

To: Administration and Finance Committee

Date: 11/25/2019

From: Bill Churchill, Assistant General Manager of Adm.

Reviewed by:

SUBJECT: Budget Amendment request for Paratransit Operating Budget

Background:

The previous contract with First Transit for purchased transportation services incorporated the cost for fuel in the hourly rate. In response to significant input from potential bidders and to encourage competition, staff removed the fuel expense from the hourly rate and structured it as a pass-through expense in the Request for Proposals released in December 2018.

When staff developed the FY2020 budget for purchased transportation services the old budget model was used which assumed the expense for fuel was buried in the hourly rate. As a result, the FY2020 budget does not reflect fuel in a separate line item as a passthrough expense which has resulted in a significant shortfall for the projected purchased transportation expenses. Staff estimates the FY2020 purchased transportation expense to be approximately \$1,000,000 higher due to fuel.

Staff projects a total budget shortfall of nearly \$1,000,000 and requests an amendment to the FY2020 Paratransit Operating Budget increasing the appropriations and TDA revenues to cover the additional expenses.

Recommendation:

Staff recommends that the A&F Committee approve the request for an amendment to the FY2020 Paratransit Operating Budget for \$1,000,000 to appropriations and TDA revenues to the Board.

Financial Implications:

The FY2020 Paratransit Operating Budget would increase by \$1,000,000 offset by TDA revenues.

Action Requested:

Staff requests A&F forward this memo and the attached resolution to the full Board requesting an amendment to the FY2020 Paratransit Operating Budget and increasing appropriations and TDA revenues in the amount of \$1,000,000.