

To: CCTA Board of Commissioners
From: Michelle Daley, Director of Finance
Cc: Mark Sousa, General Manager
Date: March 20, 2017
RE: FY17 Capital and Operating Budget Adjustments Memo



The Green Mountain Transit grant amendment for the FY17 fiscal year was executed on February 9, 2017. This amendment primarily addressed the concerns we had with our urban capital budget. The total capital budget for the urban system has increased by \$754,137 and the rural capital budget was unchanged. The local capital match for urban increased by \$11,040 and rural capital match increased by \$2,000. The following is the list of changes made to the capital budget following the grant amendment.

Line Item B – 8 Replacement 40' Buses, reduced the total 100% allocation from \$3,600,000 to \$3,570,000 and removed \$24,000 in direct federal funding. Sufficient funding has been awarded by Vtrans and additional direct federal funding is not needed.

Changed Line Item C description to include relocation expenses, and reduced local capital match from 20% to 10% after VTRANS awarded 10% match in the recent grant amendment. The final relocation expenses came in higher than anticipated.

Added back Line Item D in the amount of \$150,000 for "Facility Maintenance (PM)". Engine and Transmission PM was removed from this Line in Amendment #1 to the State Grant at the request of Vtrans.

Changed Line Item E to "2 Replacement SSTA ADA Cutaways" and increased the line item from \$46,000 to \$85,640. A replacement cutaway is needed more than a minivan and the state awarded sufficient funding to purchase a cutaway in lieu of a minivan. The increased award includes amount received from VTrans to supplement insurance proceeds for replacement of the cutaway which was deemed totaled by the insurance company.

Added Line Item I for "2 Lift Replacements and 2 Mobile Lifts" in the amount to \$414,000. The addition of a mobile lift will reduce downtime when lifts are in need of servicing.

Added Line Item J for "Bus Lift Maintenance" in the amount of 25,000. This will help us to keep the remaining lifts operable until we can replace them.

Added Line Item P for "1 Replacement Operations Vehicles" for \$30,000, we initially requested 2 operations vehicles after negotiations with VTRANS we agreed one for FY17 and one for FY18.

Added Line Item M for "Spare parts, miscellaneous support equipment", for \$150,000. This is typically funds we request and received each year to supplement the operating maintenance budget.

Line Items K, L, Q and R - Reduced local capital match from 20% to 10% after state awarded 10% match for these items in recent grant amendment. For the asset management software, we split the local match evenly between urban and rural since the software will be used for both systems.

We also made a number of adjustments to the Operating budget, to align a number of budgets with actuals as well as adjust the local capital match that matches the capital budget adjustments. A number of budget expenses were adjusted based on actuals, I have highlighted the large changes/adjustments made with some further explanation

Federal Urban Formula Grant (+\$302,711) – In order to balance this budget, we are expecting to spend down more than the yearly awarded amount. We are fortunate to have had some lean years so we can do this, however this is not sustainable long term.

Passenger Fares (-404,000) – This was decreased to account for what is actually being received via the farebox and fare media sales. We have seen decreases in this revenue from 2015 to 2016 by 5% for the urban system and 11% for the rural system. So far year to date from 2016 to 2017 we are seeing decreases of 10% for urban and 18% for rural. Ridership continues to be down nationwide for public transit.

Advertising Revenue (-70,000) – Revenue is down this year and it is unlikely we will reach the originally budgeted amount of \$250,000 with the current actual trends. Marketing is already planning how to increase advertising revenue opportunities next year so that we can hit our goal in FY2018.

Miscellaneous Purchase of Service (+68,672) – CVMC continues to support the shuttle at 100% funding. The original budget didn't project the full service.

Unemployment tax (-28,336) – This is typically difficult to budget annually, although now it is looking like our unemployment obligation will be less than expected when originally budgeted.

Employee Benefits (+17,500) – This has been adjusted to account for the moving expenses approved for an employee hired last year.

Insurance Expense (-39,716) – Based on the current year actual projections we are able to trim this expense a bit more.

Other planning expense (+35,000) – The original budget didn't budget the costs for the rural share of the Comprehensive Service Analysis (CSA) study. This amount is the portion to cover the rural systems share of the project for FY17.

Parts Expense (+72,000) – We have increased the rural system because we have a number of vehicles that have been sent to an outside vendor to be repaired. This has been done, for one of two reasons. Either we don't have the mechanics with the expertise to complete the repair or in some cases, we have had too many buses down at one time.

Cleaning Fees (+22,992) – The originally budget didn't include the contract for the Vermont Work Offender program. This group comes in and helps with shelters and cleaning of the buses.

Fuel (-72,251) – Based on the trends this fiscal year, we have been able to further reduce fuel.

ADA/SSTA Paratransit (-101,087) – With the low ridership trends we are experiencing within our own system, this also impacts the paratransit ridership.

Marketing Exp & Public Information (-45,000) – for the remainder of the fiscal year the marketing team will be busy getting signs completed for the rebrand which is budgeted as part of the capital budget. They still have plenty of funds available this fiscal year after cutting the budgeted expenses.

Fiscal Year Ending June 30,

Urban Capital										
Prio	Item	Description	100%	80% Federal	10% State	10% Local	From URBAN Local Capital Match	From RURAL Local Capital Match	Pass-Through Federal Funds Awarded by Vtrans	Direct Federal Funds Awarded by FTA
1	A	3 - Replacement 35' Buses	\$ 1,335,000	\$1,068,000	\$133,500	\$133,500	\$133,500		\$1,068,000	
1	B	8 - Replacement 40' Buses	\$ 3,570,000	\$2,856,000	\$351,000	\$363,000	\$357,000		\$2,856,000	\$ -
1	C	One Industrial Renovations/Equipment/Design/Relocation	\$ 285,000	\$228,000	\$28,500	\$28,500	\$28,500			\$228,000
1	D*	Facility Maintenance (PM)	\$ 150,000	\$120,000	\$15,000	\$15,000	\$15,000		\$120,000	
1	E	2 - Replacement SSTA** ADA Cutaway (1 Replacing Totaled Vehicle)	\$ 85,640	\$68,512	\$8,564	\$8,564			\$68,512	
1	F	1 E&D Cutaway for Winooski Senior Center	\$ 71,500	\$57,200	\$7,150	\$7,150			\$57,200	
1	G	1 - Replacement SSTA** ADA Sedan @ \$20,100 each	\$ 20,100	\$16,080	\$2,010	\$2,010			\$16,080	
1	H	Additional Funds for FY16 Cutaways	\$ 14,497	\$11,598	\$1,450	\$1,450			\$11,598	
1	I*	2 Replacement Bus Lifts and 1 Mobile Lift at CCTA Facility	\$ 414,000	\$331,200	\$41,400	\$41,400	\$41,400		\$331,200	
1	J*	Bus Lift Maintenance	\$ 25,000	\$20,000	\$2,500	\$2,500	\$2,500		\$20,000	
2	K	Downtown shelter relocation/Cherry St Terminal removal/Bike Storage	\$ 173,600	\$138,880	\$17,360	\$17,360	\$17,360			\$138,880
2	L	Shelter Lights for existing shelters	\$ 45,000	\$36,000	\$4,500	\$4,500	\$4,500			\$36,000
1	M*	Spare parts and miscellaneous support equipment	\$ 150,000	\$120,000	\$15,000	\$15,000	\$15,000		\$120,000	
2	P*	1 - Replacement Operations vehicles	\$ 30,000	\$24,000	\$3,000	\$3,000	\$3,000		\$24,000	
2	Q	Enterprise Asset Management Software & Upgrade Maintenance Software	\$ 40,000	\$32,000	\$4,000	\$4,000	\$2,000	\$2,000		\$32,000
2	R	Replacement Office Equipment - upstairs copier, coin counter machine, computer equip.	\$ 25,000	\$20,000	\$2,500	\$2,500	\$2,500			\$20,000
Subtotal Urban Capital Budget			\$ 6,434,337	\$ 5,147,470	\$ 637,434	\$ 649,434	\$ 622,260	\$ 2,000	\$ 4,692,590	\$ 454,880
** Special Services Transportation Agency *** Elders and Persons With Disabilities Program.										

Fiscal Year Ending June 30,

Rural Capital										
Prio	Item	Description	100%	80% Federal	10% State	10% Local	From URBAN Local Capital Match	From RURAL Local Capital Match	Pass-Through Federal Funds Awarded by Vtrans	Direct Federal Funds Awarded by FTA
1	AA	Misc Support Equipment: Pressure Washers, Battery Chargers, etc.	\$ 8,000	\$6,400	\$800	\$800		\$800	\$6,400	
1	AB	Facility PM for Stowe and Berlin (Garage Doors, Lifts, HVAC)	\$ 10,000	\$8,000	\$1,000	\$1,000		\$1,000	\$8,000	
1	AC	1 FY16 Replacement Vehicle @ CIDER** @ \$46,000 each	\$ 46,000	\$36,800	\$4,600	\$4,600			\$36,800	
1	AD	Replacment bus lift at Berlin facility	\$ 100,000	\$80,000	\$10,000	\$10,000		\$10,000	\$80,000	
2	AE	Retrofit rural service truck for road calls and on-site maintenance work	\$ 20,000	\$16,000	\$2,000	\$2,000		\$2,000	\$16,000	
2	AF	Bus Stop upgrades, new signage for rebranding	\$ 95,000	\$76,000	\$9,500	\$9,500		\$9,500	\$76,000	
2	AG	Replacement Office Equipment at Berlin (computers, copier, etc.)	\$ 10,000	\$8,000	\$1,000	\$1,000		\$1,000	\$8,000	
2	AH	Phone Recording System for Medicaid	\$ 15,000	\$12,000	\$3,000	\$1,500		\$1,500	\$12,000	
2	AI	Security Cameras for Berlin Faciltiy	\$ 10,000	\$8,000	\$2,000	\$1,000		\$1,000	\$8,000	
2	AJ	Additional funding for 4WD for FY16 service vehicle	\$ 4,818	\$3,854	\$482	\$482		\$482	\$3,854	
Subtotal Rural Capital			\$ 318,818	\$ 255,054	\$ 34,382	\$ 31,882	\$ -	\$ 27,282	\$ 255,054	\$ -
* Cut Away Bus = Truck/Van Front/Bus Body ** Champlain Islanders Developing Essential Resources. CIDER pays a one time lease fee that helps us meet our the local match obligation.										

TOTAL CAPITAL Budget \$ 6,753,155 \$ 5,402,524 \$ 671,816 \$ 681,316 \$ 622,260 \$ 29,282 \$ 4,947,644 \$ 454,880

Awarded Urban Capital									
Priority	Item	Description	100%	80% Federal	10% State	10% Local	From Local Capital Match	Federal Funds Awarded by Vtrans	Federal Funds Awarded by FTA
1	A	3 - Replacement 35' Buses	\$ 1,335,000	\$1,068,000	\$133,500	\$133,500	\$133,500	\$1,068,000	
1	B	8 - Replacement 40' Buses	\$ 3,600,000	\$2,880,000	\$354,000	\$366,000	\$366,000	\$2,856,000	\$ 24,000
1	C	One Industrial Renovations/Equipment/Design	\$ 285,000	\$228,000	\$28,500	\$28,500	\$57,000		\$228,000
1	E	1 - Replacement SSTA** E&D*** Minivan @ \$46,000 each	\$ 46,000	\$36,800	\$4,600	\$4,600		\$36,800	
1	F	1 E&D Cutaway for Winooski Senior Center	\$ 71,500	\$57,200	\$7,150	\$7,150		\$57,200	
1	G	1 - Replacement SSTA** ADA Sedan @ \$20,100 each	\$ 20,100	\$16,080	\$2,010	\$2,010		\$16,080	
1	H	Additional Funds for FY16 Cutaways	\$ 39,000	\$31,200	\$3,900	\$3,900		\$31,200	
2	K	Downtown shelter relocation/Cherry St Terminal removal/Bike Storage	\$ 173,600	\$138,880	\$17,360	\$17,360	\$34,720		\$138,880
2	L	Shelter Lights for existing shelters	\$ 45,000	\$36,000	\$4,500	\$4,500	\$9,000		\$36,000
2	Q	Enterprise Asset Management Software & Upgrade Maintenance Software	\$ 40,000	\$32,000	\$4,000	\$4,000	\$8,000		\$32,000
2	R	Replacement Office Equipment - upstairs copier, coin counter machine, computer equip.	\$ 25,000	\$20,000	\$2,500	\$2,500	\$5,000		\$20,000
Total			\$ 5,680,200	\$ 4,544,160	\$ 562,020	\$ 574,020	\$ 613,220	\$ 4,065,280	\$ 478,880
** Special Services Transportation Agency *** Elders and Persons With Disabilities Program.									

Un-awarded Urban Capital									
Priority	Item	Description	100%	80% Federal	10% State	10% Local	From Local Capital Match	Federal Funds Awarded by Vtrans	Federal Funds Awarded by FTA
1	D	Engine, Transmission and Facility Maintenance (PM)	\$ 150,000	\$120,000	\$15,000	\$15,000	\$15,000	\$120,000	
1	I	1 Replacement Bus Lift at CCTA Facility	\$ 160,000	\$128,000	\$16,000	\$16,000	\$16,000	\$128,000	
1	J	Bus Lift Maintenance	\$ 25,000	\$20,000	\$2,500	\$2,500	\$2,500	\$20,000	
1	M	Spare parts, miscellaneous support equipment, mini-hybrid electric motor fans for MCI buses	\$ 150,000	\$120,000	\$15,000	\$15,000	\$15,000	\$120,000	
2	P	2 - Replacement Operations vehicles	\$ 60,000	\$48,000	\$6,000	\$6,000	\$6,000	\$48,000	
Total			\$ 545,000	\$ 436,000	\$ 54,500	\$ 54,500	\$ 54,500	\$ 436,000	\$ -

Rural Capital								
Prio	Item	Description	100%	80% Federal	10% State	10% Local	From Local Capital Match	Federal Funds Awarded by Vtrans
1	AA	Misc Support Equipment: Pressure Washers, Battery Chargers, etc.	\$ 8,000	\$6,400	\$800	\$800	\$800	\$6,400
1	AB	Facility PM for Stowe and Berlin (Garage Doors, Lifts, HVAC)	\$ 10,000	\$8,000	\$1,000	\$1,000	\$1,000	\$8,000
1	AC	1 FY16 Replacement Vehicle @ CIDER** @ \$46,000 each	\$ 46,000	\$36,800	\$4,600	\$4,600		\$36,800
1	AD	Replacment bus lift at Berlin facility	\$ 100,000	\$80,000	\$10,000	\$10,000	\$10,000	\$80,000
2	AE	Retrofit rural service truck for road calls and on-site maintenance work	\$ 20,000	\$16,000	\$2,000	\$2,000	\$2,000	\$16,000
2	AF	Bus Stop upgrades, new signage for rebranding	\$ 95,000	\$76,000	\$9,500	\$9,500	\$9,500	\$76,000
2	AG	Replacement Office Equipment at Berlin (computers, copier, etc.)	\$ 10,000	\$8,000	\$1,000	\$1,000	\$1,000	\$8,000
2	AH	Phone Recording System for Medicaid	\$ 15,000	\$12,000	\$3,000	\$1,500	\$1,500	\$12,000
2	AI	Security Cameras for Berlin Faciltiy	\$ 10,000	\$8,000	\$2,000	\$1,000	\$1,000	\$8,000
2	AJ	Additional funding for 4WD for FY16 service vehicle	\$ 4,818	\$3,854	\$482	\$482	\$482	\$3,854
Total			\$ 318,818	\$ 255,054	\$ 34,382	\$ 31,882	\$ 27,282	\$ 255,054
* Cut Away Bus = Truck/Van Front/Bus Body ** Champlain Islanders Developing Essential Resources. CIDER pays a one time lease fee that helps us meet our the local match obligation.								

Fiscal Year Ending June 30,

	A			D			G		
	B			E			H		
	C			F			I		
	PROPOSED ADJUSTED FY17 (March 2017)			PROPOSED ADJUSTED FY17 (Sept 2016)			\$ Changes between FY17 Approved & Proposed Adjusted FY17		
	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total
1 Revenues									
2									
3 <u>FEDERAL, STATE AND LOCAL REVENUES</u>									
4 Municipal Member Assessments	2,182,180	0	2,182,180	2,182,180	0	2,182,180	0	0	0
5 Municipal Paratransit Assessments	691,229	0	691,229	691,229	0	691,229	0	0	0
- 6 Local Operating Assistance	67,799	408,038	475,837	74,799	408,038	482,837	(7,000)	0	(7,000)
+ 7 Federal Urban Formula Grant	2,868,533	0	2,868,533	2,565,822	0	2,565,822	302,711	0	302,711
8 Federal Rural Operating Grant	0	1,326,000	1,326,000	0	1,326,000	1,326,000	0	0	0
9 State Regular Subsidy Operating Grant	2,337,179	900,000	3,237,179	2,337,179	900,000	3,237,179	0	0	0
10 E&D Grants and Cash Match	0	1,237,022	1,237,022	0	1,237,022	1,237,022	0	0	0
11 Other Federal/State Grants	2,718,380	407,994	3,126,374	2,718,380	407,994	3,126,374	0	0	0
+ 12 Fund Balance Reserves	0	45,000	45,000	0	0	0	0	45,000	45,000
13 Capital Reserve Revenue	310,671	0	310,671	310,671	0	310,671	0	0	0
14 Total Federal, State and Local Revenues	11,175,971	4,324,054	15,500,026	10,880,260	4,279,054	15,159,315	295,711	45,000	340,711
15									
16 <u>OPERATING REVENUE</u>									
- 17 Passenger Revenue	2,282,049	124,352	2,406,401	2,632,049	178,352	2,810,401	(350,000)	(54,000)	(404,000)
- 18 Paratransit Fare (pass thru from SSTA)	110,000	0	110,000	115,000	0	115,000	(5,000)	0	(5,000)
- 19 Advertising Revenue	150,000	30,000	180,000	200,000	50,000	250,000	(50,000)	(20,000)	(70,000)
20 Planning Revenue	362,106	0	362,106	362,106	0	362,106	0	0	0
21 Interest Earnings	1,600	4,000	5,600	1,600	4,000	5,600	0	0	0
- 22 Miscellaneous Revenue	10,000	0	10,000	19,000	0	19,000	(9,000)	0	(9,000)
+ 23 Sales of Equipment	6,000	3,000	9,000	5,000	3,000	8,000	1,000	0	1,000
24 Medicaid Purchase of Service Revenue	0	1,827,061	1,827,061	0	1,827,061	1,827,061	0	0	0
+ 25 Misc. Purchase of Service	48,516	273,000	321,516	43,844	209,000	252,844	4,672	64,000	68,672
- 26 Warranty Revenue	2,500	0	2,500	2,500	11,000	13,500	0	(11,000)	(11,000)
27									
28 Operating Revenues	2,972,771	2,261,413	5,234,184	3,381,099	2,282,413	5,663,512	(408,328)	(21,000)	(429,328)
29									
30 TOTAL REVENUES	14,148,742	6,585,467	20,734,210	14,261,359	6,561,467	20,822,827	(112,617)	24,000	(88,617)
31	68%	32%		68%	32%				
32 Expenses									
33 <u>SALARIES AND WAGES</u>									
+ 34 Other Wages	1,731,101	926,592	2,657,693	1,731,101	917,119	2,648,219	(0)	9,474	9,473
35 Driver Wages	4,109,898	1,354,162	5,464,060	4,109,898	1,354,162	5,464,060	0	0	0
36 Mechanic Wages	918,692	130,171	1,048,863	918,692	130,171	1,048,863	0	0	0
37 SALARIES AND WAGES	6,759,691	2,410,925	9,170,616	6,759,691	2,401,452	9,161,143	(0)	9,474	9,473
38									
39 <u>PERSONNEL TAXES AND BENEFITS</u>									
+ 40 Payroll Taxes FICA/MC (7.65% of Wages)	517,116	184,436	701,552	517,116	183,711	700,827	0	725	725
- 41 Unemployment Tax Exp (based on avg 3years)	22,000	40,000	62,000	33,336	57,000	90,336	(11,336)	(17,000)	(28,336)

Fiscal Year Ending June 30,

	A			B			C			D			E			F			G			H			I		
	PROPOSED ADJUSTED FY17									PROPOSED ADJUSTED FY17									\$ Changes between FY17 Approved &								
	(March 2017)									(Sept 2016)									Proposed Adjusted FY17								
	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total	URBAN	RURAL	Total			
- 84 Fuel -Vehicles	797,770	333,030	1,130,799	803,414	399,636	1,203,050	(5,645)	(66,606)	(72,251)																		
+ 85 Maintenance Tools/Supplies/Uniforms	79,210	12,600	91,810	61,283	12,600	73,883	17,927	0	17,927																		
86 Misc. Maintenance Expenses and fees	3,876	3,500	7,376	3,876	3,500	7,376	0	0	0																		
87 VEHICLE/BUILDING MAINTENANCE EXP	1,731,034	794,231	2,525,265	1,694,607	788,837	2,483,444	36,427	5,394	41,821																		
88																											
89																											
90 CONTRACTED EXPENSES																											
- 91 ADA/SSTA PARATRANSIT	1,210,934	0	1,210,934	1,312,021	0	1,312,021	(101,087)	0	(101,087)																		
92 Partner Local Share (ACTR)	19,833	0	19,833	19,833	0	19,833	0	0	0																		
93 Functional Assessment Expenses	25,000	0	25,000	25,000	0	25,000	0	0	0																		
94 Volunteer Drivers	0	629,089	629,089	0	621,500	621,500	0	7,589	7,589																		
- 95 Other Transportation Svcs	17,421	735,150	752,571	21,331	735,150	756,481	(3,911)	0	(3,911)																		
96 CONTRACTOR EXPENSES	1,273,188	1,364,239	2,637,427	1,378,185	1,356,650	2,734,835	(104,998)	7,589	(97,409)																		
97																											
98 MARKETING EXPENSE																											
99 Bus Tickets/Fare Media	20,000	2,400	22,400	20,000	2,400	22,400	0	0	0																		
- 100 Marketing Exp	42,000	25,840	67,840	52,000	40,840	92,840	(10,000)	(15,000)	(25,000)																		
- 101 Public Information	30,000	22,000	52,000	40,000	32,000	72,000	(10,000)	(10,000)	(20,000)																		
102 MARKETING EXPENSE	92,000	50,240	142,240	112,000	75,240	187,240	(20,000)	(25,000)	(45,000)																		
103																											
104 OTHER EXPENSES																											
105 Debt Service/Capital Reserve	50,000	0	50,000	50,000	0	50,000	0	0	0																		
+ 107 Capital Match Fund	622,260	29,282	651,542	607,220	27,282	634,502	15,040	2,000	17,040																		
108 OTHER EXPENSES	672,260	29,282	701,542	657,220	27,282	684,502	15,040	2,000	17,040																		
109																											
110 Total Expenses	14,498,742	6,235,467	20,734,209	14,611,359	6,211,468	20,822,827	(112,617)	24,000	(88,618)																		
111																											
112 Cost Allocations	350,000	(350,000)	0	350,000	(350,000)	0	0	0	0																		
113																											
114 Balance	0	0	0	0	(0)	(0)	0	0	0																		