

Nassau Inter-County Express

2014 Budget & Annual Plan

5 Year Capital Plan

Amended

May 12, 2014

Mr. Sheldon L. Shrenkel
Chairman
Nassau County Bus Transit Committee
Mineola, NY 11501

RE: NICE Bus 2014 Budget Plan / Amended

Dear Mr. Shrenkel,

Please find the included amended Nassau Inter-County Express 2014 Budget Plan and 5 Year Capital Budget document that is required by contract, the contents of which has been provided to the Nassau County Staff.

Additionally, the team at NICE Bus would like to take this time to thank Nassau County, especially County Executive Edward Mangano, the New York State DOT and the Federal Transportation Administration for their continued generous support of our mission and goals.

We would also like to thank our committed and dedicated employees, who strive to deliver world class service, and of course, all our loyal passengers as we continue toward building a transportation system that makes us all proud.

Yours Truly,

Michael Setzer
CEO // NICE Bus

cc: S. Littman

Executive Summary

In March of this year, the Bus Transit Committee gave “conditional approval” to a budget that preserved service levels and fares for the 12 month period from April 1, 2014 to March 31, 2015. The approval was conditional because known funding for the nearly \$122 million package fell \$3.3 million short. Because the State Legislature, NICE’s main funding source, had not yet passed a budget for 2014, it was prudent to retain our options pending a final outcome of the budget deliberations in Albany.

As it turned out, there was no further increase in State (STOA) funding for downstate systems when the state’s budget was finally established. However there is a solution at hand that maintains current service levels.

Stable, predictable service is vital to our customers and the budget outlined in this document will allow us to continue our current level of service. The current schedules serve over 100,000 riders each weekday, in one of the most heavily used suburban bus systems in the Country. Delivering safe, dependable service is our priority.

The document outlines the operating budget for 2014 and reflects the shift from an April 1 fiscal year to a calendar year. County staff proposed the new fiscal year to conform to its own fiscal cycle, the State’s funding distribution cycle and to the Federal reporting cycle. This change eliminates confusion from overlapping years. Because of the need for a shortened transition year, this changes the original funding gap from \$3.34 million to \$2.67 million.

Detailed in this document are three steps that will close the funding gap without any change to current service levels. We propose:

1. An increase in County funding of \$1.87million
2. A contribution from Veolia of \$400,000
3. Raising the Nassau County cash fare from \$2.25 to \$2.50 to match the MetroCard fare.

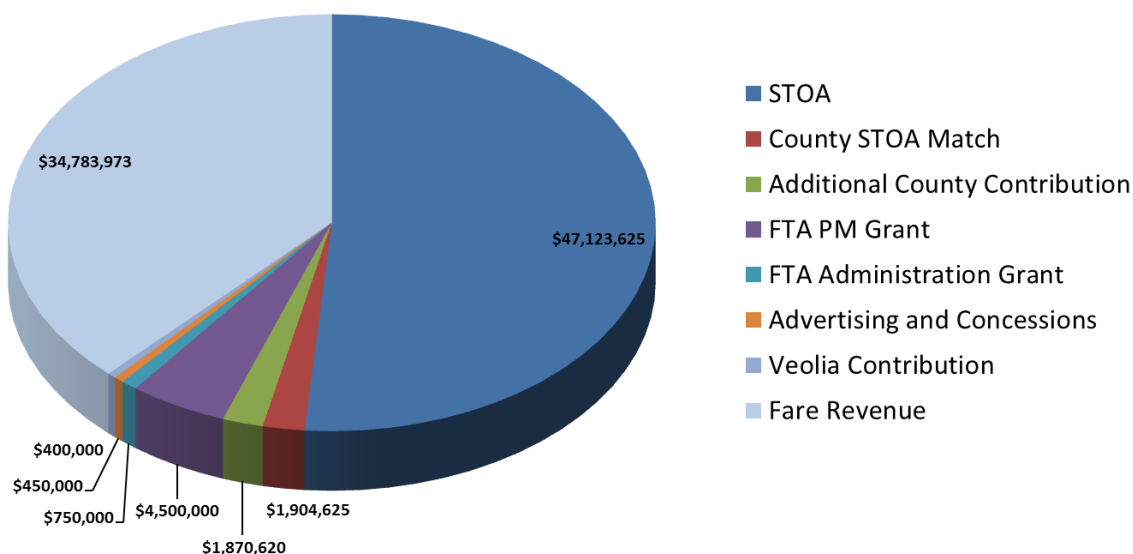
We have made some significant improvements over the last 24 months greatly improving our Able-Ride on time performance to a level consistently around 90 percent through hard work by Able-Ride staff, and investments in technology and fleet. On the fixed-route side there has been a steady increase in vehicle reliability and driver performance, as evidenced by customer contacts to the call center. This past winter was one of the most severe on record, but the team was able to safely continue service throughout the series of storms.

In a few weeks, we will enthusiastically launch one of the first bus only mobile ticketing programs in the Country. Additionally, NICE Bus will begin deploying all-new vehicle location technology in the fourth quarter of this year. The 8 million dollar project will bring an array of improvements for passengers, for system operation and planning and for service accessibility.

While there remains much to be done, this pioneering partnership between Nassau County and Veolia has proven to be a flexible, efficient and innovative way to meet the transportation challenges in Nassau County. Preserving the service offered today is essential to maintaining the momentum.

Total 2014 Fiscal Year Funding Sources

Total Funding Required: \$91,782,843



The funding levels graphically illustrated above reflect Legislature-approved additional State funding of \$1.2 million. In addition, the County has agreed to increase its funding by \$1.87 million and Veolia Transportation will provide a \$400,000 contribution to complete the program and fully fund the 9-month service package



Fare Revenue shown reflects historical data applied to current levels of service, plus a \$0.25 increase to the Nassau County fixed-route cash fare only, bringing it equal to the current MetroCard level and the cash fare

paid by MTA riders. There is no proposal to change Able-Ride fares.

Additional Funding Required

A funding gap was created when fixed cost rose at the beginning of 2014. The additional funding is needed to preserve the current level of service provided to our 100,000 riders a day. NICE Bus and County officials have worked to bridge the gap to ensure stable service levels.



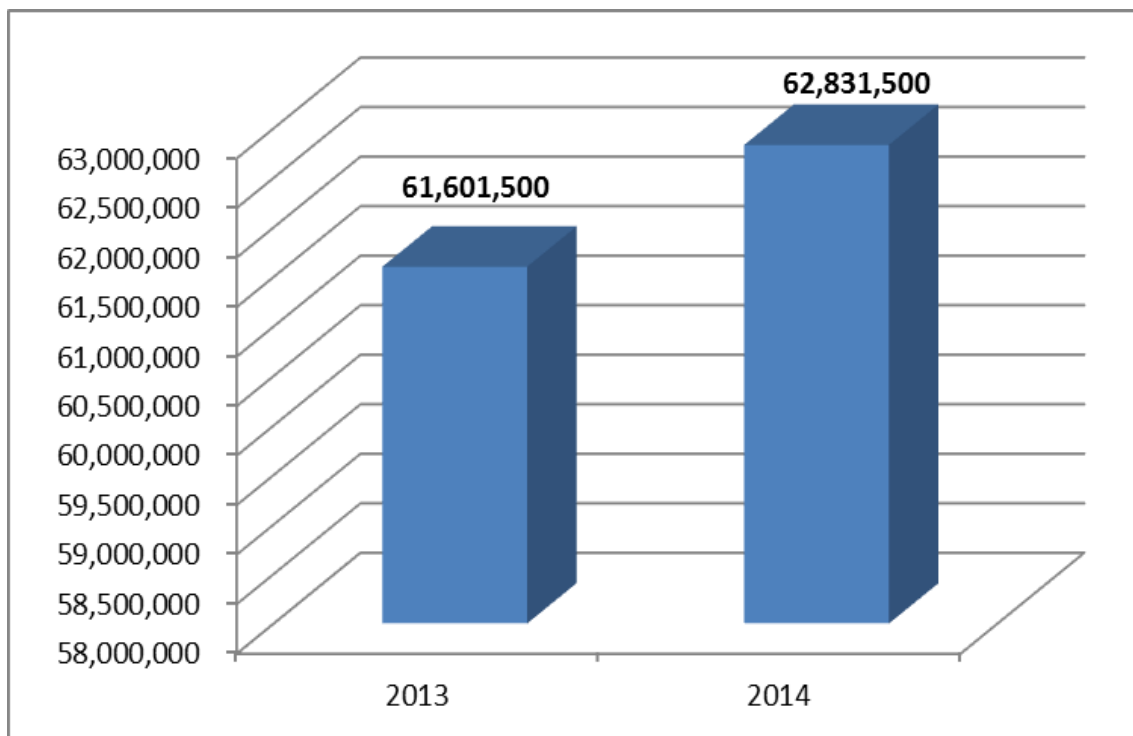
- **\$2.67 Million Budget Gap**
- **Proposed Solutions**
 - Additional County Funding of \$1.87 Million
 - Veolia Contribution of \$400,000
 - September Cash Fare Increase of \$0.25 which raises \$400,000

2014 Fiscal Year Funding Sources // STOA

State Transportation Operating Assistance (STOA)

- 2013 - \$61,601,500.
- 2014 - \$62,831,500.

Total increase of \$1,230,000 or 2%



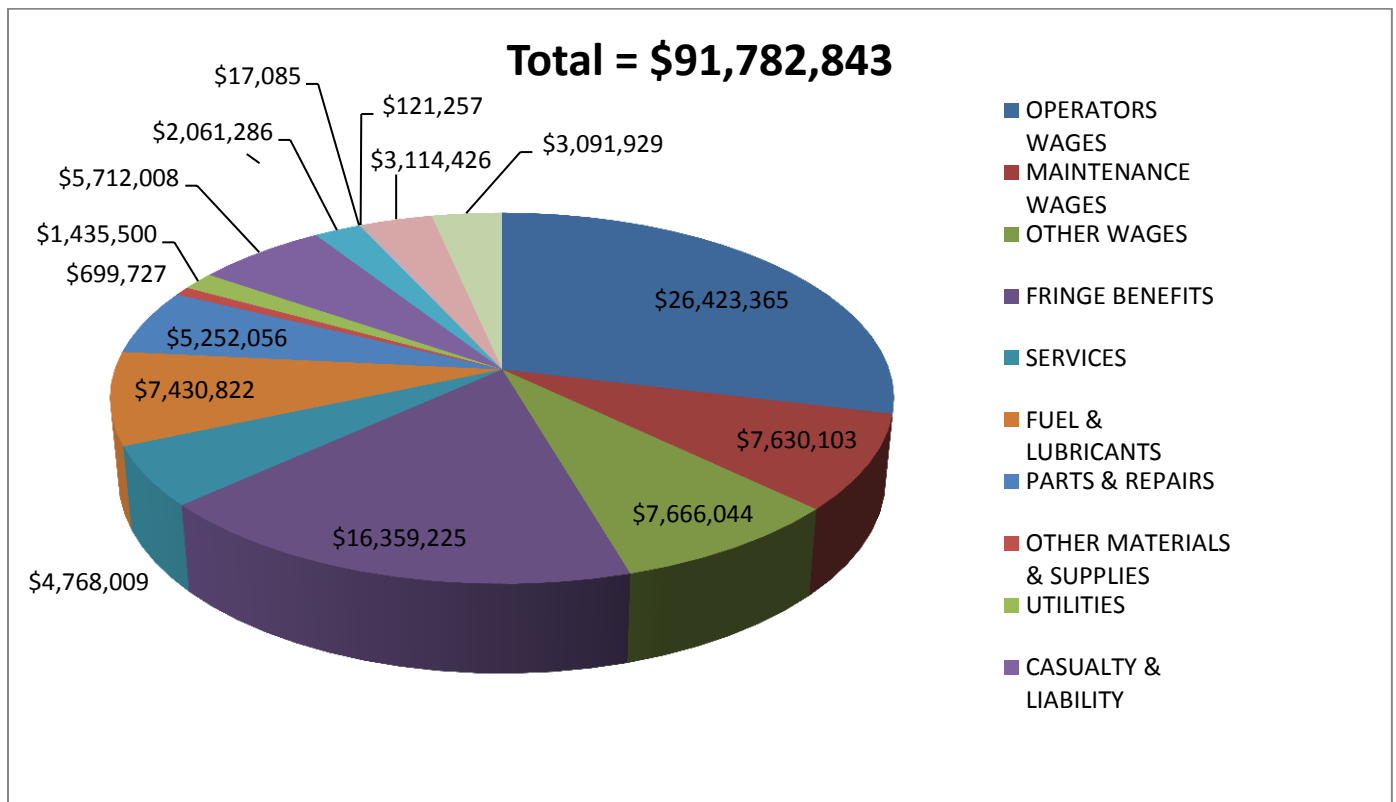
2014 Fiscal Year Fare Revenue Budget Projection

	2014 Projected	2013 Actual Fares
April	3,796,536	4,373,133
May	3,795,666	3,731,619
June	3,802,192	3,504,045
July	3,810,526	4,104,955
August	3,807,301	3,732,751
September	3,943,910	3,751,276
October	3,942,770	4,462,759
November	3,942,286	3,691,131
December	3,942,785	3,547,306
Total	34,783,973	34,898,973

Fare Revenue projections were established using actual collections. Fare projections are based upon current levels of service offered with a \$0.25 cash fare increase implemented on September 1, 2014

Rising Operating Costs

- **3% wage increases effective April 1, 2014**
 - Top Tier Operator Rate: From \$28.57/ hour to \$29.43
 - Top Technician Rate: From \$29.50/hour to \$31.30
- **6% increase in Monthly Health Insurance Premiums**
- **Rising Natural Gas Costs of Approximately 25%**
- **Increased Able-Ride Demand**



Though NICE has been able to gain overall efficiencies in various areas of operation, administration and service design, operating costs have risen. Unforeseen dramatic increases in natural gas costs along with health insurance costs and an increase in paratransit demand and wage rates have created a need for additional funding.

Budget by Expense Center

OPERATORS WAGES	\$ 26,423,365
MAINTENANCE WAGES	\$ 7,630,103
OTHER WAGES	\$ 7,666,044
FRINGE BENEFITS	\$ 16,359,225
SERVICES	\$ 4,768,009
FUEL & LUBRICANTS	\$ 7,430,822
PARTS & REPAIRS	\$ 5,252,056
OTHER MATERIALS & SUPPLIES	\$ 699,727
UTILITIES	\$ 1,435,500
CASUALTY & LIABILITY	\$ 5,712,008
INCOME TAXES	\$ 2,061,286
LEASE/RENTALS	\$ 17,085
DEPRECIATION	\$ 121,257
MISCELLANEOUS	\$ 3,114,426
MARGIN AT RISK	\$ 3,091,929
TOTAL	\$ 91,782,843

Adjusted Veolia Hourly Rates

The adjustments to rates are being proposed for the purpose of bringing the cost allocation methodology into conformity with the definitions of fixed and variable costs contained in the Nassau County / Veolia contract. By themselves, they neither raise nor lower the total cost of service, and are unchanged from the March 27 budget proposal.

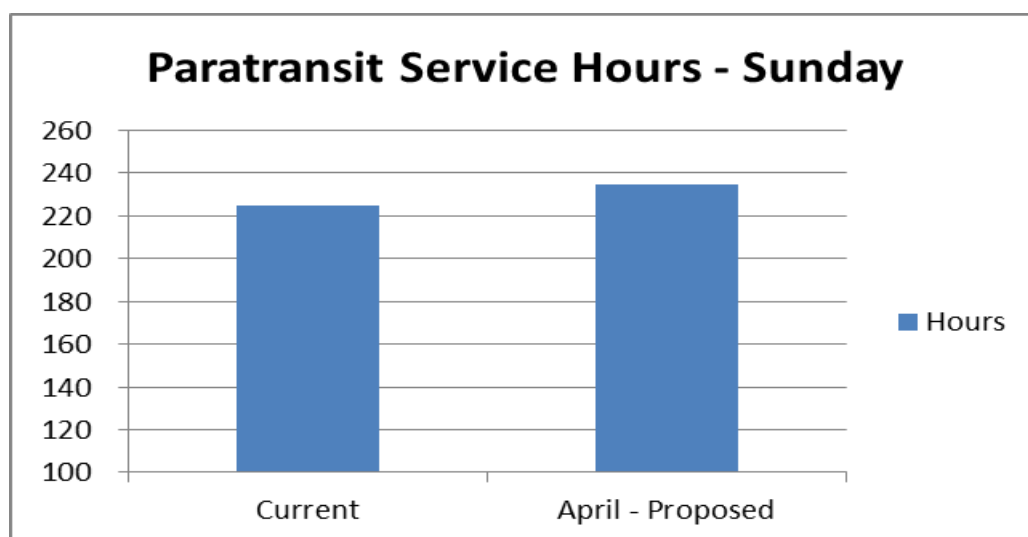
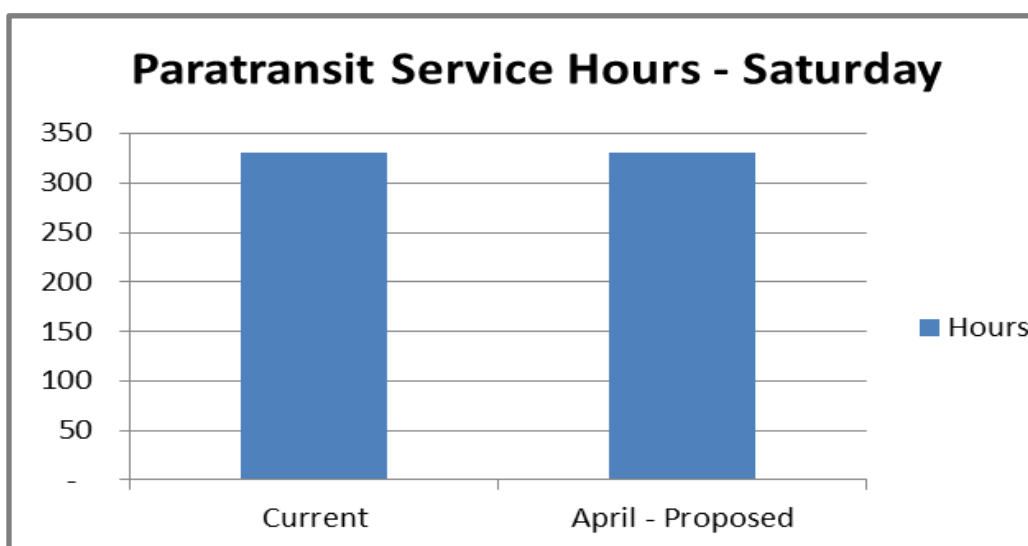
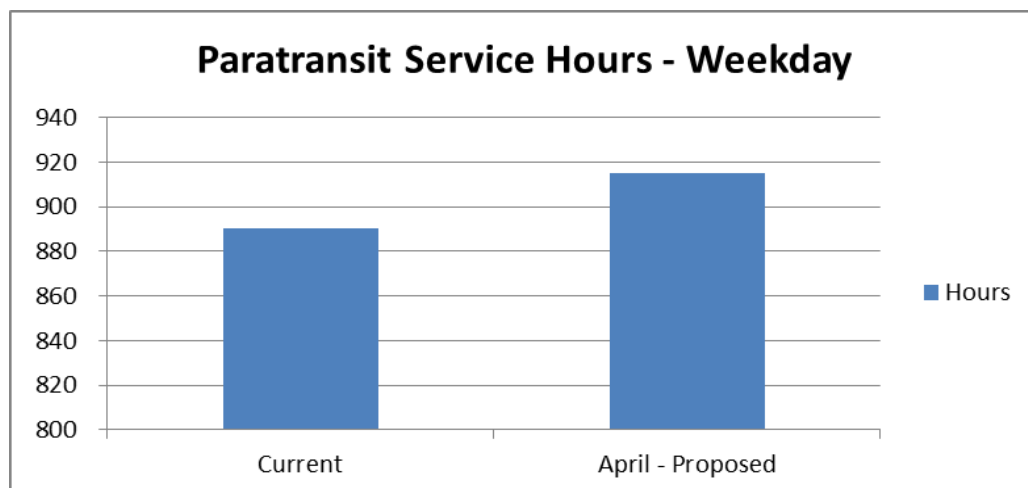


- **Increase Monthly Fixed Fee:**
 - 2013: \$2,319,664 / Month
 - 2014: \$3,039,075 / Month
- **Decrease Fixed Route Variable Rate:**
 - 2013: \$85.25 / HR
 - 2014: \$83.00 / HR
- **Decrease Paratransit Variable Rate:**
 - 2013: \$55.81 / HR
 - 2014: \$45.89 / HR

Able Ride Service Proposed Hours

Able-Ride Must Adjust Service Levels to Accommodate Increased Demand

- **American with Disabilities Act (ADA) requires all eligible persons/trips to be served.**
- **Increase daily hours planned:**
 - 2013: 5,005 hours/week
 - 2014: 5,140 hours/week, proposed



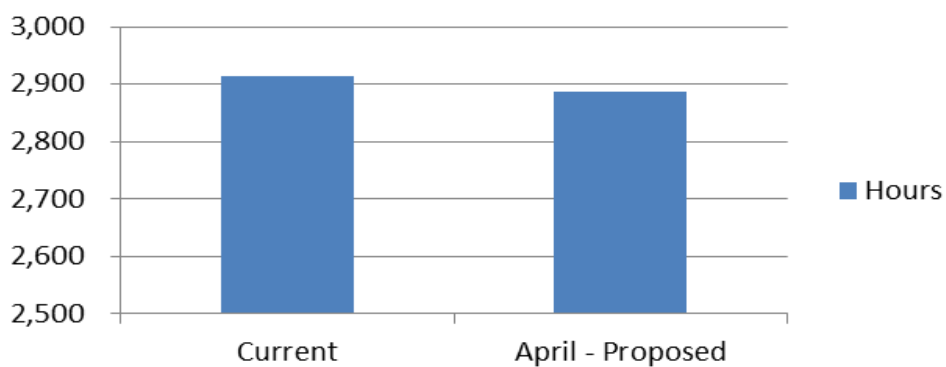
Fixed Route Proposed Hours

- **Current Weekday Hours**
 - January 2014: 2,915 Hours/Weekday
- **Proposed Weekday Hours**
 - April 2014: 2,886 Hours/Weekday

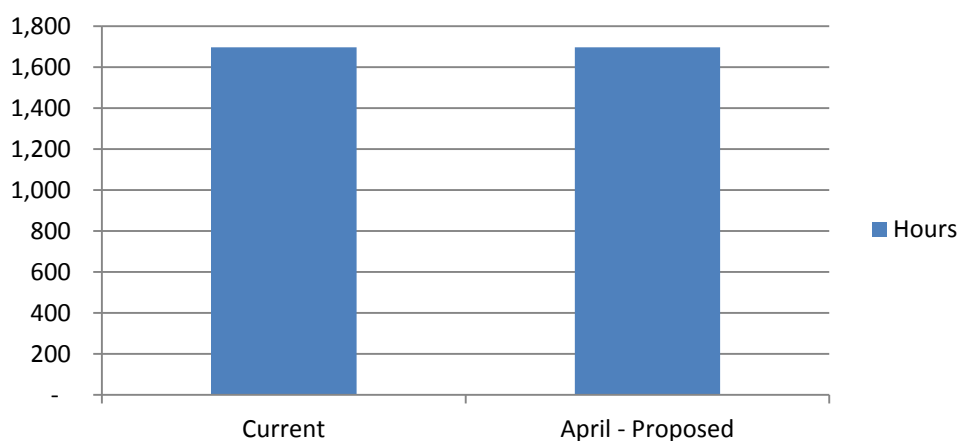
Stable quarter to quarter schedules are essential in ensuring overall system effectiveness, dependability and customer satisfaction.

2013 Actual fixed route hours compared to 2014 proposed total fixed route hours are virtually identical and only reflect a .1% change.

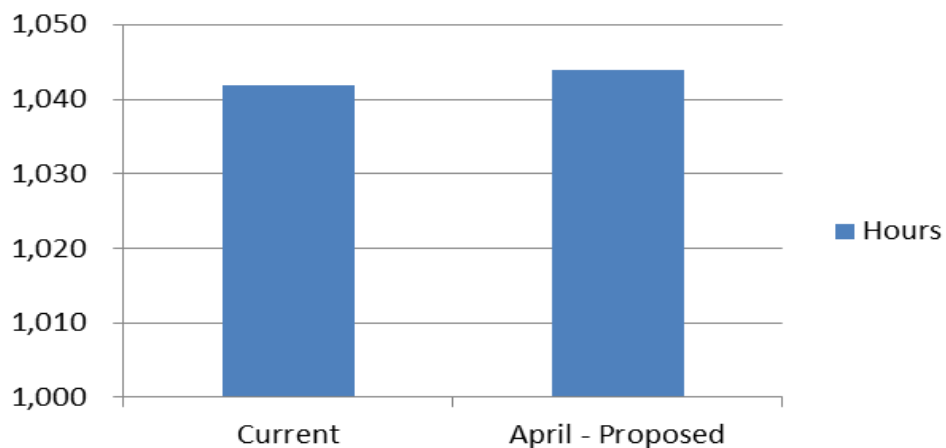
Fixed Route Service Hours - Weekday



Fixed Route Service Hours - Saturday



Fixed Route Service Hours - Sunday



Five Year Capital Plan

Highlights of the Capital Plan



- 2014-15: Complete ITS Customer Information and Vehicle Location Monitoring System
- 2014: Complete Scheduled Procurement for CNG Facilities Upgrade
- 2014: Purchase New Paratransit Vehicles
- 2015: Receive Delivery of Approximately 45 Full Size CNG Buses

Veolia Transportation

TRANSPORTATION IMPROVEMENT PROGRAM (TIP) - NASSAU INTER COUNTY EXPRESS (NICE)													
Description	Oblig. Date	Fund Type	Total		Pre 2014 - 2018	FFY 2014	Pre	2014	2015	2016	2017	2018	Post 2018
Purchase 46 replacement Paratransit Vehicles - to maintain operating efficiency and capacity	FFY 2014							1,136,000					
		5307						142,000					
								142,000					
								478,317					
		5339						59,790					
		NY/SDF						59,790					
		TOTAL						477,023					
								1,035,174					
								2,017,897					
Assistance for ADA Complementary Paratransit Service	FFY 2013												
								1,920,000					
								240,000					
		5307						240,000					
		TOTAL						2,400,000					
Administration - to manage and support the capital projects	FFY 2014												
								800,000		800,000		800,000	
								100,000		100,000		100,000	
		5307						100,000		100,000		100,000	
		TOTAL						1,000,000		1,000,000		1,000,000	
Purchase 103 CMG 40' Buses, Inspection Services & Spare Parts - 100 repl/3 exp - to maintain operating efficiency, capacity, and the continued use of alternative fuel	FFY 2018												
		5307										3,824,000	
												478,000	
												478,000	
												4,800,000	
		CMAQ									600,000	600,000	36,696,000
												4,587,000	4,587,000
		5339											
		TOTAL										10,780,000	45,870,000
Purchase 23 Paratransit Vehicles - 26 repl/3 exp - to maintain operating efficiency and capacity	FFY 2017												
									478,317	478,317	478,317	478,317	
								59,790	59,790	59,790	59,790	59,790	
		5339						59,790	59,790	59,790	59,790	59,790	
		TOTAL							597,897	597,897	597,897	597,897	
MIS Upgrade/Replacement Hardware/Software	FFY 2015												
									384,000				
								48,000	48,000				
		5307						48,000					
		TOTAL							480,000				
Contingency - to provide for capital project reserves	FFY 2014												
								120,447	199,834	199,995	158,317	158,634	
								15,056	24,979	24,999	19,789	19,579	
		5307						15,056	24,980	24,999	19,790	19,580	
		TOTAL						150,559	249,793	249,993	197,896	195,793	