT HUENEME</u></b>	<b><u>VENTURA</u></b>	<b><u>VENTURA COUNTY</u></b>
Upgrade Bus Stops and Shelters- FY 14-15 Budget Item	Port Hueneme	(\$16,562)			(\$16,562)		
VTC Bathroom Remodel - Project Complete	Ventura	<u>(\$2,996)</u>				<u>(\$2,996)</u>	
<i>Funds to be Returned to GCTD by Direct Payment</i>							
Bus Stop - Ventura Rd. & Bard	Port Hueneme	\$75,620			\$75,620		
<b>TOTAL - Funds to be Returned by Direct Payment</b>		<b>\$75,620</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75,620</b>	<b>\$0</b>	<b>\$0</b>
<b>Available LTF Funding for GCTD Operations</b>		<b>\$14,325,272</b>					
<b><u>PRIOR YEAR CAPITAL IMPROVEMENT PROJECTS - TIME EXTENSION REQUESTS</u></b>							
Bus Stop Upgrades from FY17-18	Ventura County	\$145,000					\$145,000
Voice Annunciator System / Kanan Shuttle Fleet from 17-18	Ventura County	\$25,000					\$25,000
Route 22 Bus Stops from FY17-18	Ventura County	\$29,707					\$29,707
Trolley Washpad and Collection System	Ojai	\$45,134	\$45,134				
Trolley Yard Repaving Project	Ojai	\$30,091	\$30,091				
Bus Stop Construction & Improvements	Oxnard	\$270,145		\$270,145			
<b>TOTAL CAPITAL PROJECTS FOR TIME EXTENSION (NO ADDITIONAL FUNDS)</b>		<b>\$545,077</b>	<b>\$75,225</b>	<b>\$270,145</b>	<b>\$0</b>	<b>\$0</b>	<b>\$199,707</b>

## **DEBT SERVICE**

On March 2, 2017 GCTD closed the sale of \$22,000,000 in 30-year certificates of participation (COPs) to complete the financing of GCTD's new Administration and Operations Facility. The District received as net proceeds \$22,012,933.70 in the project fund and \$1,385,750.00 in the project reserve fund.

For FY 2019-209 GCTD has two payments due for a total of \$1,394,437.50, including principal of \$375,000. In future years GCTD's payments will vary slightly but, in most years, will be between \$1.39M and \$1.4M annually.

In FY 2019-20 GCTD has programmed \$1,394,437.50 in Federal funds for debt repayment.

## **SOURCES AND USES OF REVENUE**

Current year revenue sources total \$26.3 million, including \$16.6 million from LTF, \$5 million in Federal grant funds, \$3.3 million in passenger revenues, \$1.1 million in fare support programs and local revenues, and \$.3 million in State funds. GCTD will make use of \$5.9 million in funds from prior year revenues and grants, including \$1.8 million in LTF carryover funds, \$.3.7 million in federal grant funds and \$.4 million in deferred local revenues.

The uses for just over \$31.2 million in total revenue are \$27.1 million for the operating budget, \$1.4 million for the debt service budget and \$2.7 million for members' transit requirements. A total of \$1.1 million, mostly Federal grant funds, will carry over into FY 2020-21.

A summary of Revenue Sources and Uses for the FY 2019-20 Budget is shown in Table 9.



**TABLE 9**  
**Gold Coast Transit District**  
**Revenue Sources and Uses – FY 2019-20**

(Dollars in Thousands)	<u>Current Year</u> <u>(FY2019-20)</u>	<u>Prior Year</u> <u>Revenue</u>	<u>Total</u>
<b><u>Revenue Sources</u></b>			
LTF Revenue - GCTD	\$16,631		\$16,631
LTF Revenue - GCTD Carryover		\$1,396	\$1,396
LTF Revenue - Member Carryover		\$430	\$430
Federal Revenue	\$5,019	\$3,726	\$8,745
State Transit Assistance FY17-18	\$352		\$352
LCTOP Fare Support Programs	\$316		\$316
Passenger Fares	\$3,256		\$3,256
Other Local (Non-TDA) Revenue	<u>\$770</u>	<u>\$360</u>	<u>\$1,130</u>
<b>Total Revenue Sources</b>	<b>\$26,344</b>	<b>\$5,912</b>	<b>\$32,256</b>
 <b><u>Revenue Uses - FY2019-20</u></b>			
Operating Budget	\$27,054		\$27,054
COP Payments	\$1,394		\$1,394
Member Recurring Transit Requirement	\$2,672		\$2,672
Member Capital Improvements	<u>\$64</u>		<u>\$64</u>
<b>Total</b>	<b>\$31,184</b>		<b>\$31,184</b>
<b>Carryover to FY 2020-21</b>			<b>\$1,072</b>

## **CAPITAL IMPROVEMENTS**

### **Capital Project Funding**

GCTD capital projects are typically funded by a combination of Federal, State and local matching funds. FTA Section 5307 funds are provided on a formula basis and may be programmed for capital projects, typically at 80% of the cost, with a 20% required local match. For certain qualifying projects, Congestion Mitigation and Air Quality (CMAQ) funds or Section 5339 funds may also be programmed. CMAQ funding may be programmed for funding new bus service or the purchase of alternative fuel buses (such as CNG); most of GCTD's CMAQ grants cover 88.5% of the project cost with the remainder made up from local matching funds.

Section 5339 funds may be programmed to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities, typically at

80% of the cost, with a 20% required local match. GCTD is specifically authorized by FTA to use 5307 or 5339 formula funds to make its COP payments.

GCTD received numerous grant awards for State funds for capital projects 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. This was a ten-year program that has completed its final funding phase; GCTD is still expending the last of its PTMISEA grants funds. PTMISEA-funded projects do not require a matching funds component.

More recently the State has introduced grant programs such as The Transit and Intercity Rail Capital Program (TIRCP) and The Low Carbon Transit Operations Program (LCTOP) funded by the Greenhouse Gas Reduction Fund (SB862 – 2014 and SB9 – 2015). In 2017 the State passed SB1, which in addition to providing funds for State Transit Assistance (STA) provided additional funds for TIRCP. GCTD currently receives LCTOP funds for eligible programs and anticipates competing for TIRCP program funding.

Local matching funds for Federal grants are provided through the GCTD Capital Reserve, historically funded from GCTD's LTF allocation. 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. The District has historically contributed to the Capital Reserve as part of the budgeting process as circumstances and funding allow. With the District's resources presently allocated to operations and debt service for its COP issue, the FY 2019-20 budget does not include a capital reserve contribution. GCTD anticipates finishing FY 2018-19 with just under \$5.7 million in capital reserves, with an additional \$2 million having recently been withdrawn to pay remaining costs for the completion of the new Administration and Operations Facility.

### **Administration and Operations Facility**

The most significant Capital Project in GCTD's history is the new Administration and Operations Facility. The new facility construction is nearly complete, with the ribbon cutting ceremony scheduled for June 29, 2019 and the relocation of GCTD operations scheduled for the end of July 2019. Because this project is nearly complete, it is presented separately from the Ten-Year Capital Project Plan.

The Administration and Operations Facility project budget is \$53 million. GCTD has \$27.8 million in grant funding for this project, including \$16.1 million in Federal grants and nearly \$11.7 million in State grant funds, including PTMISEA funds and Proposition 1B Safety & Security funds. GCTD successfully issued Certificates of Participation (COP) financing to raise \$22 million plus earned interest (\$.3M) for the Project Fund (as well as almost \$1.4 million for a required Reserve Fund). The remaining \$2.9 million of the project cost will be covered by LTF, primarily from GCTD's Capital Reserve Fund.

Table 10 summarizes the budget status for the new Administration and Operations Facility as of mid-May 2019.

**TABLE 10**  
**Gold Coast Transit District**  
**New Operations and Administration Facility Funding Status**

**NEW FACILITY FUNDING STATUS**

As of May 2019

<u>Description</u>	<u>Federal</u>	<u>State Funds- (PTMISEA/ PROP 1B)</u>	<u>COP Project Fund</u>	<u>Interest on State/COP Funds</u>	<u>Local / Other</u>	<u>Total</u>
Federal 5309 Bus Facilities Grant	\$15,000,000					\$15,000,000
Federal 5307 Formula Grants	\$ 1,075,000					\$ 1,075,000
State PTMISEA Grants		\$ 10,871,552		\$ 47,198		\$10,918,750
State Cal-EMA Safety & Security Grants		\$ 785,832		\$ 830		\$ 786,662
Certificate of Participation (COPs) - Project Fund			\$ 22,012,934	\$ 336,060		\$22,348,994
GCTD Capital Reserve (LTF)	\$ -	\$ -	\$ -	\$ -	\$2,870,595	\$ 2,870,595
<b>TOTAL</b>	<b>\$16,075,000</b>	<b>\$ 11,657,384</b>	<b>\$ 22,012,934</b>	<b>\$ 384,088</b>	<b>\$2,870,595</b>	<b>\$53,000,000</b>
<b>Net Committed</b>						<b>\$52,260,261</b>
<b>Paid to Date</b>						<b>\$48,926,843</b>
<b>Unliquidated Obligations</b>						<b>\$ 3,333,418</b>

**Ten-Year Capital Project Plan**

A capital project plan has been developed to ensure that:

- GCTD 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 GCTD'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, and it may take the manufacturer another one to two years to build and deliver a transit bus.

The capital project plan incorporate information from other GCTD planning documents, including the Short-Range Transit Plan and the Fleet Management Plan.

## **Proposed Capital Projects**

Significant items on the ten-year capital project plan include provision of expansion buses for anticipated service growth, major bus fleet refurbishment to extend the useful life of largest fleet, periodic replacement of our current bus, paratransit and service vehicle fleets, and additions to the District's technology in support of more efficient transit service and a more productive workforce.

Historically most of GCTD's capital funding has come from federal transit grants, which generally cover 80% of cost and require a 20% local match component, however the past few years have seen substantial support and activity for increased transit funding at the State level. California's TIRCP and LCTOP programs may provide increasing support for transit projects in future years.

Additionally, the recently enacted SB1 legislation that primarily provided funding for street and highway repair also provides for transit State of Good Repair funds, additional STA funds and additional funding for the discretionary TIRCP grant program, all of which could benefit GCTD. As a result, for future programmed projects for which funding has not yet been identified, the plan makes no assumption of Federal-State-local split.

The total projected cost for all items on the ten-year capital project plan is \$38 million, of which \$8.2 million is for programmed projects for which funding has been identified (Table 12) and \$29.8 million is for programmed projects (listed in Table 13) over the next ten years for which funding has not yet been identified. A matrix showing programmed vehicles (funded and not yet funded) is shown in Table 14.

A summary of the program appears in Table 15.

**TABLE 11**  
**Gold Coast Transit District**  
**Ten-Year Capital Project Plan – Funded Projects**

<u>Description</u>	<u>Funding Type</u>	<u>Federal</u>	<u>State Funds-</u>	<u>Local / Other</u>	<u>Total</u>	<u>Completion Year</u>
Midlife Engine Replacement and Service Life Extension Project (26 New Flyers)	Federal CMAQ	\$3,272,141		\$423,941	\$3,696,082	2018-19/ 2019-20
Five (5) Expansion Buses	Federal CMAQ	\$2,478,840		\$321,160	\$2,800,000	2019-20
Website Upgrade	Federal 5307	\$64,000		\$16,000	\$80,000	2019-20
New Servers (2)	Federal 5307	\$16,000		\$4,000	\$20,000	2019-20
Paratransit Vehicles (5)	State PTMISEA		\$327,200		\$327,200	2018-19
Service Vehicles (10)	State PTMISEA		\$300,000		\$300,000	2019-20
Non-Revenue Vehicles - Accessible	State PTMISEA		\$40,000		\$40,000	2019-20
Two (2) Ford Transit Vans	State PTMISEA		\$130,400		\$130,400	2019-20
On-Demand Pilot Scheduling Software + Equipment	State PTMISEA		\$25,000		\$25,000	2019-20
Electric Bus Charging Capability at New Facility	SBCAG/ State TIRCP Grant	<u>\$0</u>	<u>\$800,000</u>	<u>\$0</u>	<u>\$800,000</u>	2020-21
<b>TOTAL</b>		<b>\$5,830,981</b>	<b>\$1,622,600</b>	<b>\$765,101</b>	<b>\$8,218,682</b>	

Note: PTMISEA projects subject to grant allocation approval expected in July 2019.

**TABLE 12**  
**Gold Coast Transit District**  
**Ten-Year Capital Project Plan – Programmed Projects**  
**(Funding Not Identified)**

<u>Project/Item</u>	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2023-24</u>
Paratransit Vehicle - Replacement	FUNDED				\$867,000
Paratransit Vehicle - Expansion	FUNDED		\$70,000		
Fixed Route Revenue - Zero Emissions		\$3,074,000			
Fixed Route Revenue - Expansion	FUNDED				\$2,666,000
Fixed Route Revenue - Replacement		\$5,192,000	\$4,753,000		
Fixed Route Revenue - Refurbishment	FUNDED				
Non-Revenue Vehicles	FUNDED	\$93,000		\$99,000	
Non-Revenue Vehicles - Accessible	FUNDED				\$45,000
Electric Bus Charging at New Facility					
On-Demand Software + Equipment	FUNDED				
Maintenance Equip		\$8,000			
New Servers	FUNDED				
Website Redesign	FUNDED				
GCTD ERP System Replacement			\$531,000		
<b>TOTAL</b>	<b>\$0</b>	<b>\$8,367,000</b>	<b>\$5,354,000</b>	<b>\$99,000</b>	<b>\$3,578,000</b>

<u>Project/Item</u>	<u>FY2024-25</u>	<u>FY2025-26</u>	<u>FY2026-27</u>	<u>FY2027-28</u>	<u>FY2028-29</u>	<u>TOTAL</u>
Paratransit Vehicle - Replacement	\$893,000	\$920,000				\$2,680,000
Paratransit Vehicle - Expansion	\$77,000		\$82,000			\$229,000
Fixed Route Revenue - Zero Emissions						\$3,074,000
Fixed Route Revenue - Expansion						\$2,666,000
Fixed Route Revenue - Replacement				\$4,966,000	\$5,115,000	\$20,026,000
Fixed Route Revenue - Refurbishment						\$0
Non-Revenue Vehicles		\$36,000	\$111,000	\$114,000	\$40,000	\$493,000
Non-Revenue Vehicles - Accessible						\$45,000
Electric Bus Charging at New Facility						\$0
On-Demand Software + Equipment						\$0
Maintenance Equipment						\$8,000
New Servers						\$0
Website Redesign						\$0
GCTD ERP System Replacement						\$531,000
<b>TOTAL</b>	<b>\$970,000</b>	<b>\$956,000</b>	<b>\$193,000</b>	<b>\$5,080,000</b>	<b>\$5,155,000</b>	<b>\$29,752,000</b>

**TABLE 13**  
**Gold Coast Transit District**  
**Ten-Year Capital Project Plan – Programmed Vehicles**

<u>Project/Item</u>	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2023-24</u>
Paratransit Vehicle - Replacement	5				7
Paratransit Vehicle - Expansion	2		1		
Fixed Route Revenue - Zero Emissions		3			
Fixed Route Revenue - Expansion	5				4
Fixed Route Revenue - Replacement		9	8		
Fixed Route Revenue - Refurbishment	26				
Non-Revenue Vehicles	10	3		3	
Non-Revenue Vehicles - Accessible	1				1

<u>Project/Item</u>	<u>FY2024-25</u>	<u>FY2025-26</u>	<u>FY2026-27</u>	<u>FY2027-28</u>	<u>FY2028-29</u>	<u>TOTAL</u>
Paratransit Vehicle - Replacement	7	7				26
Paratransit Vehicle - Expansion	1		1			3
Fixed Route Revenue - Zero Emissions						3
Fixed Route Revenue - Expansion						9
Fixed Route Revenue - Replacement				7	7	31
Fixed Route Revenue - Refurbishment						26
Non-Revenue Vehicles		1	3	3	1	24
Non-Revenue Vehicles - Accessible						2

**TABLE 14**  
**Gold Coast Transit District**  
**Ten-Year Capital Project Plan – Summary Table**

<b>GCTD TEN-YEAR CAPITAL PROGRAM - SUMMARY TABLES</b>				
	<u>Federal</u>	<u>State</u>	<u>Local/ Other</u>	<u>Total</u>
Funded Projects	\$5,830,981	\$1,622,600	\$765,101	\$8,218,682
<b><u>Programmed Projects / Funding NOT Identified</u></b>				
FY2019-20				\$0
FY2020-21				\$8,367,000
FY2021-22				\$5,354,000
FY2022-23				\$99,000
FY2023-24				\$3,578,000
FY2024-25				\$970,000
FY2025-26				\$956,000
FY2026-27				\$193,000
FY2027-28				\$5,080,000
FY2028-29				\$5,155,000
TOTAL				\$29,752,000
<b><u>By Project Type</u></b>				
				<b><u>Project Cost</u></b>
New Buses				\$28,566,000
Paratransit Vehicles				\$3,236,200
Bus Rebuild				\$3,696,082
Non-Revenue Vehicle				\$923,400
Business Technology				\$656,000
Buildings & Equipment				\$893,000
Grand Total				\$37,970,682
<b><u>By Funding Status</u></b>				
Total Required				\$37,970,682
Federal Funds				\$5,830,981
State Funds				\$1,622,600
Local Funds				\$765,101
Total Funding				\$8,218,682
Projected Capital Reserve - June 30, 2019				<b><u>\$ 5,692,808</u></b>



## Depreciation

Capital assets are depreciated on a straight-line basis over the course of their useful life. For FY19-20, the new Operations and Administration Facility will be added to the fixed asset ledger. Table 15 is the depreciation schedule for FY 2019-20

**TABLE 15**  
**Gold Coast Transit District - Depreciation Schedule**  
**July 1, 2019 to June 30, 2020**

<u>Item</u>	<u>FY17-18</u> <u>Budget</u>	<u>FY17-18</u> <u>Actuals</u>	<u>FY18-19</u> <u>Budget</u>	<u>Proposed</u> <u>Budget</u> <u>FY19-20</u>
Facility	58,000	58,030	881,000	1,146,131
Buses	2,048,000	2,048,288	2,049,700	1,826,235
Other Vehicles	41,200	41,187	18,000	65,496
Shop Equipment	19,000	19,014	239,900	65,122
Office/Other Equipment	243,400	196,989	390,300	243,312
OTC Improvements	23,400	23,406	23,400	23,406
Intangible Assets	0	0	0	0
Paratransit Revenue Vehicles	456,000	404,693	492,400	433,116
Paratransit Other Equipment	<u>49,500</u>	<u>10,126</u>	<u>25,300</u>	<u>21,315</u>
Total Depreciation	<u>\$2,938,500</u>	<u>\$2,801,732</u>	<u>\$4,120,000</u>	<u>\$3,824,133</u>

## APPENDIX

### A – Operational Unit FY 2019-20 Budgets

**TABLE 16**  
**Gold Coast Transit District**  
**Fixed Route Operating Budget**  
**July 1, 2019 to June 30, 2020**

<b><u>FIXED ROUTE</u></b>	<b><u>FY17-18</u></b> <b><u>Budget</u></b>	<b><u>FY17-18</u></b> <b><u>Actuals</u></b>	<b><u>FY18-19</u></b> <b><u>Budget</u></b>	<b><u>Proposed</u></b> <b><u>Budget</u></b> <b><u>FY19-20</u></b>	<b><u>% +/-</u></b> <b><u>FY20 vs.</u></b> <b><u>FY19</u></b>
<b><u>Employees</u></b>					
Salaries	7,763,900	7,827,945	8,053,500	8,094,000	+0.5%
Health Benefits	1,387,900	1,429,083	1,414,500	1,479,200	+4.6%
WCI	896,000	887,697	1,064,600	1,231,700	+15.7%
Retirement	1,365,200	1,845,768	1,497,800	1,658,800	+10.7%
Other Benefits	166,300	141,020	190,700	176,800	(7.3%)
Uniforms	53,000	40,505	54,000	49,000	(9.3%)
Medical Exams	37,000	31,666	40,000	40,000	+0.0%
Safety & Training	22,500	28,379	24,500	40,000	+63.3%
<b><u>Service/Supplies - Operational</u></b>					
Fuel/Lube	655,100	549,883	590,200	581,200	(1.5%)
Tires	80,000	44,148	80,000	80,000	+0.0%
Supplies	7,800	19,335	6,000	8,000	+33.3%
Maintenance Agreements	18,700	22,092	27,800	26,000	(6.5%)
<b><u>Service/Supplies - Support</u></b>					
Telephones/Utilities	<u>107,900</u>	<u>112,442</u>	<u>113,000</u>	<u>115,000</u>	+1.8%
<b>TOTAL</b>	<b><u>\$12,561,300</u></b>	<b><u>\$12,979,964</u></b>	<b><u>\$13,156,600</u></b>	<b><u>\$13,579,700</u></b>	<b>+3.2%</b>

**TABLE 17**  
**Gold Coast Transit District**  
**Fleet & Facilities Operating Budget**  
**July 1, 2019 to June 30, 2020**

<b><u>FLEET &amp; FACILITIES</u></b>	<b><u>FY17-18</u></b>	<b><u>FY17-18</u></b>	<b><u>FY18-19</u></b>	<b><u>Proposed</u></b>	<b><u>% +/-</u></b>
	<b><u>Budget</u></b>	<b><u>Actuals</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>FY20 vs.</u></b>
				<b><u>FY19-20</u></b>	<b><u>FY19</u></b>
<b><u>Employees</u></b>					
Salaries	1,459,000	1,455,117	1,711,000	1,711,900	+0.1%
Health Benefits	202,800	219,923	264,300	260,600	(1.4%)
WCI	114,700	113,637	64,100	60,500	(5.6%)
Retirement	249,000	338,617	321,700	332,700	+3.4%
Other Benefits	50,200	28,521	54,400	45,700	(16.0%)
Uniforms	26,500	10,989	22,000	22,000	+0.0%
Medical Exams	7,300	5,423	7,700	7,700	+0.0%
Safety & Training	29,000	20,903	30,000	40,000	+33.3%
Contract Support	22,000	12,289	115,000	115,000	+0.0%
<b><u>Service/Supplies - Operational</u></b>					
Fuel/Lubricants	31,000	22,734	31,500	32,500	+3.2%
Tires	75,000	35,866	75,000	75,000	+0.0%
Repair Parts	662,000	543,325	689,000	700,800	+1.7%
CNG Fuel Station	100,000	27,968	75,000	75,000	+0.0%
Contract Repair	327,500	137,648	350,100	375,000	+7.1%
Supplies	157,500	112,593	200,000	218,000	+9.0%
Warranty Recovery	0	-10,330	0	0	+0.0%
<b><u>Service/Supplies - Support</u></b>					
Telephones/Utilities	53,000	47,329	90,200	90,200	+0.0%
Contract Services	63,000	61,565	325,000	325,000	+0.0%
<b>TOTAL</b>	<b><u>\$3,629,500</u></b>	<b><u>\$3,184,119</u></b>	<b><u>\$4,426,000</u></b>	<b><u>\$4,487,600</u></b>	<b>+1.4%</b>

**TABLE 18**  
**Gold Coast Transit District**  
**Administration Operating Budget**  
**July 1, 2019 to June 30, 2020**

<b><u>ADMINISTRATION</u></b>	<b><u>FY17-18</u></b> <b><u>Budget</u></b>	<b><u>FY17-18</u></b> <b><u>Actuals</u></b>	<b><u>FY18-19</u></b> <b><u>Budget</u></b>	<b><u>Proposed</u></b> <b><u>Budget</u></b> <b><u>FY19-20</u></b>	<b><u>% +/-</u></b> <b><u>FY20 vs.</u></b> <b><u>FY19</u></b>
<b><u>Employees</u></b>					
Salaries	1,402,600	1,288,651	1,365,000	1,473,500	+7.9%
Health Benefits	155,600	140,518	142,100	186,200	+31.0%
WCI	5,200	5,152	4,500	9,000	+100.0%
Retirement	234,300	334,394	268,600	297,500	+10.8%
Other Benefits	53,400	51,365	54,400	52,900	(2.8%)
Uniforms	900	20	900	900	N/A
Medical Exams	1,000	688	1,200	1,200	+0.0%
Safety & Training	45,000	49,565	46,000	34,100	(25.9%)
Employee Events	46,200	44,107	41,500	32,000	N/A
Contract Support	67,000	45,493	33,500	21,500	(35.8%)
<b><u>Service/Supplies - Support</u></b>					
Telephones/Utilities	32,000	30,621	16,500	18,600	+12.7%
Insurance	1,022,600	827,985	1,116,500	1,129,800	+1.2%
Contract Services	70,300	49,031	87,500	219,600	+151.0%
Supplies	106,700	116,459	128,400	138,200	+7.6%
Legal	55,000	55,771	71,000	81,000	+14.1%
Audit	32,000	24,860	35,000	35,000	+0.0%
Officers & Directors	24,500	17,816	24,500	20,000	(18.4%)
Dues	47,100	45,922	56,000	55,000	(1.8%)
<b>Total</b>	<b><u>\$3,401,400</u></b>	<b><u>\$3,128,417</u></b>	<b><u>\$3,493,100</u></b>	<b><u>\$3,806,000</u></b>	<b>+9.0%</b>

**TABLE 19**  
**Gold Coast Transit District**  
**Paratransit/ Planning and Marketing Operating Budget**  
**July 1, 2019 to June 30, 2020**

<b><u>PARATRANSIT / PLANNING AND MARKETING</u></b>	<b><u>FY17-18 Budget</u></b>	<b><u>FY17-18 Actuals</u></b>	<b><u>FY18-19 Budget</u></b>	<b><u>Proposed Budget FY19-20</u></b>	<b><u>% +/-(-) FY20 vs. FY19</u></b>
<b><u>Employees</u></b>					
Salaries	645,700	682,057	760,900	770,900	+1.3%
Health Benefits	105,500	100,069	95,100	115,200	+21.1%
WCI	3,900	3,864	3,500	4,800	+37.1%
Retirement	125,200	171,645	139,800	148,600	+6.3%
Other Benefits	12,500	12,019	15,300	15,400	+0.7%
Uniforms	1,000	134	1,000	1,000	N/A
Medical Exams	600	470	600	600	+0.0%
Safety & Training	21,000	12,339	24,500	17,000	(30.6%)
<b><u>Service/Supplies - Operational</u></b>					
Paratransit Service Contract	3,083,200	3,222,932	3,816,200	3,511,900	(8.0%)
Fuel/Lubricants	99,000	93,069	74,600	238,500	+219.7%
Tickets/Schedules	67,000	78,578	60,000	66,000	+10.0%
Marketing	104,500	54,854	150,000	101,000	(32.7%)
Contracts	54,000	36,490	15,600	39,900	+155.8%
OTC Facilities	14,000	12,107	14,000	14,000	+0.0%
<b><u>Service/Supplies - Support</u></b>					
Telephones/Utilities	5,100	5,557	5,900	11,400	+93.2%
Supplies	20,500	10,248	28,000	15,000	(46.4%)
Contract Services	71,200	46,492	66,700	100,400	+50.5%
<b>TOTAL</b>	<b><u>\$4,433,900</u></b>	<b><u>\$4,542,924</u></b>	<b><u>\$5,271,700</u></b>	<b><u>\$5,171,600</u></b>	<b>(1.9%)</b>
<b>PARATRANSIT</b>	<b><u>\$3,388,400</u></b>	<b><u>\$3,500,008</u></b>	<b><u>\$4,063,400</u></b>	<b><u>\$3,948,100</u></b>	<b>(2.8%)</b>
<b>PLANNING AND MARKETING</b>	<b><u>\$1,056,000</u></b>	<b><u>\$1,047,008</u></b>	<b><u>\$1,218,800</u></b>	<b><u>\$1,232,500</u></b>	<b>+1.1%</b>

## **APPENDIX B – GLOSSARY**

**Audit** – GCTD's annual financial record audit performed by an independent CPA firm.

**CNG Fuel Station** – Maintenance and upgrade expenses related to GCTD's onsite CNG fueling station.

**Contracted Paratransit Service** – Contract for the GCTD 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, 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 Events** – Includes the costs incurred by GCTD staff employees while attending approved meetings and conferences, as well as official employee events and functions sanctioned by the General Manager.

**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 GCTD revenue and non-revenue vehicles. Also included are fuel taxes - GCTD is required to pay State Excise taxes of \$.01/therms of CNG.

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

**Insurance** – Liability insurance for vehicles, errors & omissions, bonding, property, crime, employer liability, etc.

**Legal** – Costs associated with legal services required by GCTD, 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 GCTD 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** – GCTD'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 GCTD'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** – GCTD'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, pay increases in accordance with the personnel policy, longevity and bilingual pay, and projected salary range increases, if any, as determined by the Board of Directors.

**Schedules/Marketing** – This includes the GCTD 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 GCTD 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. GCTD's service area is part of the Oxnard UZA.

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