



LOSSAN RAIL CORRIDOR AGENCY


Fiscal Year 2016-17 Proposed Budget Amendment

Staff Report



November 30, 2016

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Fiscal Year 2016-17 Proposed Budget Amendment

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2016-17 budget was approved by the Board of Directors on March 21, 2016. Staff proposes a budget amendment to align the Fiscal Year 2016-17 budget with the Fiscal Year 2016-17 funding amounts approved by the California State Transportation Agency and consistent with the Federal Fiscal Year 2016-17 operating agreement executed with Amtrak.

Recommendations

- A. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2016-17 operating revenue and expense budget down by \$6,791,636.
- B. Authorize the Managing Director to negotiate and execute necessary agreements and program supplements to facilitate the transfer of Fiscal Year 2016-17 administrative, marketing and operations funding to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

Background

On March 21, 2016, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the LOSSAN Agency's Annual Business Plan for Fiscal Year (FY) 2016-17 and FY 2017-18 (Business Plan) including the Fiscal Year 2016-17 budget. Included in both the adopted budget and Business Plan is funding for FY 2016-17 administrative and marketing services in the amount of \$5,223,512, as well as \$40,069,076 for operations (including minor projects). The adopted budget for operations was based on preliminary cost estimates available at the time of adoption. The adopted budget also includes revenues and expenses related to grant programs in the amount of \$3,335,000.

The California State Transportation Agency (CalSTA) approved the LOSSAN Agency Business Plan on September 14, 2016, in the amount of \$4,994,912 for administrative and marketing funding, \$33,006,040 for operations funding and \$500,000 for minor projects. The FY 2016-17 administrative and marketing funding amount approved is consistent with the Business Plan less \$228,600 requested for a strategic plan update and other business expenses for lunches provided at Board meetings. The FY 2016-17 marketing funding approved by CalSTA is consistent with the adopted budget of \$2,000,000. The FY 2016-17 operations funding approved is consistent with the Board approved federal FY (FFY) 2016-17 operating agreement executed between Amtrak and the LOSSAN Agency. Amtrak operates on a federal fiscal year of October – September, thus the operating contract has historically been executed on a FFY basis.

Discussion

The proposed FY 2016-17 budget amendment will reduce expenses and revenues associated with administrative funding by \$228,600. It also reduces expenses and revenues associated with operating funding by \$6,563,036. This amendment is proposed in order to align the FY 2016-17 adopted budget, with the funding levels approved by CalSTA and consistent with the FFY 2016-17 operating agreement executed between Amtrak and the LOSSAN Agency.

The proposed amendment does not impact revenues or expenses associated with marketing line items, grant related programs or minor projects. Any budget amendments relating to grant program revenues and expenses will be brought to the Board as necessary as each project is initiated.

Summary

The proposed budget amendment decreases the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Fiscal Year 2016-17 operating revenue and expense budget by \$6,791,636, to align the budget with the funding levels approved by the California Transportation Agency and consistent with the Federal Fiscal Year 2016-17 operating agreement with Amtrak.

Attachment

- A. Fiscal Year 2016-17 Proposed Budget Amendment Revenue and Expense Detail

Prepared by:

A handwritten signature in black ink, appearing to read 'J. Jewell', is written over a light gray grid background.

Jason Jewell
Finance and Administration Manager
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LOSSAN RAIL CORRIDOR AGENCY

Fiscal Year 2016-17 Proposed Budget Amendment

Attachment A

**Fiscal Year 2016-17 Proposed Budget Amendment
Revenues and Expense Detail**

| Operating Revenues | FY16-17 | | |
|----------------------------------|----------------------|-----------------------|----------------------|
| | Adopted Budget | Proposed Amendment | Final Budget |
| State Administrative Funding | \$ 3,223,512 | \$ (228,600) | \$ 2,994,912 |
| State Marketing Funding | \$ 2,000,000 | \$ - | \$ 2,000,000 |
| State Operating Funding | \$ 39,569,076 | \$ (6,563,036) | \$ 33,006,040 |
| State Other Grant Funding | \$ 3,335,000 | \$ - | \$ 3,335,000 |
| Other Revenues - Interest | \$ 3,500 | \$ - | \$ 3,500 |
| Total Operating Revenues: | \$ 48,131,088 | \$ (6,791,636) | \$ 41,339,452 |

| Capital Revenues | FY16-17 | | |
|--|----------------------|-----------------------|----------------------|
| | Adopted Budget | Proposed Amendment | Final Budget |
| State Capital Funding for Minor Projects | \$ 500,000 | \$ - | \$ 500,000 |
| Total Revenue Budget | \$ 48,631,088 | \$ (6,791,636) | \$ 41,839,452 |

| Operating Expense | FY16-17 | | |
|--|----------------------|-----------------------|----------------------|
| | Adopted Budget | Proposed Amendment | Final Budget |
| Administrative Expense | \$ 3,227,012 | \$ (228,600) | \$ 2,998,412 |
| Marketing Expense | \$ 2,000,000 | \$ - | \$ 2,000,000 |
| Operating Payments to Amtrak | \$ 39,569,076 | \$ (6,563,036) | \$ 33,006,040 |
| California Transit Security Grant Program Expenses | \$ 1,800,000 | \$ - | \$ 1,800,000 |
| Transit Transfer Program Expense | \$ 1,535,000 | \$ - | \$ 1,535,000 |
| Total Operating Expenses: | \$ 48,131,088 | \$ (6,791,636) | \$ 41,339,452 |

| Capital Expense | FY16-17 | | |
|-----------------------------|----------------------|-----------------------|----------------------|
| | Adopted Budget | Proposed Amendment | Final Budget |
| Minor Projects Expense | \$ 500,000 | \$ - | \$ 500,000 |
| Total Expense Budget | \$ 48,631,088 | \$ (6,791,636) | \$ 41,839,452 |