

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

June 28, 2007

TO: BOARD OF DIRECTORS  
THRU: <sup>J</sup>Larry Rubio, Chief Executive Officer  
FROM: <sup>CF</sup>Craig Fajnor, Chief Financial Officer  
SUBJECT: Request to Close Public Hearing and Adopt the Fiscal Year 2008 Operating Budget, Capital Budget, and Short Range Transit Plan (SRTP)

Summary: The fiscal year 2008 operating budget, capital budget, and SRTP were presented to the Agency's Board of Directors at their May 24<sup>th</sup> meeting. The motion approved by the Agency Board of Directors at the May 24<sup>th</sup> meeting was as follows:

1. Open public hearing on the fiscal year 2008 operating budget, capital budget, and SRTP.
2. Continue this item until June 28, 2007.

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 13<sup>th</sup> meeting.

The budget and SRTP reflect a strategy to modify the Agency's service offering to achieve additional efficiency, both now and in the future, while attempting to contain cost growth in consideration of forecasted fiscal constraints. For fiscal year 2008, the SRTP service plan and operating budget reflects an estimated 5 percent increase in revenue service hours and a 5 percent increase in revenue service miles from fiscal year 2007 projections. The corresponding fiscal year 2008 operating budget represents a 4 percent increase over the fiscal year 2007 year-end expenditure forecast when GASB 43/45 pre-funding of \$8,500,000 is included. Ignoring GASB 43/45 pre-funding costs in both FY07 and FY08, the increase is 11 percent.

The fiscal year 2008 operating and capital budget is balanced based on revenue projections that are contained in the Agency's SRTP. Operating and Capital revenue sources, as requested to

the Riverside County Transportation Commission (RCTC), are summarized below:

<b>Revenue Source</b>	<b>Operating</b>	<b>Capital</b>
Local Transportation Funds	\$ 38,365,875	\$ -
Federal Transportation Administration (Section 5307)	\$ 5,699,843	\$ 6,976,842
Federal Transportation Administration (Section 5309)	\$ -	\$ 317,939
Federal Transportation Administration (Section 5311)	\$ 421,985	\$ -
State Transportation Assistance	\$ -	\$ 1,677,055
Passenger Fares	\$ 8,184,988	\$ -
Measure A	\$ 150,000	\$ -
TUMF	\$ -	\$ 50,160
Other	\$ 1,449,778	\$ 29,325
<b>Total</b>	<b>\$ 54,272,469</b>	<b>\$ 9,051,321</b>

As stated above, the SRTP service plan and operating budget reflects an estimated 5 percent increase in revenue service hours and a 5 percent increase in revenue service miles from fiscal year 2007 projections.

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.

The Agency is also proposing to modify the salary ranges of several key positions. Adjustments to these ranges are deemed necessary as the Agency strives to attract and retain quality staff in a labor market that is becoming increasingly more competitive. There are no salary adjustments accompanying these modifications, therefore, no financial impact on the proposed budget for FY08. The modifications only serve to make the compensation ranges more competitive in the Agency's labor market. These positions include:

- Chief Financial Officer and Chief Procurement & Logistics Officer
- Directors of Human Resources, Information Technologies, Marketing, Maintenance, and Planning
- Controller and Operations Manager

- Contract Operations Manager, Contracts Manager, Labor Relations Officer, Performance & Analysis Manager, and Risk Manager
- Operations Supervisors
- Executive Assistant/Clerk of the Board
- Customer Information Supervisor

An overview of revenues, expenditures and analysis of Operating budget changes is shown in a Budget Summary that accompanies this report.

Fiscal Impact:

The proposed fiscal year 2008 operating budget is \$54,272,469. The proposed fiscal year 2008 capital budget is \$9,051,321. Total proposed operating and capital budgets total \$63,323,790.

Funding for all operating activities and capital projects is available and comes from Local Transportation Funds (LTF), State Transportation Assistance (STA), Federal Sections 5307, 5309, and 5311 funds, Transportation Uniform Mitigation Fee (TUMF) funds, Farebox collections and other local revenues.

Recommendation:

Close public hearing and adopt the fiscal year 2008 operating budget, capital improvement budget, and SRTP.

# FY2008 BUDGET SUMMARY

## Introduction

The Agency's fiscal year 2008 budget reflects a strategy to provide efficient and effective service while considering the economic pressures that challenge compliance with the Productivity Improvement Plan (PIP). The Agency must plan for and deploy a public bus service that balances fiscal constraints with the varied profile of the service area. Staff is fully committed to exploring all service and financial alternatives necessary to meeting the public transit needs of the citizens who live and work in Western Riverside County. Public transportation helps alleviate congestion, ensures basic mobility, promotes more livable communities, and assist with meeting additional needs that arise as a result of the Americans With Disabilities Act and the Clean Air Act.

## Ridership

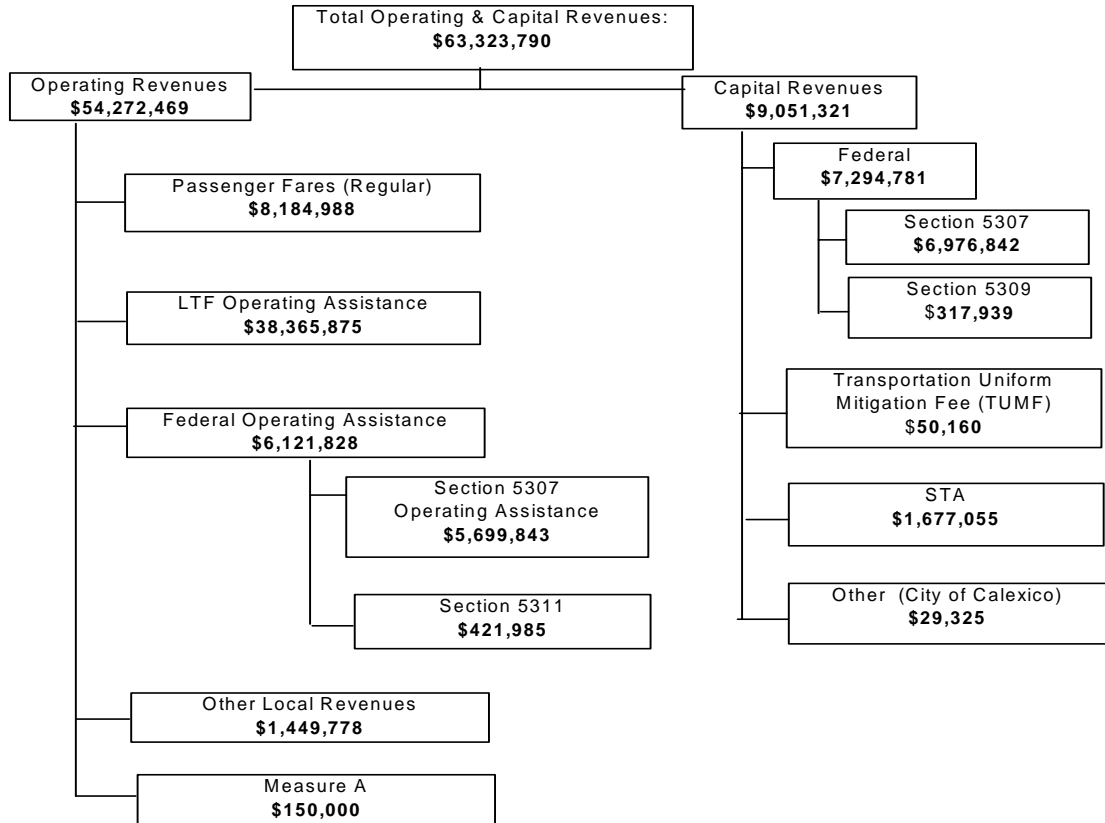
Through fiscal year-to-date April 2007, systemwide ridership has increased 3.0 percent over the prior year. The Agency has experienced even greater increases on its CommuterLink routes and in its Dial-A-Ride services. Coupled with select service modifications and new route implementations, expectations for FY2008 are for a systemwide ridership increase of 3 percent and a fare revenue increase of 8 percent over FY2007. The dramatic difference between fare revenue increase and ridership growth is due to the subsidies received for certain services such the Downtown Riverside Trolleys and the Harveston Shuttle.

## Revenues

Total Agency revenues for FY2008 are budgeted at \$63,323,790, with \$54,272,469 projected for Operating expenses and \$9,051,321 projected for capital improvements.

Operating revenues of \$54,272,469 consist of Local Transportation Funds (LTF), Federal Operating Assistance, Passenger Fares and other local revenues. The projected LTF operating revenues of \$38,365,875 represents 71 percent of the total. Federal Operating Assistance of \$6,121,828 represents 11 percent of the total, while Passenger Fares and other local revenues constitute the remaining 18 percent. The operating budget covers service provided on directly operated fixed routes, contracted fixed routes, and Dial-A-Ride (DAR) – including taxi overflow.

Capital revenues of \$9,051,321 consist of Federal Section 5307 and 5309 funds, State Transportation Assistance (STA), and Transportation Uniform Mitigation Fund (TUMF). Projected Federal funds constitute 80 percent of the total. STA (18 percent), TUMF (1 percent), and City of Calexico match (1 percent) make up the remainder of Capital revenues.



## Service Modifications

Service for FY2008 will feature enhancements of service operated in FY2007. The growing population within western Riverside County continues to shape and redefine travel patterns. In response, a fresh look at the service area is on the way. RTA transit service is being proposed for significant enhancements based on recommendations that will result from the service plan element of the Agency's completion of the Comprehensive Operational Analysis (COA) in early spring of 2007. The following service improvements are included in the proposed fiscal year 2008 budget:

1. Route 1 to provide a higher level of core service and improved schedule adherence
2. Route 7 and 8 service restructuring in the Lake Elsinore area
3. Route 14 extension into Hunter Business Park
4. Route 16E service adjustments for enhanced connections to Downtown Riverside Metrolink Station
5. Route 17 restructuring to serve the community of Moreno Valley
6. Route 18 and 18A service adjustments to capture a broader ridership base







