

Item 10: FY 25 Budget Assumptions

Presented by:
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Assumptions for FY 25 Budget

- The CFO is working with Department Directors to review monthly YTD expenses and are each Dept is working on developing their projected budgets for FY 25.
- Assuming service levels will be maintained contingent on staff availability.
- First year of projected deficit, we will plan to use funding from SB 125 to offset gap between revenues / expenses
- Cost saving / revenue generating initiatives –
 - Paratransit Transition to GCTD, fare adjustment (if approved), and 3rd party fueling will help address gaps



Revenue Assumptions

REVENUES	FY 2024 Approved Annual Budget	FY 2025 Budget Assumption	Change from prior year
Passenger Fares	\$ 2,837,905	Farebox revenue increase (if fare adjustment approved) Reimbursement from VCTC for youth /college ride free *not permanent Advertising Revenue	↑ ↑ ↑
Non- Operating Revenues	\$ 576,010	Fueling program for 3rd parties at GCTD Investment Income Energy credit/Fuel Credit	↑ New ↑ ↓
Local Assistance (TDA/LTF)	\$ 21,382,371	TDA funding is \$1M lower than FY 2024	↓
State Assistance	\$ 2,322,000	SB125 Operating Assistance *one time SGR State of Good Repair , STA State Transit Assistance *Capital costs only	↑ New ↑
Federal Assistance	\$ 10,053,144	5307 Formula - Preventative Maintenance 5307 Formula - Cost of Contracting 5307 Formular - Operating Assistance	↑ ↓ ↑
Total Revenues	\$ 37,171,430	Overall Revenues	↑



Expense Assumptions

EXPENSES	FY 2024		FY 2025 Budget Assumption (Key Factors)	Change
	Approved Annual Budget			
Salary/Wage	\$	12,347,278	Labor Cost increases, + Bring paratransit service in house, labor costs will be increased significantly	↑
Fringe Benefits	\$	9,197,663	Bring paratransit service in house, more employees, employees' benefits will be increased significantly	↑
Services	\$	5,927,526	MV contract service will be ended in Sept 2024, contract service expenses will be decreased by \$4.5 million, offset by increase in salary and benefit costs, resulting in approximate savings of \$800K	↓
Materials and Supplies	\$	3,657,517	Paratransit vehicle parts increase CNG rate remain stable, Fuel use increase	↑
Utilities	\$	330,729	Electricity and Gas cost will increase	↑
Casualty and Liability	\$	1,591,804	Worker compensation expenses increase District's unfunded liabilities increases	↑
Miscellaneous	\$	719,001	Addition of training opportunities / professional development for employees to sharpen skills	↑
Debt Service	\$	1,384,812	Fixed schedule payment. No change.	▬
Jurisdiction TDA Contribution	\$	2,015,100	Slight increase due to CPI.	↑
Total Expenses	\$	37,171,430	Overall Expenses	↑



Recommendation

This report is for information only.

Staff will continue to work on developing a draft budget for the Board to review in *May 2024*.

