

To: Board of Directors
From: Mary Albert, Budget Manager
Date: April 21, 2016
Subject: Resolution No. 02-16 Amending the 2016 Budget

Background

On December 3, 2015, the Board of Directors adopted the 2016 budget. The Board historically amends the annual budget twice a year to reflect activities which have occurred during the first and second halves of each year. The Board adopted the 2016 budget at the fund level and also approved the carryover of previously approved capital project budgets from 2015. When it was adopted, the Board granted the Chief Executive Officer the authority to make budget transfers, provided that such transfers did not increase or decrease appropriation within any fund.

At the time the Board of Directors reviewed the 2016 proposed budget, Snohomish County Proposition 1, which increased sales tax in the Public Transportation Benefit Area (PTBA) by 3/10^{ths} of a percent, had not yet been passed by voters. Therefore, it was not assumed in the adopted 2016 budget that Community Transit's sales tax revenues would increase by the 3/10^{ths} of a percent. However, Proposition 1 passed in Snohomish County's general election on November 3, 2015. Therefore, a budget amendment is necessary to update the 2016 budget to add the new sales tax revenue. In addition to the increased revenue, the amendment includes related service expansion costs, which have been incorporated in the 2016-2021 Transit Development Plan (TDP) as a result of the sales tax increase.

Status

Resolution No. 02-16 amends the 2016 budget for these reasons:

1. Revisions to 2016 beginning cash balances. These revisions represent the reconciliation of budgeted year-end cash balances with actual cash, which ended up higher than budgeted.
2. Service expansion-related changes:
 - Revisions to sales tax revenue estimate, to include the new 3/10^{ths} percent retail sales tax revenue, which Community Transit will begin receiving in June 2016, and actual sales tax revenue for January and February 2016.
 - Revisions to the General Fund (Fund 40) operating expenditures related to the cost of the March and September 2016 service expansions.

- Revisions to the project budget for the 2016 coach order, to include additional funding for expansion and replacement coaches. Funding sources for this include: 1) new grant funding, 2) Limited Tax General Obligation (LTGO) bond proceeds, 3) and transfers from the General Fund, consistent with the proposed 2016-2021 TDP.
 - Funding for project development costs for *Swift II*.
 - Revisions to 2016 Federal Transit Administration (FTA) grant funds, also related to coach procurements.
 - Inclusion of the WSDOT grant that was awarded after budget adoption, and the associated purchase of five (5) new/expansion transit vanpool vans.
3. Revisions to General Fund operating expenditures for projects carried over from 2015 (Learning Management system and Information Technology-related professional services), and staffing needs.
 4. Revisions to funding for minor facilities projects.
 5. Revisions to funding for previously Board-approved projects, including Human Resources system upgrade, Customer Comments system, Voiceover Internet Protocol (VoIP) upgrade, Radio PC replacements, Network Operations Center, and Ash Way Park & Ride improvements.
 6. Funding for the Dynamic Signage and Open Data/General Transit Feed Specification (GTFS) Projects.

The Finance and Administration Committee reviewed Resolution No. 02-16 at their April 21, 2016, meeting and recommended that it be placed as an action item at the May 5, 2016, regular Board meeting for approval.

Budget Impact

Expenditures	2016 Original Budget	2016 Proposed Amended Budget as of May 5, 2016	Difference
General Fund	\$ 121,319,041	\$ 126,959,377	\$ 5,640,336
All Other Funds	\$ 70,791,122	\$ 137,569,922	\$ 66,778,800
Ending Cash	\$ 99,122,202	\$ 97,535,874	\$ (1,586,328)

Recommendation

That the Board of Directors approve the proposed amendments to the 2016 budget as presented in Resolution No. 02-16.

RESOLUTION No. 02-16

A RESOLUTION of the Board of Directors of the Snohomish County Public Transportation Benefit Area Corporation (SCPTBAC, hereafter referred to as Community Transit) to make the following budget adjustments during the 2016 budget year.

WHEREAS, Budget adjustments are necessary for the budget year 2016;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors of Community Transit amends the 2016 budget according to the 2016 budget adjustments set forth in Exhibits A and B which are attached hereto and incorporated herein by this reference.

APPROVED and PASSED this _____ day of _____ 2016.

Mayor Jon Nehring, Chair

ATTEST:

APPROVED AS TO FORM

Mayor Leonard Kelley, Secretary

Allen J. Hendricks, Attorney

Resolution No. 02-16, Exhibit A
Community Transit
 2016 Amended Budget Revenue Summary

<i>Fund No.</i>	<i>Fund Name</i>	<i>Adjusted Beginning Cash</i>	<i>Revenue</i>	<i>Interfund Transfers</i>	<i>Total Budget</i>
40	General Fund	\$ 55,612,831	\$ 152,093,273	\$ 900	\$ 207,707,004
41	Replacement Reserve	39,878,935	10,000	4,690,444	44,579,379
42	Infrastructure Preservation Reserve	25,459,347	0	8,518,608	33,977,955
43	Workers' Compensation	6,485,641	6,000	2,601,000	9,092,641
45	FTA Capital Projects	5,129,725	42,370,194	19,838,543	67,338,462
46	Local Capital Projects	4,468,201	12,304,051	4,326,570	21,098,822
47	Bond Capital Projects	0	13,000,000	0	13,000,000
48	Facilities and Technology Expansion	3,794,376	0	94,248	3,888,624
50	Bond Debt Service	1,451,599	1,000	1,854,000	3,306,599
	Total Budget	\$ 142,280,655	\$ 219,784,518	\$ 41,924,313	\$ 403,989,486

Resolution No. 02-16, Exhibit B
Community Transit
 2016 Amended Budget Expenditure Summary

<i>Fund No.</i>	<i>Fund Name</i>	<i>Expenditures</i>	<i>Interfund Transfers</i>	<i>Ending Cash</i>	<i>Total Budget</i>
40	General Fund	\$ 126,959,377	\$ 32,873,129	\$ 47,874,498	\$ 207,707,004
41	Replacement Reserve	10,813,411	5,779,012	27,986,956	44,579,379
42	Infrastructure Preservation Reserve	16,975,253	3,271,272	13,731,430	33,977,955
43	Workers' Compensation	2,601,350	0	6,491,291	9,092,641
45	FTA Capital Projects	67,338,462	0	0	67,338,462
46	Local Capital Projects	21,098,822	0	0	21,098,822
47	Bond Capital Projects	13,000,000	0	0	13,000,000
48	Facilities and Technology Expansion	3,888,624	0	0	3,888,624
50	Bond Debt Service	1,854,000	900	1,451,699	3,306,599
	Total Budget	\$ 264,529,299	\$ 41,924,313	\$ 97,535,874	\$ 403,989,486

Supporting Schedule for Resolution No. 02-16
Midyear Budget Amendment
Schedule for Beginning Cash Adjustment

<i>Fund No.</i>	<i>Fund Name</i>	<i>2015 Actual Ending Cash</i>	<i>2015 Year-End Accruals</i>	<i>2016 Actual Beginning Cash</i>	<i>Budgeted 2016 Beginning Cash</i>	<i>Net Change: Budget to Actual</i>
40	General Fund	\$ 54,171,009	\$ 1,441,822	\$ 55,612,831	\$ 52,944,587	\$ 2,668,244
41	Replacement Reserve	39,878,935	0	39,878,935	33,032,084	6,846,851
42	Infrastructure Preservation Reserve	25,588,861	(129,514)	25,459,347	24,336,137	1,123,210
43	Workers' Compensation	6,517,408	(31,767)	6,485,641	5,917,019	568,622
45	FTA Capital Projects	(9,525,491)	14,655,216	5,129,725	2,262,528	2,867,197
46	Local Capital Projects	517,189	3,951,012	4,468,201	4,120,836	347,365
47	Bond Capital Projects	0	0	0	0	0
48	Facilities and Technology Expansion	3,848,161	(53,785)	3,794,376	3,325,092	469,284
50	Bond Debt Service	1,451,599	0	1,451,599	1,451,685	(86)
	Total Budget	<u>\$ 122,447,671</u>	<u>\$19,832,984</u>	<u>\$ 142,280,655</u>	<u>\$ 127,389,968</u>	<u>\$ 14,890,687</u>

NOTE:

Beginning cash for 2016 is adjusted for 2016 year-end accruals and working capital which consist of receivables, prepaids, inventory, and payables. Does not include ORCA cash.

Supporting Schedule of Revenues and Expenses by Fund for Resolution No. 02-16

<i>Fund No.</i>	<i>Date of Board Action</i>	<i>Fund Name/Adjustment</i>	<i>Revenues</i>	<i>Interfund Transfers In</i>	<i>Expenditures</i>	<i>Interfund Transfers Out</i>
40		General Fund				
	12/3/15	Original Budget	\$ 133,770,197	\$ 900	\$ 121,319,041	\$ 21,114,492
	5/5/16	3/10 Percent Sales Tax July-Dec 2016	17,880,500			
	5/5/16	MARUZA Formula Operating 5307 Funds for Preventative Maintenance	42,576			
	5/5/16	State Special Needs Operating Grant	400,000			
	5/5/16	2016 Service Expansion Costs			5,343,595	
	5/5/16	Other 2016 Operating Costs			296,741	
	5/5/16	Interfund Transfer to Fund 45 for FTA Capital Projects				10,788,259
	5/5/16	Interfund Transfer to Fund 42 for Capital Projects				45,000
	5/5/16	Interfund Transfer to Fund 46 for Capital Projects				831,130
	5/5/16	Interfund Transfer to Fund 48 for Capital Projects				94,248
	5/5/16	Amended Midyear Budget	\$ 152,093,273	\$ 900	\$ 126,959,377	\$ 32,873,129
41		Replacement Reserve				
	12/3/15	Original Budget	\$ 10,000	\$ 4,690,444	\$ 3,998,360	\$
	2/26/16	Capital Carryover from Prior Year			6,815,051	
	5/5/16	Interfund Transfer to Fund 45 for Coach Procurements, as per TDP Funding Plan				5,779,012
	5/5/16	Amended Midyear Budget	\$ 10,000	\$ 4,690,444	\$ 10,813,411	\$ 5,779,012

Supporting Schedule of Revenues and Expenses by Fund for Resolution No. 02-16

<i>Fund No.</i>	<i>Date of Board Action</i>	<i>Fund Name/Adjustment</i>	<i>Revenues</i>	<i>Interfund Transfers In</i>	<i>Expenditures</i>	<i>Interfund Transfers Out</i>
42		Infrastructure Preservation Reserve				
	12/3/15	Original Budget	\$	\$ 8,473,608	\$ 15,807,044	\$ 3,271,272
	2/26/16	Capital Carryover from Prior Year			1,123,209	
	5/5/16	Interfund Transfer from Fund 40		45,000		
	5/5/16	MCOB Reroof Three Buildings			45,000	
	5/5/16	Amended Midyear Budget	\$	\$ 8,518,608	\$ 16,975,253	\$ 3,271,272
43		Workers' Compensation				
	12/3/15	Original Budget	\$ 6,000	\$ 2,601,000	\$ 2,601,350	\$
	5/5/16	Amended Midyear Budget	\$ 6,000	\$ 2,601,000	\$ 2,601,350	\$

Supporting Schedule of Revenues and Expenses by Fund for Resolution No. 02-16

<i>Fund No.</i>	<i>Date of Board Action</i>	<i>Fund Name/Adjustment</i>	<i>Revenues</i>	<i>Interfund Transfers In</i>	<i>Expenditures</i>	<i>Interfund Transfers Out</i>
45		FTA Capital Projects				
	12/3/15	Original Budget	\$ 22,135,200	\$ 3,271,272	\$ 27,669,000	\$
	2/26/16	Capital Carryover from Prior Year	3,361,646		6,220,284	
	5/5/16	FTA Capital Grants -- Adjust for Projects 0905 and 1314	55,165			
	5/5/16	FTA Grant Match -- Adjust for Projects 0905 and 1314		13,791		
	5/5/16	FTA Capital Projects 0905 and 1314 -- Add Additional Grant Funding			68,956	
	5/5/16	Interfund Transfer from Fund 40 for FTA Capital Projects		10,774,468		
	5/5/16	Interfund Transfer from Fund 41 for Coach Procurements		5,779,012		
	5/5/16	<i>Swift II</i> Small Starts Grant Revenue	13,200,000			
	5/5/16	Additional FTA Formula Grant Revenue	3,618,183			
	5/5/16	Coach Procurements			31,055,222	
	5/5/16	<i>Swift II</i> BRT Project Development			2,325,000	
	5/5/16	Amended Midyear Budget	\$ 42,370,194	\$ 19,838,543	\$ 67,338,462	\$

Supporting Schedule of Revenues and Expenses by Fund for Resolution No. 02-16

<i>Fund No.</i>	<i>Date of Board Action</i>	<i>Fund Name/Adjustment</i>	<i>Revenues</i>	<i>Interfund Transfers In</i>	<i>Expenditures</i>	<i>Interfund Transfers Out</i>
46		Local Capital Projects				
	12/3/15	Original Budget	\$ 7,920,000	\$ 3,495,440	\$ 15,536,276	\$
	2/26/16	Capital Carryover from Prior Year	3,861,551		4,075,545	
	5/5/16	Department Equipment Cost Pool			133,371	
	5/5/16	Interfund Transfer from Fund 40 for Various Projects		831,130		
	5/5/16	State Grant Revenue -- Vanpool Vehicles	522,500			
	5/5/16	Minor Facilities Projects			100,000	
	5/5/16	PeopleSoft HCM Upgrade			80,000	
	5/5/16	Customer Comments System			200,000	
	5/5/16	Open Data / GTFS Project			339,000	
	5/5/16	VoIP			56,102	
	5/5/16	Radio PCs Replacement			28,528	
	5/5/16	Vanpool Vehicles (2016 Grant-Funded)			550,000	
	5/5/16	Amended Midyear Budget	\$ 12,304,051	\$ 4,326,570	\$ 21,098,822	\$
47		Bond Capital Projects				
	12/3/15	Original Budget	\$	\$	\$	\$
	5/5/16	Limited Tax General Obligation Bond Proceeds	13,000,000			
	5/5/16	Coach Procurements			13,000,000	
	5/5/16	Amended Midyear Budget	\$ 13,000,000	\$	\$ 13,000,000	\$

Supporting Schedule of Revenues and Expenses by Fund for Resolution No. 02-16

<i>Fund No.</i>	<i>Date of Board Action</i>	<i>Fund Name/Adjustment</i>	<i>Revenues</i>	<i>Interfund Transfers In</i>	<i>Expenditures</i>	<i>Interfund Transfers Out</i>
48		Facilities and Technology Expansion				
	12/3/15	Original Budget	\$	\$	\$ 3,325,092	\$
	2/26/16	Capital Carryover from Prior Year			475,532	
	5/5/16	Balance Fund 48 for Asset Transfer		6,248		
	5/5/16	Interfund Transfer from Fund 40		88,000		
	5/5/16	Dynamic Signage Project			88,000	
	5/5/16	Amended Midyear Budget	\$	\$ 94,248	\$ 3,888,624	\$
50		Bond Debt Service				
	12/3/15	Original Budget	\$ 1,000	\$ 1,854,000	\$ 1,854,000	\$ 900
	5/5/16	Amended Midyear Budget	\$ 1,000	\$ 1,854,000	\$ 1,854,000	\$ 900
		Total Budget	\$ 219,784,518	\$ 41,924,313	\$ 264,529,299	\$ 41,924,313
		Beginning Cash	142,280,655			
		Ending Cash			97,535,874	
		Totals	\$ 362,065,173	\$ 41,924,313	\$ 362,065,173	\$ 41,924,313