



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

Agenda

SAN DIEGO METROPOLITAN TRANSIT SYSTEM TAXICAB ADVISORY COMMITTEE FINANCE SUBCOMMITTEE MEETING

November 29, 2016

10:00 a.m.

Taxicab Administration Conference Room
1501 National Avenue, Suite 100
San Diego, CA 92113

**ACTION
RECOMMENDED**

1. Roll Call
2. Non-agenda Public Comment
The public may address the Committee regarding a matter not on the agenda. Each speaker has three minutes to speak. Give a completed *Request to Speak* form to the Clerk of the Committee.
3. MTS: FY 2017 Midyear Adjustment
Action would be the Finance Subcommittee accept and forward a recommendation to the Taxicab Advisory Committee to approve the Taxicab Administration FY 2017 Midyear Budget Adjustment.
4. Adjournment

Approve





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Agenda Item No. 3

Finance Subcommittee of the San Diego Metropolitan Transit System Taxicab Advisory Committee

November 29, 2016

SUBJECT:

MTS: FY 2017 MIDYEAR ADJUSTMENT

RECOMMENDATION:

That the Finance Subcommittee accept and forward a recommendation to the Taxicab Advisory Committee to approve the Taxicab Administration FY 2017 Midyear Budget Adjustment.

Budget Impact

The midyear budget amendment will decrease the operating revenue budget by \$90,000 and decrease the expense budget by \$41,000.

DISCUSSION:

FY 2017 Midyear Adjustment

Revenues. Taxicab Administration receives operating revenue from annual regulatory fees and other processing fees. The total budgeted operating revenue is \$1,300,000, a decrease of \$90,000. This decrease is due to fewer than expected permits issued during FY16 that would contribute to the annual regulatory fee revenue.

The Taxicab Administration budget requires full cost recovery. When expenses exceed revenues, funds from the contingency reserves are used to balance the budget. The midyear budget assumes \$46,000 usage of contingency reserves, an increase of \$49,000 from the original budget.

Expenses. Total operating expenses resulted in a \$41,000 favorable midyear adjustment, decreasing the operating expense budget to \$1,346,000.



Personnel Costs are projected to decrease by \$53,000 with the amended midyear budget. This decrease reflects one open analyst position that will not be filled, reducing budgeted headcount from 16 to 15.

Outside Services are projected to decrease by \$18,000 due to legal expenses.

Materials and Supplies costs require no midyear adjustment.

Energy costs are projected to decrease by \$4,000 due to favorable rates.

Risk Management costs are expected to rise by \$30,000 due to additional liability coverage to reduce the deductible applicable to the Taxicab Administration.

General and Administrative costs are expected to rise by \$4,000 due to one-time office equipment purchases.

Vehicle Lease costs require no midyear adjustment.

At this time, staff has no projected changes for the MTS overhead allocation and this costs remains at \$144,000. However, as MTS completes its midyear budget adjustment in March of 2017, this amount may change as appropriate, which will be offset by a corresponding adjustment to the contingency reserves.

Contingency Reserves. The original FY 2017 budget projected a contingency reserve balance of \$1,065,000 for the end of FY 2017. The audited results for FY 2016 produced a contribution to contingency reserves of \$841,000. The adjusted FY 2016 year end contingency reserve balance was \$1,062,000. The original FY 2017 budget provided for a contribution of \$3,000 in contingency reserves. The midyear budget adjustment proposes a usage of \$46,000. The adjusted FY 2017 contingency reserve balance is projected to be \$1,016,000. The balance sheet contains \$61,000 of permit interest forms deposits that has not been recognized as revenue and is not reflected in the contingency reserves.

Bill Kellerman
Taxicab Administration Manager

Key Staff Contact: Bill Kellerman, 619.595.7034, bill.kellerman@sdmts.com

Attachment: A. Summary report of the FY 2017 midyear budget adjustment
B. Detailed report of the FY 2017 midyear budget
C. Contingency reserve balance report
D. Comparison of YTD FY 2017 Actual to Budget through September

SAN DIEGO METROPOLITAN TRANSIT SYSTEM Att. A, AI 3, 11/29/16
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - CONSOLIDATED
FISCAL YEAR 2017

	ACTUAL FY16	BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
ADVERTISING REVENUE	-	-	-	-	-
CONTRACT SERVICE REVENUE	-	-	-	-	-
OTHER INCOME	2,091,110	1,390,000	1,300,000	(90,000)	-6.5%
TOTAL OPERATING REVENUES	2,091,110	1,390,000	1,300,000	(90,000)	-6.5%
NON OPERATING REVENUE					
SUBSIDY REVENUE	-	-	-	-	-
RESERVE REVENUE	(834,582)	(3,401)	45,663	49,064	-1442.7%
OTHER INCOME	-	-	-	-	-
TOTAL NON OPERATING REVENUE	(834,582)	(3,401)	45,663	49,064	-1442.7%
TOTAL COMBINED REVENUES	1,256,528	1,386,599	1,345,663	(40,936)	-3.0%
OPERATING EXPENSES					
LABOR EXPENSES	-	704,843	671,582	(33,262)	-4.7%
FRINGE EXPENSES	-	272,032	252,357	(19,675)	-7.2%
TOTAL PERSONNEL EXPENSES	865,875	976,875	923,939	(52,936)	-5.4%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	-	6,000	6,000	-	0.0%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	-	95,110	77,110	(18,000)	-18.9%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	85,721	101,110	83,110	(18,000)	-17.8%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	7,000	7,000	-	0.0%
TOTAL MATERIALS AND SUPPLIES	236	7,000	7,000	-	0.0%
DIESEL FUEL/GASOLINE	4,010	7,000	5,000	(2,000)	-28.6%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	7,066	10,000	8,000	(2,000)	-20.0%
TOTAL ENERGY	11,076	17,000	13,000	(4,000)	-23.5%
RISK MANAGEMENT	-	-	30,000	30,000	-
GENERAL AND ADMINISTRATIVE	122,636	114,920	118,920	4,000	3.5%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	16,273	26,000	26,000	-	0.0%
TOTAL OPERATING EXPENSES	1,101,817	1,242,905	1,201,969	(40,936)	-3.3%
NET OPERATING SUBSIDY	989,293	147,095	98,031	(49,064)	33.4%
OVERHEAD ALLOCATION	(154,711)	(143,694)	(143,694)	-	0.0%
ADJUSTED NET OPERATING SUBSIDY	834,582	3,401	(45,663)	(49,064)	1442.7%
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	-	-	-	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - DETAIL
FISCAL YEAR 2017**

	ACTUAL FY16	BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
OTHER INCOME					
42410 TAXI VEHICLE ANNUAL REGULATORY FEES	815,100	1,020,000	900,000	(120,000)	-11.8%
42420 TAXI PROCESSING FEES	1,261,420	350,000	380,000	30,000	8.6%
42990 OTHER INCOME	14,590	20,000	20,000	-	0.0%
TOTAL OTHER INCOME	2,091,110	1,390,000	1,300,000	(90,000)	-6.5%
TOTAL OPERATING REVENUES	2,091,110	1,390,000	1,300,000	(90,000)	-6.5%
NON OPERATING REVENUE					
49110 CONTINGENCY RESERVES	(834,582)	(3,401)	45,663	49,064	-1442.7%
TOTAL NON OPERATING REVENUE	(834,582)	(3,401)	45,663	49,064	-1442.7%
TOTAL COMBINED REVENUES	1,256,528	1,386,599	1,345,663	(40,936)	(0)
OPERATING EXPENSES					
LABOR EXPENSES					
50201 ADMINISTRATIVE WAGES REGULAR	497,050	700,610	667,901	(32,709)	-4.7%
50202 ADMINISTRATIVE WAGES OVERTIME	2,250	4,233	3,681	(552)	-13.0%
50701 TEMP HELP	7,278	-	-	-	-
TOTAL LABOR EXPENSES	506,578	704,843	671,582	(33,262)	-4.7%
FRINGE EXPENSES					
52310 HEALTH & WELFARE - MGMT	112,835	174,008	159,008	(15,000)	-8.6%
52420 VACATION - REGULAR CASH BASIS	37,383	57,888	55,128	(2,761)	-4.8%
52422 VACATION PAYOFF	-	-	-	-	-
52428 VACATION - ACCRUALS	-	-	-	-	-
52430 HOLIDAY	26,580	40,136	38,222	(1,914)	-4.8%
52490 OTHER PAID ABSENCE	982	-	-	-	-
52630 OTHER FRINGE BENEFITS	75	-	-	-	-
TOTAL FRINGE EXPENSES	177,864	272,032	252,357	(19,675)	-7.2%
TOTAL PERSONNEL EXPENSES	865,875	976,875	923,939	(52,936)	-5.4%
OUTSIDE SERVICES EXPENSES					
REPAIR/MAINTENANCE SERVICES					
53620 NON REV VEHICLE MAINTENANCE SERVICES	-	3,000	3,000	-	0.0%
53630 FACILITY MAINTENANCE REPAIR SVC	-	2,000	2,000	-	0.0%
53650 EQUIP MAINTENANCE REPAIR SVC	-	1,000	1,000	-	0.0%
53710 MAINTENANCE SERVICE AGREEMENTS	-	-	-	-	-
TOTAL REPAIR/MAINTENANCE SERVICES	-	6,000	6,000	-	0.0%
OTHER OUTSIDE SERVICES					
53110 GENERAL LEGAL EXPENSES	-	40,000	20,000	(20,000)	-50.0%
53430 MANAGEMENT TRAINING	-	250	250	-	0.0%
53440 MAINTENANCE TRAINING	-	-	-	-	-
53450 OPERATOR TRAINING	-	13,860	13,860	-	0.0%
53750 OTHER PRINTING SERVICES	-	5,000	5,000	-	0.0%
53910 GENERAL OUTSIDE SERVICES	-	32,000	32,000	-	0.0%
53920 GENERAL OUTSIDE SERVICES - SPECIAL EVENTS	-	-	-	-	-
53930 EQUIPMENT RENTAL	-	-	-	-	-
53940 UNIFORM CLEANING	-	4,000	6,000	2,000	50.0%
53950 COMPASS CARD	-	-	-	-	-
53960 DIRECT MAIL	-	-	-	-	-
53970 ADMINISTRATIVE PASS THRU - NON PERSONNEL	-	-	-	-	-
TOTAL OTHER OUTSIDE SERVICES	85,721	95,110	77,110	(18,000)	-18.9%
TOTAL OUTSIDE SERVICES	85,721	101,110	83,110	(18,000)	-17.8%
OTHER MATERIALS AND SUPPLIES					
54530 MAINTENANCE SUPPLIES (NON REV VEHICLES)	-	2,000	2,000	-	0.0%
54540 MAINTENANCE SUPPLIES (FACILITIES)	-	5,000	5,000	-	0.0%
54570 NON REVENUE MAINTENANCE SUPPLIES	-	-	-	-	-
TOTAL OTHER MATERIALS AND SUPPLIES	-	7,000	7,000	-	0.0%
TOTAL MATERIALS AND SUPPLIES	236	7,000	7,000	-	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION (761)
OPERATING BUDGET - DETAIL
FISCAL YEAR 2017**

	ACTUAL FY16	BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
ENERGY					
DIESEL FUEL					
54110 DIESEL FUEL	-	-	-	-	-
54118 FUEL CLEARING	-	-	-	-	-
54210 GASOLINE	4,010	7,000	5,000	(2,000)	-28.6%
57110 FUEL TAXES	-	-	-	-	-
TOTAL DIESEL FUEL	4,010	7,000	5,000	(2,000)	-28.6%
UTILITIES					
55210 FACILITY ELECTRIC	7,066	8,000	6,000	(2,000)	-25.0%
55310 GAS	-	-	-	-	-
55410 WATER	-	-	-	-	-
55510 TELEPHONE	-	2,000	2,000	-	0.0%
TOTAL UTILITIES	-	10,000	8,000	(2,000)	-20.0%
TOTAL ENERGY	11,076	17,000	13,000	(4,000)	-23.5%
RISK MANAGEMENT					
53310 RISK LEGAL LIABILITY EXPENSES	-	-	20,000	20,000	-
56230 PREMIUM WORKMAN'S COMP EXCESS	-	-	10,000	10,000	-
TOTAL RISK MANAGEMENT	-	-	30,000	30,000	-
GENERAL AND ADMINISTRATIVE					
53120 BOARD OF DIRECTORS	-	-	-	-	-
53130 RENT	-	94,420	94,420	-	0.0%
54910 OFFICE SUPPLIES	-	8,000	12,000	4,000	50.0%
59110 DUES AND SUBSCRIPTIONS	-	1,500	1,500	-	0.0%
59210 TRAVEL AND MEETINGS	-	5,000	5,000	-	0.0%
59510 POSTAGE	-	5,000	5,000	-	0.0%
59890 COST RECOVERY - NON PERSONNEL COSTS	-	-	-	-	-
59990 OTHER MISC.	-	1,000	1,000	-	0.0%
TOTAL GENERAL AND ADMINISTRATIVE	122,636	114,920	118,920	4,000	3.5%
VEHICLE / FACILITY LEASE					
59615 NON REVENUE VEHICLE LEASE COSTS	-	26,000	26,000	-	0.0%
TOTAL VEHICLE / FACILITY LEASE	16,273	26,000	26,000	-	0.0%
TOTAL OPERATING EXPENSES	1,101,817	1,242,905	1,201,969	(40,936)	-3.3%
NET OPERATING SUBSIDY	989,293	147,095	98,031	(49,064)	-33.4%
OVERHEAD ALLOCATION					
53980 ALLOCATION CHARGES IN	(154,711)	(143,694)	(143,694)	-	0.0%
53990 ALLOCATION CHARGES OUT	-	-	-	-	-
TOTAL OVERHEAD ALLOCATION	(154,711)	(143,694)	(143,694)	-	0.0%
ADJUSTED NET OPERATING SUBSIDY	834,582	3,401	(45,663)	(49,064)	-1442.7%
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	-	-	-	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TAXICAB ADMINISTRATION
RESERVES ANALYSIS**

Fiscal Year 2014 (Audited)	
Contributions / (Usage)	(52,377)
Contingency Balance - FY 2014 (Audited)	<u>240,826</u>
Fiscal Year 2015 (Audited)	
Contributions / (Usage)	(20,204)
Contingency Balance - FY 2015 (Audited)	<u>220,622</u>
Fiscal Year 2016 (Audited)	
Contributions / (Usage)	841,348
Contingency Balance - FY 2016 (Audited)	<u>1,061,970</u>
Fiscal Year 2017 (Projected)	
Contributions / (Usage)	(45,663)
Contingency Balance - FY 2017 (Projected) *	<u>1,016,307</u>
 * Other Balance sheet items: Open interest form deposits	 61,250

OTHER ACTIVITIES
TAXICAB ADMINISTRATION
COMPARISON TO BUDGET - FISCAL YEAR 2017
SEPTEMBER 30, 2016
(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	18	31	(13)	-42.9%
Total Operating Revenue	\$ 18	\$ 31	\$ (13)	-42.9%
Personnel costs	\$ 89	\$ 81	\$ (8)	-9.7%
Outside services	4	8	5	56.9%
Transit operations funding	-	-	-	-
Materials and supplies	0	1	1	95.3%
Energy	1	1	1	45.7%
Risk management	-	-	-	-
General & administrative	9	10	1	5.6%
Vehicle/facility leases	2	2	0	10.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	12	12	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 116	\$ 115	\$ (1)	-1.1%
Operating income (loss)	\$ (99)	\$ (84)	\$ (14)	-17.1%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (99)	\$ (84)	\$ (14)	17.1%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	64	93	(28)	-30.7%
Total Operating Revenue	\$ 64	\$ 93	\$ (28)	-30.7%
Personnel costs	\$ 236	\$ 244	\$ 8	3.3%
Outside services	11	25	14	56.2%
Transit operations funding	-	-	-	-
Materials and supplies	1	2	1	57.0%
Energy	2	4	2	57.5%
Risk management	-	-	-	-
General & administrative	34	29	(5)	-16.7%
Vehicle/facility leases	6	7	1	14.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	36	36	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 325	\$ 346	\$ 22	6.3%
Operating income (loss)	\$ (260)	\$ (254)	\$ (7)	-2.6%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (260)	\$ (254)	\$ (7)	2.6%