

RIVERSIDE TRANSIT AGENCY
1825 Third Street
Riverside, CA 92507

June 23, 2005

TO: BOARD OF DIRECTORS
THRU: Larry Rubio, Chief Executive Officer
FROM: Chris Gallanes, Chief Financial Officer
SUBJECT: Request to Close Public Hearing and Adopt the Fiscal Year 2006 Operating Budget, Capital Budget, and Short Range Transit Plan (SRTP)

Summary: The fiscal year 2006 operating budget, capital budget, and SRTP were presented to the Agency's Board of Directors at their May 26th meeting. A public hearing was opened to allow input concerning any item related to these documents. To date, the Agency has not received any comments. The Riverside County Transportation Commission (RCTC) approved the SRTP in concept at its June 2nd meeting. Staff requests that the public hearing be closed and the fiscal year 2006 operating budget, capital budget, and SRTP be adopted.

Staff has not made any revisions to the documents that were presented at the May 26th meeting. The operating budget equals \$42,073,089 and the capital budget equals \$8,737,027. The combined budgets total \$50,810,116. Funding sources for these budgets are also unchanged.

The motion approved by the Agency Board of Directors at the May 26th meeting is as follows:

1. Implement Route 1 Limited contingent upon Transportation Equity Act of the 21st Century (TEA-21) reauthorization.
2. Open public hearing on the fiscal year 2006 operating budget, capital budget, and SRTP.
3. Continue this item until June 23, 2005.

Agenda item (7) at this same meeting considered a request to award a contract for taxi overflow services beginning July 1st. This action would support formal integration of the taxi overflow program into the Agency's service profile. A taxi overflow program transition plan, projected revenues, and expenditures is included as part of

the operating budget and SRTP. The contract amount is for \$511,298 and is funded with Local Transportation Funds (LTF).

After consideration and approval of this item, the Board directed staff to submit a letter to the RCTC Board of Commissioners requesting that the taxi overflow service be funded with Measure "A" specialized transit funds.

The Agency has not received a formal response from RCTC; however, at the June 2nd RCTC Board of Commissioners meeting this issue was addressed during consideration of the fiscal year 2006 budget. It was stated that the Commission has adopted a position that Measure "A" funds were used for the demonstration phase of the taxi overflow program. Given time constraints, additional Commission meetings to discuss funding this new phase of the taxi program with Measure "A" are not prudent at this time. Also discussed was the strategy that LTF is a more efficient funding source because of the current level of LTF funding growth and the amount of Agency LTF reserves currently on hand at RCTC.

BUDGET OVERVIEW

The Agency's fiscal year 2006 operating budget, capital budget, and SRTP have been developed to support the overall Agency goals of increased ridership, reduction of job related injuries, providing excellent customer service (internal and external), and cost reduction through improved efficiencies. The documents reflect a strategy for conservative service growth and future bus service planning, while being sensitive to forecasted fiscal constraints.

The fiscal year 2006 service plan and operating budget reflects an estimated 5 percent increase in revenue service hours and a 6 percent increase in revenue service miles from fiscal year 2005 projections. The corresponding operating budget represents a 12 percent increase over the fiscal year 2005 year-end expenditure forecast.

As in past years, fiscal year 2006 is a year of budgetary challenges. Major challenges include the implementation of Industrial Welfare Commission Wage Order #9 pertaining to rest and meal breaks, increases above the Consumer Price Index (CPI) in employer pension contribution, health benefits, workers' compensation expenditures, utilities, and fuel. There are also increases planned in the expense element of inventory parts due to expiring warranties on the Agency's Compressed Natural Gas (CNG) bus fleet.

The fiscal year 2006 budget is balanced, based on revenue projections that are contained in the SRTP. Revenue sources are summarized below:

Revenue Source	Operating	Capital
Local Transportation Funds	\$27,018,462	\$1,118,330
Federal Transportation Administration (Section 5307)	\$ 6,989,385	\$2,334,490
Federal Transportation Administration (Section 5309)	\$ -	\$1,675,594
Federal Transportation Administration (Section 5311)	\$ 189,419	\$ -
State Transportation Assistance	\$ -	\$ 2,316,931
Passenger Fares	\$ 7,875,823	\$ -
Other	\$ -	\$ 1,291,682
Total	\$42,073,089	\$ 8,737,027

Operating budget highlights are outlined below:

- Implementation of the Infrastructure Improvement Project (IIP) phase of Bus Rapid Transit (BRT)
- Additional trips and 30 minute AM/PM peak frequencies on Route 10, 13, 15, and 49
- Realignment of Route 17, 18, 23, 24, 74, and 79 based on projected service efficiencies and customer input
- Continued implementation of “buddy fare” for Dial-A-Ride (DAR) services
- Formal integration of the taxi program as part of the overall Agency service profile
- Implementation of the Harveston Shuttle

Capital funds will be used for facility improvements, Transit Center development, and purchase of critical capital equipment that is needed to provide the highest quality and safest service to the western Riverside County citizens. Capital projects included in the proposed fiscal year 2006 budget include:

- Purchase of (22) replacement DAR vans and (9) support vehicles
- Annual debt service payment for 57 CNG buses

- Funding for the potential purchase of land and preliminary engineering/design of the Hemet and Temecula Transit Centers
- Purchase and installation of “S1 guard” on bus fleet for increased safety
- Bus stop upgrades, operational analyses, enhancements for future Bus Rapid Transit (BRT) program
- Purchase of spare parts, components, and tire lease for maintenance of vehicles
- Investment in the integration of office systems and equipment upgrades
- Continued improvement to bus shelters and bus stop amenities
- Furniture replacement and facility improvements

Fiscal Impact:

The proposed fiscal year 2006 operating budget totals \$42,073,089. The capital budget is \$8,737,027. Total proposed operating and capital budgets total \$50,810,116.

New Federal Section 5309 funding for transit centers and BRT infrastructure improvements total \$1,675,594. Funding for operating and other capital projects come from Local Transportation Funds, (LTF), Federal Section 5307 funds, State Transportation Assistance (STA) funds, Transportation Uniform Mitigation Fee (TUMF) funds, and the Farebox.

Recommendation:

Close public hearing and adopt the fiscal year 2006 operating budget, capital budget, and Short Range Transit Plan.