STAFF REPORT

MEETING DATE:	**June 28, 2021**
SUBJECT:	**Approve the Fiscal Year (FY) 2021/22 Comprehensive Budget**
AGENDA ITEM:	**11**
STAFF CONTACT:	**Jessica Carlson, Chief Fiscal Officer**

SUMMARY:

A new format for presenting the agency's comprehensive budget (attached) for fiscal year (FY) 2021/22 estimates $17,954,773 in revenue and $17,256,341 in expenditures. Not included in the expenditure total is the Regional Surface Transportation Program (RSTP) approved projects, which carry an available balance for reimbursement of $2,304,219. Construction and project planning delays impact the timing of invoices delivered to SRTA for reimbursement. Some or all of these projects may not be completed within the fiscal year.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Approve the FY 2021/22 Comprehensive Budget.
2. Authorize the chairperson to sign the Indirect Cost Allocation Plan (ICAP) submission certification, prior to the October 2021 SRTA Board of Directors meeting.

DISCUSSION:

A comprehensive budget was created to consolidate all revenues and expenditures into one cohesive document. Existing budgeting processes, including the annual overall work program (OWP) and Transportation Development Act (TDA) budgets are limited on the activities they include, so the comprehensive budget presents a picture of the agency's financial position as a whole.

Staff prepared a comprehensive budget for FY 2021/22 that consolidates the agency's activities into three categories: General Building and Rental; Capital and Transit Operations; and Planning. General Building and Rental includes rental incomes and expenses and the current building improvement contracts. Under Capital and Transit Operations, revenues and expenditures are reported for public transportation, transit capital programs, transit operations, and streets and roads allocations. Finally, Planning revenue is displayed by fund source. Planning expenditures are broken down by: OWP work element; the source of funding; and budget category (i.e., personnel, consultants, and services and supplies).

Budget highlights are as follows:

General Building and Rental: The emergency building improvements are scheduled to be completed by July 31, 2021. Both rental suites 101 and 201 have fully executed rental agreements spanning the entire fiscal year. A building reserve fund is budgeted into the TDA disbursements to cover the costs of maintaining the real property of the agency. Current reserve balances can be found in the quarterly budget staff reports, such as Item 5-4 of this agenda.

Capital and Transit Operations: Transportation Capital and Transit funding to the region is largely monitored by SRTA. Programs, such as the Regional Surface Transportation Program (RSTP), State of Good Repair (SGR), and TDA, are included in this activity category. The TDA Loan fund is also included and provides transit related funding for board approved expenditures to SRTA and its members. SRTA used the fund for building repairs and will resume payback to the TDA loan fund of $57,336 annually. SGR recognized a 47 percent decrease in estimated allocations from FY 2020/21. The Salmon Runner intends to begin operations in the coming fiscal year.

Planning: SRTA is expanding its planning efforts this year through current and anticipated grants. The State Highway Account is funding the Shasta Trunk Lines; the Strategic Partnerships Grant kicks off the State Route 273 Northern Section Multimodal Corridor Plan; and the Caltrans Sustainable Grant's North State Intercity Bus to Rail project will begin.

ICAP calculates the rate by which SRTA will be reimbursed for its indirect expenses. Indirect expenses cannot be directly billed to any one work element or project. The percent calculated by the ICAP is the rate by which SRTA can multiply its actual salaries and fringe benefit expenses to seek reimbursement that covers the agency's indirect costs. The ICAP is ahead of schedule in its approval process and staff recommends authorizing the chair to sign the ICAP submission certification as soon as it is ready for approval. This will allow SRTA to expedite the ICAP approval process and apply the new 2021/22 approved rate to expenditures in a timely manner.

Indirect costs have nearly doubled this fiscal year. Cost increases include depreciation to include emergency improvements, insurance premiums, elevator load testing, increased security while building is vacant/under construction, and training for new staff. Furthermore, clerical errors were corrected in this fiscal year to accurately include the proper figures for computing the indirect cost rate for approval. The new proposed rate should be around 110 percent, which is within the typical rates approved in previous fiscal years.

Staff is seeking direction on how and what information to present in this new budget format.

ALTERNATIVES:
The board of directors may modify the FY 2021/22 Comprehensive Budget, provided that such changes are consistent with Caltrans, Federal Highway Administration, and Federal Transit Administration agreements.

FISCAL IMPACT:
The FY 2021/22 Comprehensive Budget of $17,954,773 in revenue and $17,256,341 in expenditures is based on projections of the coming year's activities. Should anticipated grant funds not be awarded, or revenues decrease for any reason, the board of directors may eliminate work tasks and/or reallocate funds as desired.

Dan Little
____

Daniel Little, AICP, Executive Director
Attachment: FY 2021/22 Comprehensive Budget

SRTA Proposed Comprehensive Budget
Fiscal Year 2021/22

REVENUES

	Budget 2020/21	Budget 2021/22	Change from Prior Fiscal Year
General Building and Rental	799,619	53,499	-93%
Capital and Transit Operations	11,091,033	14,275,239	29%
Planning	2,103,230	3,626,035	72%
TOTAL REVENUES	13,993,882	17,954,773	28%

EXPENDITURES

	Budget 2020/21	Budget 2021/22	Change from Prior Fiscal Year	
General Building and Rental	1,147,010	1,041,901	-9%	
Capital and Transit Operations	10,771,725	12,486,071	16%	*excludes RSTP budgeted expenses
Planning	2,780,697	3,728,370	34%	
TOTAL EXPENDITURES	14,699,432	17,256,341	17%	

SRTA Comprehensive 2021/22 Budget

Revenue Detail

	Budget 2020/21	Budget 2021/22	Notes/Change from Prior Fiscal Year
General Building and Rental			
Construction Loan from Transportation Development Act (TDA) Fund	746,120	0	Contracts end July 31, 2021
Total Rental Fund	16,033	53,499	Rental Agreements 2021/22
General Building and Rental	**799,619**	**53,499**	**-93%**
Capital-Transit Operations			
Low Carbon Transit Operations Program (LCTOP)	150,000	183,165	Section 99313 of LCTOP Estimated Allocation
Local Transportation Fund (LTF) for Sub Recipients	6,617,554	8,892,871	RABA + Local Streets and Roads
Non-Motorized Program	187,314	176,786	) payments
Regional Surface Transportation Program (RSTP)	2,124,584	1,958,423	
State of Good Repair (SGR)	553,511	262,906	
State Transit Assistance (STA)	1,320,655	1,738,493	STA to Transit Ops + STA Reserves + CTSA TDA Funds
Salmon Runner Operations		770,000	$900K grant request pending announcement for June 2021
Transit and Intercity Rail Capital Program (TIRCP) Administration	137,415	271,574	Salmon Runner bus and infrastructure procurement support
Transportation Network Companies (TNC) Access for All Operations		21,021	
Capital and Transit Operations	**11,091,033**	**14,275,239**	**29%**
Planning			
Federal Highway Administration (FHWA)	449,229	838,612	excludes matching toll credits
Federal Transportation Administration (FTA) 5303	40,502	86,268	
SRTA Local Transportation Fund (LTF)	521,399	798,571	
Planning, Programming, and Monitoring	146,000	146,000	$69,002 may become available to the region from CRRSAA
SB1 Formula + Adaptation Funding	261,554	436,426	
State Highway Account (SHA) - Shasta Trunk Lines		524,629	
Strategic Partnerships - State Route 273 Corridor Plan		500,000	
Caltrans Sustainable Grant - North State Intercity Bus to Rail		291,819	
North State Super Region		4,326	
Transportation Network Companies (TNC) Access for Administration		3,710	
Indirect Cost Allocation (109.57%)			*Pending Caltrans Approval*
Planning	**2,103,230**	**3,626,035**	**72%**
TOTAL REVENUES	**13,993,882**	**17,954,773**	**28%**

<u>**SRTA Comprehensive 2021/22 Budget**</u>

Expense Detail

	Budget 2020/21	Budget 2021/22	Notes/Change from Prior Fiscal Year	
General Building and Rental				
Construction Contract: G&S Const.	696,120	622,400	Remaining contract and change orders	
Construction Contract: NMR Engineering	50,000	9,000	Remaining contracted amounts	
Indirect Costs	400,890	410,501	Indirect expenses allocated quarterly	
General Building and Rental	**1,147,010**	**1,041,901**	**-9%**	*includes indirect expenses
Capital-Transit Operations				
Transportation Development Act (TDA) Loan Fund		57,336		
Salmon Runner Operations	137,415	770,000	$900K grant request pending announcement for June 2021	
Transit and Intercity Rail Capital Program (TIRCP) Administration		271,574	Salmon Runner bus and infrastructure procurement support	
TDA Payments				
Redding Area Bus Authority (RABA)				
RABA - State Transit Assistance (STA) Funds	*1,255,181*	*682,715*		
RABA - Local Transportation Funds	*1,108,042*	*1,999,357*		
Total RABA	***2,526,543***	***2,682,072***		
City of Redding - Streets and Roads	3,074,212	2,479,807		
City of Anderson - Streets and Roads	511,181	427,656		
City of Shasta Lake - Streets and Roads	516,677	464,273		
County of Shasta - Streets and Roads	2,449,621	2,839,062		
CTSA - Dignity Health (DHCL)	408,504	416,906		
Total TDA Payments	***9,323,418***	***9,309,776***		
State Transit Assistance (STA) Reserve	287,724	638,871		
Non-Motorized Program	187,314	176,786		
Total Allocation Payments	**9,731,922**	**10,125,433**	SRTA LTF included in Planning activity category	
RABA - Subrecipient Payments - SGR, LCTOP (Section 99314)	163,320	23,759	Section 99314 revenue based estimated allocations of SGR and LCTOP	
Low Carbon Transit Operations Program (LCTOP) (Section 99313)	150,000	183,165	Section 99313 population based estimated allocation for LCTOP	
Regional Surface Transportation Program (RSTP)	2,148,097	2,304,219	Available balance on approved projects 2018-21 funds	
State of Good Repair (SGR)	277,350	262,906	Section 99313 of SGR Estimated Allocation	
Capital and Transit Operations	**10,771,725**	**12,486,071**	**16%**	*excludes RSTP budgeted expenses

Expense Detail

	Budget 2020/21	Budget 2021/22	Notes/Change from Prior Fiscal Year
Planning			
Expenses by Work Element			
701.01 Development of Regional Transportation Plan	121,906	223,208	
701.03 Performance Measures	9,833	16,588	
701.09 Air Quality	5,080	8,999	
701.11 Traffic Data Collection	48,354	58,084	
701.12 Sustainable Community Strategies (SCS) Imp	258,772	0	
701.13 Sustainable Community Strategies (SCS) Dev 19/20	56,589	35,439	
701.14 Sustainable Community Strategies (SCS) Dev 20/21	189,501	224,965	
701.15 Sustainable Community Strategies (SCS) Dev 21/22		186,096	
702.01 Transportation Improvement Prog	89,934	128,268	
702.02 OWP Development	167,626	286,022	
702.03 Grant Writing	46,165	30,292	
703.01 Non-Motorized	48,903	126,385	
703.05 Sustainable Shasta	89,043	0	Closed 03/31
703.06 Shasta Trunk Lines	663,062	624,410	
704.01 Public Information	274,433	72,229	
705.02 GIS Applications	41,890	69,258	
705.05 Regional Travel Demand Model	79,020	126,584	
706.02 Transit Planning	232,902	156,307	
706.06 Greenhouse Gas	27,998	43,821	
707.01 FHWA CorridorStudy	21,211	37,477	
707.03 FHWA Plug-in (PEV)	35,779	54,292	
707.04 FHWA Goods & Freight	12,485	5,266	
707.08 FHWA Shasta Ready	284,651	94,156	
707.09 SR 273 Northern Section Multimodal Corridor Plan		625,000	
707.10 North State Intercity Bus to Rail Plan		329,627	
708.03 Management of TDA	126,546	102,620	
708.04 Transit & CTSA Adm	32,453	54,939	
801.01 Super Region	2,921	4,326	Indirect cost allocation and staff travel
Total Expenses by Work Element	**2,967,057**	**3,724,658**	**26%**

SRTA Comprehensive 2021/22 Budget

Planning Expenses by Fund Source	Budget 2020/21	Budget 2021/22	Notes/Change from Prior Fiscal Year
Federal Highway Administration (FHWA)	449,228	838,612	
Federal Transportation Administration (FTA) 5303	79,754	86,268	
Federal Transportation Administration (FTA) 5304	342,273	0	Sustainable Shasta project ended 03/31/2021
SRTA Local Transportation Fund (LTF)	781,516	817,798	Budgeted LTF expenditures in Overall Work Program (OWP)
Other	*138,876*	*0*	Split into individual grants listed below
Planning, Programming, and Monitoring	142,951	224,782	
SB1 Formula + Adaptation Funding	261,554	436,426	
State Highway Account (SHA) - Shasta Trunk Lines	584,545	524,629	
Strategic Partnerships - State Route 273 Corridor Plan		500,000	
Caltrans Sustainable Grant - North State Intercity Bus to Rail		291,819	
North State Super Region		4,326	
Transportation Network Companies (TNC) Access for Administration		3,710	
Total Expenses by Fund Source	**2,780,697**	**3,728,370**	**34%**
Salaries and Benefits & Indirect Costs for Reimbursment	**1,665,614**	**2,236,291**	Indirect costs are substantially higher this year and include: depreciation to include emergency improvements, insurance premiums, elevator load testing, increased security while building is vacant/under construction, and training for new staff, etc.
Consultants	**1,791,295**	**1,781,902**	
Support Services, Conferences, Marketing, etc.	**41,414**	**112,929**	
TOTAL EXPENDITURES	**14,885,792**	**17,256,341**	**16%**