

Metropolitan Transportation Commission Programming and Allocations Committee

September 10, 2008

Item Number 4b

Resolution Nos. 3849, 3850 and 3851

Subject: Allocation of Transportation Development Act (TDA), State Transit Assistance (STA) and AB 1107 funding to support transit operating and capital projects.

Background: Five transit operators are requesting allocation of funds for transit operating and capital purposes. Operators requesting allocations that exceed the \$1 million delegated authority limit include Fairfield, Golden Gate, San Francisco Municipal Transportation Authority (SFMTA), Union City, and the Valley Transportation Authority (VTA). BART requested allocation of STA funds, but as discussed below, most STA allocations will be deferred until after the state budget process has finalized STA revenue estimates. The total September allocations are detailed in the table below:

Transit Operator/Claimant	Resolution No. 3849 (AB 1107)	Resolution No. 3850 (TDA)	Resolution No. 3851 (STA)	Total
Fairfield		3,102,319		3,102,319
Golden Gate		15,269,184	1,013,370	16,282,554
SFMTA	34,000,000	36,998,834		70,998,834
Union City		1,559,557		1,559,557
VTA		81,699,209		81,699,209
TOTAL	34,000,000	138,629,103	1,013,370	173,642,473

Issues:

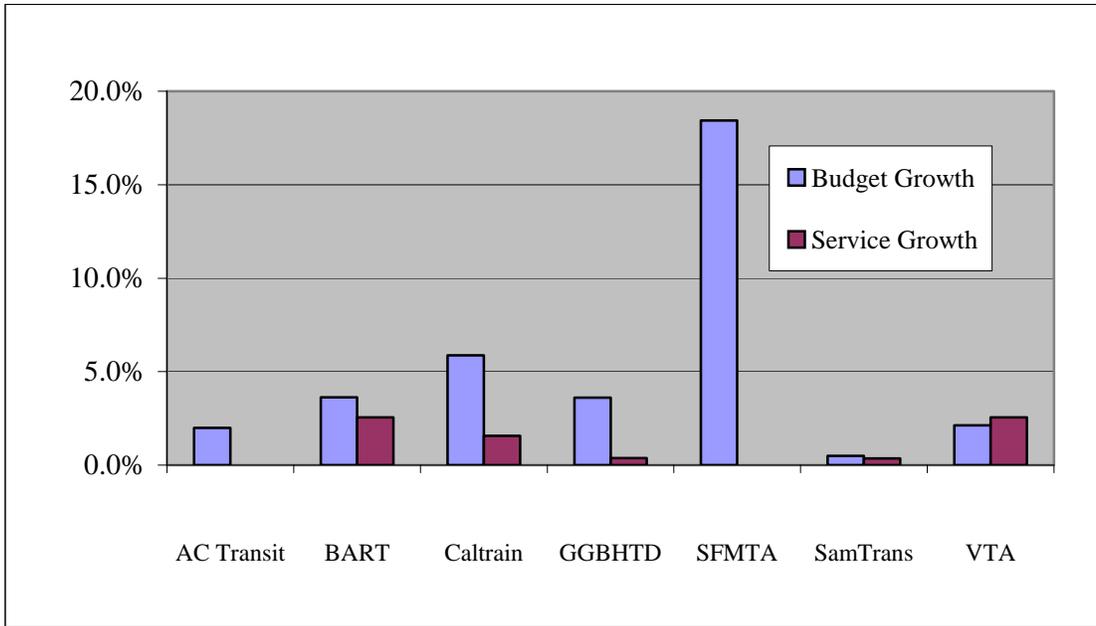
1) *STA funds and the FY2008-09 State Budget:* The current fund estimate for State Transit Assistance was based on the Governor’s January budget proposal. The May revise to the Governor’s budget has substantially less STA funds than the January budget proposal. At this point, it is unclear how much STA will be included in the final state budget. Because of the uncertainty, staff is recommending allocation of STA funds to transit operators who have carryover balances from prior years and who have specifically asked for that allocation. This month, Golden Gate is the only transit operator that meets that requirement. Currently, \$106.8 million in STA allocations have been delayed. Because payment of these funds does not typically occur until October or November, this delay has likely not yet affected transit operator budgets. When the state has finalized the state budget, staff will revise the fund estimate to reflect the final STA funds and make the remaining FY 2008-09 STA allocations.

2) *Transit Operator Budgets:* Table A attached to this memo summarizes information on transit operator budgets for those operators who have requested FY 2008-09 operating assistance through September 2008. In particular, the change in the operating budgets between FY 2007-08 and FY 2008-09 is highlighted. MTC-administered operating assistance varies greatly as a percentage of each operator’s budget. On average for the smaller operators, operating revenues derived from TDA and STA comprise 60-70% of their operating budgets. For the larger operators, the average percentage is approximately 30%.

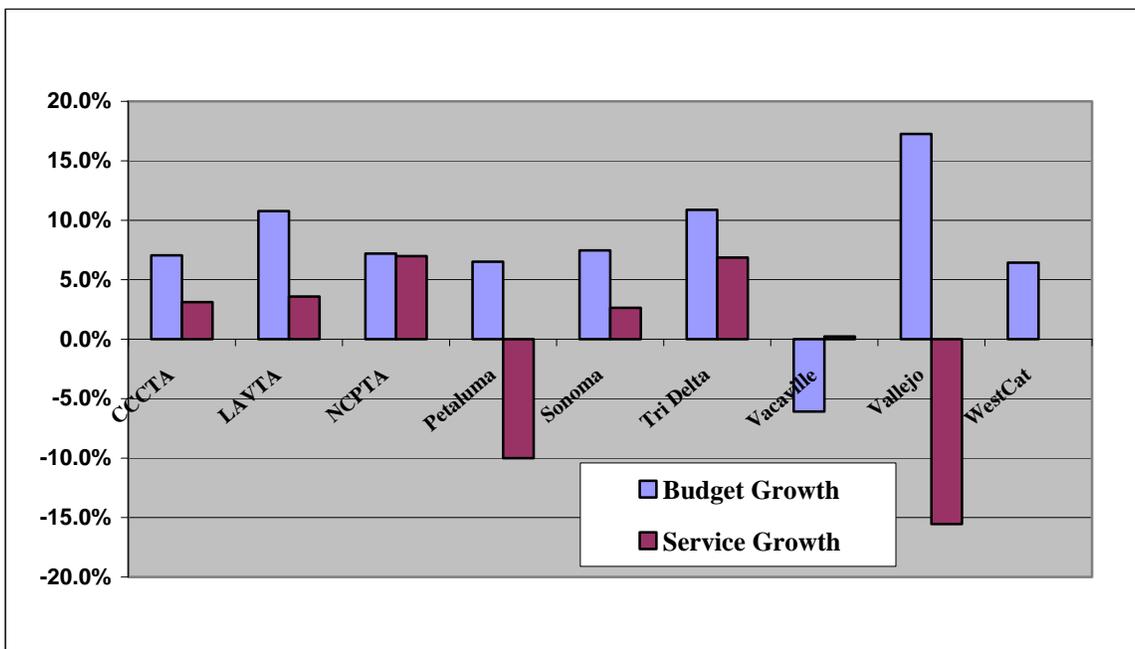
For the operators included in the attached summary, the operating budget increased by \$150 million, or 8%, from FY 2007-08 to FY 2008-09. The majority of transit operators’ operating budget growth exceeds their service level growth as depicted in the charts below. This outpacing of budget to service levels is an on-going trend. The major contributors to operating expense increases in the FY 2008-09 budgets include fuel costs, labor or labor-related costs, and insurance. For the smaller operators, in addition to fuel and labor costs,

the cost of purchased transportation has been a major driver of increases in operating budgets.

Large Operators' Budget Growth Compared to Service Growth (Revenue Vehicle Hours): FY 2007-08 to FY 2008-09



Smaller Operators' Budget Growth Compared to Service Growth (Revenue Vehicle Hours): FY 2007-08 to FY 2008-09



Recommendation: Refer MTC Resolution Nos. 3849, Revised, 3850, Revised, and 3851, Revised to the Commission for approval.

Attachments: MTC Resolution Nos. 3849, Revised, 3850, Revised, and 3851, Revised Table A – Transit Operator Budget Summary

Table A - Transit Operator Budget Summary

Operator	FY 2007-08 Operating Budget	FY 2008-09 Operating Budget	% Increase	Revenue Vehicle Hours % Increase	FY09 Operating Request	Allocation Request as a % of Operating Budget	Highlight of FY 2008-09 Budgets
AC Transit	311,172,458	317,073,728	2%	0%	115,977,685	37%	<ul style="list-style-type: none"> • Overall budget has increased 2% from \$311.2 million to \$317.1 million. • Labor costs have decreased 1% from \$121.5 million to \$119.7 million and fringe benefits have increased 6% from \$103.5 million to 109.5 million. • Fringe benefits are the largest single budgetary increase at \$5.9 million. • Fare revenue is anticipated to increase by 10% or \$5.0 million.
BART	519,094,151	536,055,813	3%	3%	161,382,878	30%	<ul style="list-style-type: none"> • BART's FY 2008-09 budget will increase from \$519.1 million to \$536.1 million, a 3% increase. • Fares are projected to increase 8%, from \$298.2 million to \$323.3 million. Ridership is expected to grow 3%. • BART projects a 3% increase in Revenue Vehicle Hours and a 7% increase in Revenue Vehicle Miles in FY 2008-09. • Most expense categories are expected to grow 3% in FY 2008-09 rate, with the exception of Propulsion Power (a 12% increase) and Purchased Transportation (a 10% increase).
County Connection	32,291,771	34,570,383	7%	3%	21,295,932	62%	<ul style="list-style-type: none"> • Budget for FY 2008-09 will increase 7%, from \$32.3 million to \$34.6 million. • Fare revenue is projected to grow 3%, from \$5.1 million to \$5.3 million. Ridership is projected to grow 3% • Fuel is budgeted to grow by 10% • Revenue vehicle hours will increase 3%.

Table A - Transit Operator Budget Summary (cont.)

Operator	FY 2007-08 Operating Budget	FY 2008-09 Operating Budget	% Increase	Revenue Vehicle Hours % Increase	FY09 Operating Request	Allocation Request as a % of Operating Budget	Highlight of FY 2008-09 Budgets
Fairfield	8,330,558	10,302,621	24%	11%	4,969,273	48%	<ul style="list-style-type: none"> • Fairfield's FY 2008-09 budget is projected to grow by 24%, from \$8.3 million to \$10.3 million. • Fuel costs are budgeted to grow 46%, from \$1.3 million to \$2.0 million. • Purchased Transportation is expected to grow 36%, from \$3.4 million to \$4.6 million. Increased costs are associated with a new contract for purchased transportation. • Revenue Vehicle Hours will increase 11%.
Golden Gate	96,180,631	99,652,844	4%	0%	23,094,154	23%	<ul style="list-style-type: none"> • Overall transit budget is expected to grow 4% in FY 2008-09. • Labor costs are increasing by \$6.6 million, a 19% increase. Fringe costs are decreasing by 18%, a \$6.4 million decrease. • Golden Gate anticipates a 4% increase in fare revenue. • Revenue Vehicle Hours will remain at current levels.
LAVTA	14,289,304	15,828,728	11%	4%	9,824,820	62%	<ul style="list-style-type: none"> • LAVTA anticipates an 11% increase in its FY 2008-09 budget. • Fuel cost increases account for 43% of the budget increase. • Purchased Transportation accounts for 55% of the budget increase. • Revenue Vehicle Hours will increase 4%.
Petaluma	2,050,881	2,184,518	7%	-10%	1,663,623	76%	<ul style="list-style-type: none"> • Petaluma is proposing a FY 2008-09 budget of \$2.2 million. This is a 7% increase over FY 2007-08. • Purchased Transportation is the largest element of the increase at 52% (or of the increase of \$70,000).
Pleasanton	633,835	730,643	15%	-9%	55,306	8%	<ul style="list-style-type: none"> • Pleasanton's FY 2008-09 budget is 15% larger than the FY 2007-8 budget. • Pleasanton's paratransit service is primarily funded by the City of Pleasanton. TDA funds account for only 8% of the budget.

Table A - Transit Operator Budget Summary (cont.)

Operator	FY 2007-08 Operating Budget	FY 2008-09 Operating Budget	% Increase	Revenue Vehicle Hours % Increase	FY09 Operating Request	Allocation Request as a % of Operating Budget	Highlight of FY 2008-09 Budgets
SFMTA	567,067,565	671,600,316	18%	0%	103,323,292	15%	<ul style="list-style-type: none"> • SFMTA’s Muni budget is increasing by \$104.5 million in FY 2008-09, or an increase of 18%. • Four line items account for the majority of the cost increase: Labor Other, an increase of \$18.4 million (14% increase), Services, an increase of \$47.6 million (113% increase), Casualty and Liability, an increase of \$14.5 million (152% increase) and Other, a 283% increase worth \$29.3 million. • Cost increases are offset by a decrease in Fringe Benefits of \$16.0 million (or a 10% decrease). • SFMTA anticipates no service changes from the FY 2007-08 service plan. • The FY 2008-09 budget is showing a 4% decline in fare revenues worth \$6.2 million.
Sonoma County	12,810,133	13,835,100	8%	3%	10,096,627	73%	<ul style="list-style-type: none"> • Sonoma County Transit’s budget is increasing from \$12.8 million to \$13.8 million in FY 2008-09, an 8% increase. • 52% of the increase is associated with Purchased Transportation and 26% with Fuel and Lubricants. • Fare Revenue is expected to increase 1% and ridership is projected to remain flat.
Tri Delta Transit	18,833,000	20,880,500	11%	7%	14,916,728	71%	<ul style="list-style-type: none"> • Tri Delta Transit overall transit budget will increase from \$18.8 million to \$20.9 million in FY 2008-09, an increase of \$2.0 million or 11%. • Fuel and Lubricants account for 42% of the increase, Purchased Transportation accounting for 24% and Services accounts for 17%. • A 12% increase in ridership is projected and fare revenue is projected to increase by 10%. • Revenue Vehicle Hours will increase 7%.
Union City	3,221,925	3,415,000	6%	1%	2,362,000	69%	<ul style="list-style-type: none"> • Union City Transit’s FY 2008-09 budget of \$3.4 million is 6% higher than FY 2007-08. • Fare Revenue is expected to grow by 12% • Revenue Vehicle Miles will remain flat in FY 2008-09.

Table A - Transit Operator Budget Summary (cont.)

Operator	FY 2007-08 Operating Budget	FY 2008-09 Operating Budget	% Increase	Revenue Vehicle Hours % Increase	FY09 Operating Request	Allocation Request as a % of Operating Budget	Highlight of FY 2008-09 Budgets
Vacaville	2,264,681	2,126,883	-6%	0%	883,477	42%	<ul style="list-style-type: none"> • Vacaville City Coach's budget will decrease by 6% in FY 2008-09. This is primarily because contributions to countywide service are no longer included in Vacaville's claim. Fares, likewise, show a 16% decline. • Vacaville's core system, removing the contributions to countywide service, continues to grow. Ridership is expected to grow by 5%.
Vallejo	25,828,261	29,347,510	14%	-16%	7,211,929	25%	<ul style="list-style-type: none"> • Vallejo's FY 2008-09 budget will increase from \$25.8 million to \$29.3 million, an increase of \$3.5 million or 14%. • Fuel costs alone are expected to increase \$4.1 million. The budget, as approved, is balanced by decreases in Services and Other Expenses. • Fare revenue is projected to grow 22% or \$2.4 million.
VTA	321,965,080	328,827,510	2%	3%	94,247,921	29%	<ul style="list-style-type: none"> • VTA's FY 2008-09 budget of \$328.8 million is a 2% increase over FY 2007-08. • Likewise, a 2% increase in Fare Revenue is projected. Ridership is projected to grow by 3%.
WestCat	8,479,100	9,024,300	6%	0%	5,632,725	62%	<ul style="list-style-type: none"> • WestCAT's FY 2008-09 budget will grow 6% (\$545,000) to \$9.0 million. • Fuel and Lubricants account for 59% of the increase. • Purchased Transportation account for 42% of the increase. • Casualty and Liability decreases help offset the budget increases. • Fares are projected to grow by 7%.
TOTAL	1,944,513,333	2,095,456,396	8%		576,938,370		

Date: June 25, 2008
Referred by: PAC
Revised: 09/24/08-C

ABSTRACT

Resolution No. 3849, Revised

This resolution approves the allocation of fiscal year 2008-09 AB 1107 half-cent sales tax funds to AC Transit.

This resolution was revised on September 24, 2008 to allocate fiscal year 2008-09 AB 1107 half-cent sales tax funds to SFMTA.

Discussion of the allocations made under this resolution are contained in the Summary Sheets and/or Executive Director Memoranda presented to the Programming and Allocations Committee on June 11, 2008 and September 10, 2008.

Date: June 25, 2008
Referred by: PAC
Revised: 09/24/08-C

Attachment A
MTC Resolution No. 3849
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ALLOCATION OF AB 1107 FUNDS
DURING FISCAL YEAR 2008-09

Claimant	Project Description	Fare Ratio Percentage		Allocation Amount	Alloc. Code	Approval Date
		FY 07-08	FY 08-09			
AC Transit	Transit Operations	47.6%	43.5%	50% of deposits to MTC's AB 1107 account.	01	06/25/08
SFMTA	Transit Operations	63.5%	62.5%	50% of deposits to MTC's AB 1107 account.	02	09/24/08

Date: June 25, 2008
Referred by: PAC
Revised: 07/23/08-C
09/24/08-C

ABSTRACT

Resolution No. 3850, Revised

This resolution approves the allocation of fiscal year 2008-09 Transportation Development Act Article 4, Article 4.5 and Article 8 funds to claimants in the MTC region.

This resolution was revised on July 23, 2008 to allocate funds to various claimants in the region.

This resolution was revised on September 24, 2008 to allocate funds to various claimants in the region.

Discussion of the allocations made under this resolution are contained in the Summary Sheets and/or Executive Director Memoranda presented to the Programming and Allocations Committee on June 11, 2008, July 9, 2008 and September 10, 2008.

Date: June 25, 2008
 Referred by: PAC
 Revised: 07/23/08-C
 09/24/08-C

Attachment A
 MTC Resolution No. 3850
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ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT ARTICLE 4, 4.5 and 8 FUNDS
 DURING FISCAL YEAR 2008-09

Claimant	Project Description	Allocation Amount	Alloc. Code	Approval Date	Apportionment Area/Footnotes
5801 - 99233.7, 99275 Comm Transit Serv- Operations					
AC Transit	Community Transit	2,732,104	01	06/25/08	Alameda County
	Subtotal	2,732,104			
5802 - 99260A Transit - Operations					
AC Transit	Transit Operating	34,853,722	02	06/25/08	AC Transit Ala.Co. D1
AC Transit	Transit Operating	8,926,152	03	06/25/08	AC Transit Ala.Co. D2
AC Transit	Transit Operating	5,179,461	04	06/25/08	AC Transit C.C.Co. D1
CCCTA	Transit Operating	15,296,624	05	06/25/08	CCCTA
CCCTA	Transit Operating	1,020,805	06	06/25/08	CCCTA
Sonoma County Transit	Transit Operating	7,215,051	07	06/25/08	Sonoma County
WCCTA	Transit Operating	2,494,685	08	06/25/08	WCCTA
Vallejo	Transit Operating	3,293,262	10	07/23/08	Vallejo
LAVTA	Transit Operating	7,404,087	11	07/23/08	LAVTA
Tri Delta Transit	Transit Operating	10,995,256	12	07/23/08	ECCTA
NCTPA	Transit Operating	3,443,299	13	07/23/08	NCTPA
Fairfield	Transit Operating	1,894,367	16	09/24/08	Fairfield
Golden Gate	Transit Operating	4,821,600	17	09/24/08	Golden Gate - Marin
Golden Gate	Transit Operating	10,447,584	18	09/24/08	Golden Gate - Sonoma
SFMTA	Transit Operating	35,152,800	19	09/24/08	SFMTA
SFMTA	Transit Operating	1,846,034	19	09/24/08	SFMTA (Note 1)
Union City	Transit Operating	1,559,557	20	09/24/08	Union City
VTA	Transit Operating	77,169,863	21	09/24/08	VTA
VTA	Transit Operating	4,529,346	21	09/24/08	VTA (Note 1)
	Subtotal	237,543,555			
5807 - 99400C General Public - Operating					
Petaluma	Transit Operating	1,107,600	09	06/25/08	Petaluma
NCTPA	Transit Operating	1,838,497	14	07/23/08	NCTPA
	Subtotal	2,946,097			
5813 - 99400E Contractual - Capital					
Vacaville	Vacaville Intermodal Station	1,706,094	15	07/23/08	Vacaville
	Subtotal	1,706,094			
5809 - 99400C Elderly & Handicapped - Operating					
Fairfield	Transit Operating	1,207,952	22	09/24/08	Fairfield
	Subtotal	1,207,952			
		TOTAL			246,135,802

Note:

(1) MTC finds that these Article 4.5 funds can be used to better advantage for Article 4 purposes.

Date: June 25, 2008
Referred by: PAC
Revised: 07/23/08-C
09/24/08-C

ABSTRACT

Resolution No. 3851, Revised

This resolution approves the allocation of fiscal year 2008-09 State Transit Assistance funds to AC Transit for transit operations.

This resolution was revised on July 23, 2008 to allocate funds to various claimants in the region.

This resolution was revised on September 24, 2008 to allocate funds to various claimants in the region.

Discussion of the allocations made under this resolution are contained in the MTC Operator Summaries and/or Executive Director Memoranda presented to the Programming and Allocations Committee on June 11, 2008, July 9, 2008, and September 10, 2008.

Date: June 25, 2008
 Referred by: PAC
 Revised: 07/023/08-C 09/24/08-C

Attachment A
 MTC Resolution No. 3851
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ALLOCATION OF STATE TRANSIT ASSISTANCE FUNDS
 DURING FISCAL YEAR 2008-09

Claimant	Project Description	Allocation Amount	Alloc. Code	Approval Date	Apportionment Area
5820 - 6730A Operating Costs - Revenue-based					
AC Transit	Transit Operating	4,300,592	02	06/25/08	AC Transit
Golden Gate	Transit Operating	1,013,370	05	09/24/08	Golden Gate
	Subtotal	5,313,962			
5820 - 6730A Operating Costs - Population-based Small Operator/Northern Counties					
LAVTA	Transit Operating	1,121,346	01	07/23/08	LAVTA
Tri Delta Transit	Transit Operating	1,178,876	03	07/23/08	ECCTA
	Subtotal	2,300,222			
5820 - 6730A Operating Costs - Population-based MTC Discretionary					
MTC	TransLink	7,800,000	04	07/23/08	Regional Coordination
	Subtotal	7,800,000			
	TOTAL	15,414,184			