Amendment to 2014 Annual Plan & Budget

Presentation to Bus Transit Committee

May 14, 2014
March Budget Conditionally Approved
Background

- On March 27 Committee gave “conditional approval” to a budget:
  - For April 1-2014 to March 31, 2015
  - With total expenditures of $121,900,833
  - And no change in fares, or
  - Level of service
Why Operating Costs are Rising

- 3% wage increases effective April 1, 2014
  - Top Operator Rate: From $28.57/hour to $29.43
  - Top Technician Rate: From $29.50/hour to $31.30
- Contractual wage increases add $1.4M to budget
Why Operating Costs are Rising

- Increase in Veolia’s monthly health insurance costs
  - Increased plan enrollment, plus
  - Increased monthly premiums (3% - 4%)
Why Operating Costs are Rising

- Rising natural gas costs of approximately 25%
- Supply rate comparison:
  - December 2013: $3.818
  - February 2014: $5.557
- Annual Impact=$0.7M
Why Operating Costs are Rising

Avg. Weekday Able-Ride Service

- January 13
- February 13
- March 13
- April 13
- May 13
- June 13
- July 13
- August 13
- September 13
- October 13
- November 13
- December 13

Service Hours
Operating Cost Trend

Fixed Route Operating Expense per Revenue Hour

<table>
<thead>
<tr>
<th>Year</th>
<th>Expense per Revenue Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIB-2011</td>
<td>$151.37</td>
</tr>
<tr>
<td>NICE-2012</td>
<td>$123.11</td>
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<tr>
<td>NICE-2013</td>
<td>$122.36</td>
</tr>
<tr>
<td>NICE-2014</td>
<td>$126.64</td>
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</tbody>
</table>
Total Required Funding: $121,900,833

2014 FISCAL YEAR FUNDING SOURCES

- STOA
- County STOA Match
- Additional Funding
- FTA PM Grant
- FTA Administration Grant
- Advertising and Concessions
- Fare Revenue
Additional Funding Required

- $3.3 million
- Potential sources
  - Further STOA increases
  - Other subsidy sources
  - Mid-year service adjustments
Why is Service Stability Important?

Complaints Per 100k Passenger Trips

<table>
<thead>
<tr>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.08</td>
<td>5.83</td>
<td>4.16</td>
<td>4.54</td>
<td>10.08</td>
<td>12.58</td>
<td>12.38</td>
<td>12.83</td>
<td>18.83</td>
<td>15.71</td>
<td>11.92</td>
<td>5.75</td>
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</tbody>
</table>

2014 vs 2013

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Balanced Budget Proposal
Change to a January 1 Fiscal Year

- County proposed the new fiscal year to:
  - Conform to County fiscal cycle
  - Conform to State funds disbursement cycle
  - Conform to Federal reporting cycle
  - Eliminate confusion from overlapping years
  - Align Federal, State, County, and NICE funding periods

- 2014 will end Dec. 31, 2014
- Budget gap reduced to $2.67m
Proposal to Close the $2.67m Gap
3 Steps

- County increase
- Fare increase
- Veolia contribution
Proposal to Close the $2.67m Gap
Step 1

- Nassau County will provide an additional $1.87m
  \[\text{\$2,670,620} - \text{(\$1,870,620)} = \text{\$800,000}\]
Proposal to close the $2.67m gap

**Step 2**

- County will provide an additional $1.87m
- Raise $400k by increasing the cash fare ($2.25) to match MetroCard ($2.50)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>County will provide an additional $1.87m</td>
<td>$2,670,620</td>
</tr>
<tr>
<td>Raise $400k by increasing the cash fare ($2.25) to match MetroCard ($2.50)</td>
<td>(1,870,620)</td>
</tr>
<tr>
<td></td>
<td>800,000</td>
</tr>
<tr>
<td></td>
<td>(400,000)</td>
</tr>
<tr>
<td></td>
<td>400,000</td>
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</table>
Proposal to close the $2.67m gap
Step 3

- County will provide an additional $1.87m
- Raise $400k by increasing the cash fare ($2.25) to match MetroCard ($2.50)
- Veolia will contribute $400k
- Maintain service levels

$2,670,620
(1,870,620)
800,000
(400,000)
400,000
(400,000)
0
Operating Expense
9 Month Version

Total = $91,782,843

- OPERATORS WAGES: $7,666,044
- MAINTENANCE WAGES: $16,359,225
- OTHER WAGES: $7,430,822
- FRINGE BENEFITS: $7,630,103
- SERVICES: $4,768,009
- FUEL & LUBRICANTS: $3,114,426
- PARTS & REPAIRS: $2,061,286
- OTHER MATERIALS & SUPPLIES: $3,091,929
- UTILITIES: $17,085
- CASUALTY & LIABILITY: $121,257
- INCOME TAXES: $5,712,008

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# Fare Revenue Budget
## 9 Month Version

<table>
<thead>
<tr>
<th>Month</th>
<th>2014 Projected</th>
<th>2013 Actual Fares</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>3,796,536</td>
<td>4,373,133</td>
</tr>
<tr>
<td>May</td>
<td>3,795,666</td>
<td>3,731,619</td>
</tr>
<tr>
<td>June</td>
<td>3,802,192</td>
<td>3,504,045</td>
</tr>
<tr>
<td>July</td>
<td>3,810,526</td>
<td>4,104,955</td>
</tr>
<tr>
<td>August</td>
<td>3,807,301</td>
<td>3,732,751</td>
</tr>
<tr>
<td>September</td>
<td>3,943,910</td>
<td>3,751,276</td>
</tr>
<tr>
<td>October</td>
<td>3,942,770</td>
<td>4,462,759</td>
</tr>
<tr>
<td>November</td>
<td>3,942,286</td>
<td>3,691,131</td>
</tr>
<tr>
<td>December</td>
<td>3,942,785</td>
<td>3,547,306</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34,783,973</strong></td>
<td><strong>34,898,973</strong></td>
</tr>
</tbody>
</table>
Total Revenue
9 Month Version

Total Funding Required: $91,782,843

- STOA: $47,123,625
- County STOA Match: $34,783,973
- Additional County Contribution: $1,904,625
- FTA PM Grant: $1,870,620
- FTA Administration Grant: $1,870,620
- Advertising and Concessions: $450,000
- Veolia Contribution: $400,000
- Fare Revenue: $750,000

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Recommendations

- Approve new operating budget for April 1 to December 31, 2014 in the amount of $91,782,843

- Hold public hearings on proposed fare changes between: July 15 and July 17