

-
- San Bernardino County Transportation Commission
 - San Bernardino County Transportation Authority
 - San Bernardino County Congestion Management Agency
 - Service Authority for Freeway Emergencies
-

Revised Agenda Item No. 26

Board of Directors Meeting

June 3, 2015

10:30 a.m.

Location:

San Bernardino Associated Governments
Santa Fe Depot- SANBAG Lobby 1st Floor
1170 W. 3rd Street, San Bernardino, California 92410

Discussion Calendar

Transit/Rail

26. Southern California Regional Rail Authority Budget Request for Fiscal Year 2015/2016

That the Board approve the Southern California Regional Rail Authority Preliminary Fiscal Year 2015/2016 Budget, requesting the following subsidies from SANBAG:

- A. Operating assistance allocation of \$12,848,000 in Valley Local Transportation Funds. This is an increase of 8.8% over the Fiscal Year 2014/2015 Operating Budget;
- B. An allocation of \$100,000 in Measure I - Valley Metrolink and Passenger Rail Program funds for inspections and maintenance of the Redlands Subdivision;
- C. Capital and Rehabilitation assistance allocation of \$10,465,000 paid for with \$8,000,000 in Federal Transit Administration 5337 funds, \$2,001,320 in State Transit Assistance Funds – Operator share, and \$463,680 in Proposition 1B California Transit Security Grant Program funds;
- D. A Rotem car reimbursement of \$1,000,000 in Federal Transportation Administration 5337 funds for costs associated with the purchase of Rotem cars originally funded by the Orange County Transportation Authority, per the reimbursement plan approved by the Board of Directors on July 10, 2013;
- E. An allocation of \$785,247 in State Transit Assistance Funds – Operator Share for the Positive Train Control (PTC) Program; and
- F. An allocation not-to-exceed \$300,000 in Measure I - Valley Metrolink and Passenger Rail Program funds for the rehabilitation of a portion of the Redlands Subdivision to maintain freight service. **Mitch Alderman**

This item has been revised to accommodate updated budget information provided by SCRRRA.

Minute Action

AGENDA ITEM: 26

Date: June 3, 2015

Subject:

Southern California Regional Rail Authority Budget Request for Fiscal Year 2015/2016

Recommendation:

That the Board approve the Southern California Regional Rail Authority Preliminary Fiscal Year 2015/2016 Budget, requesting the following subsidies from SANBAG:

- A. Operating assistance allocation of \$12,848,000 in Valley Local Transportation Funds. This is an increase of 8.8% over the Fiscal Year 2014/2015 Operating Budget;
- B. An allocation of \$100,000 in Measure I - Valley Metrolink and Passenger Rail Program funds for inspections and maintenance of the Redlands Subdivision;
- C. Capital and Rehabilitation assistance allocation of \$10,465,000 paid for with \$8,000,000 in Federal Transit Administration 5337 funds, \$2,001,320 in State Transit Assistance Funds – Operator share, and \$463,680 in Proposition 1B California Transit Security Grant Program funds;
- D. A Rotem car reimbursement of \$1,000,000 in Federal Transportation Administration 5337 funds for costs associated with the purchase of Rotem cars originally funded by the Orange County Transportation Authority, per the reimbursement plan approved by the Board of Directors on July 10, 2013;
- E. An allocation of \$785,247 in State Transit Assistance Funds – Operator Share for the Positive Train Control (PTC) Program; and
- F. An allocation not-to-exceed \$300,000 in Measure I - Valley Metrolink and Passenger Rail Program funds for the rehabilitation of a portion of the Redlands Subdivision to maintain freight service.

Background:

The Southern California Regional Rail Authority (SCRRA) Joint Powers Agreement requires that a preliminary budget be presented to the member agencies by May 1st of each year. Adoption of the final SCRRA budget by the SCRRA Board of Directors is scheduled in June and is contingent upon each of the five member agencies, which includes San Bernardino Associated Governments (SANBAG), the Los Angeles County Metropolitan Transportation Authority (LACMTA), the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), and the Ventura County Transportation Commission (VCTC).

On April 10, 2015 the SCRRA Board authorized the release of the Preliminary Fiscal Year 2015/2016 Budget. The Preliminary Budget was received and filed by SANBAG's Commuter Rail and Transit Committee (CRTC) on May 14, 2015. No recommendation for approval was requested at the CRTC due to SANBAG staff identifying specific items in the Preliminary Budget that were incorrect or needed more analysis and justification. SCRRA hosted a Budget Workshop on May 28, 2015, with member agency executive officers, financial officers, and Technical Advisory Committee (TAC) members in attendance, where a revised budget was

Entity: CTC

provided, further justification was presented, and questions were answered. A revised Preliminary Budget was distributed by SCRRA on May 28, 2015, after the workshop meeting that memorialized discussions during the workshop.

The revised SCRRA Preliminary Fiscal Year 2015/2016 Budget, included as Attachment A, totals \$361.8 million, consisting of \$229.8 million in Operating Budget authority, \$75 million in Rehabilitation Projects authority, and \$57 million in New Capital Project authority. Operating revenue for Fiscal Year 2015/2016 is estimated at \$101.8 million. Member agency operating subsidies are budgeted at \$128.1 million. SANBAG's subsidy for Metrolink service equates to \$12,848,000 for operations, \$6,441,000 for rehabilitation, \$4,024,000 for new capital, \$785,247 to cover additional costs for Positive Train Control, and \$1,000,000 for Rotem car reimbursement to OCTA. In addition, based on the SANBAG Board decision on April 1, 2015 to transfer maintenance responsibilities of the Redlands Subdivision from Burlington Northern Santa Fe (BNSF) to benefit completion of multiple SANBAG projects along the line, SANBAG will allocate \$100,000 to SCRRA to complete regulatory inspections and minor maintenance; and \$300,000 for rehabilitation of the track to maintain freight service.

SANBAG's proposed operating allocation, minus the additional amount for the Redlands Branch maintenance equals \$12,848,000, which is an increase of 8.8% over the Fiscal Year 2014/2015 operating allocation. One of the major factors increasing the operating budget is insurance costs associated with the Oxnard accident that occurred earlier this year, where a Metrolink train struck a vehicle at a grade crossing and derailed, which increased the total operating budget by \$3.7 million. At the May 28th Budget Workshop, SCRRA also identified a need to hire additional contract and in-house staff to improve safety, which furthered increased the budget by \$1.2 million. Some of the other elements that increased the operating subsidies over last year included: a reduction in estimated fare revenues to be more realistic than past budgets and in-line with forecast actuals in 2015; increase in train operation and maintenance-of-way costs due to the Perris Valley Line coming on line; and additional costs to service and maintain ticket vending machines.

It is also important to note that during the May 28th SCRRA Budget Workshop, SCRRA staff presented businesses cases regarding the procurement of new locomotives and a new ticketing system. These changes in strategy are different from what is currently included in the Capital and Rehabilitation Budgets. SCRRA is currently reviewing available grants and other funding sources and will provide detailed business cases and funding plans, including additional member agency subsidy amounts, later in the fiscal year.

Financial Impact:

A possible amendment to the SANBAG Fiscal Year 2015/2016 Budget might be required later in Fiscal Year 2015/2016 to offset the increase in subsidy.

Reviewed By:

A similar item was received by the Commuter Rail and Transit Committee on May 14, 2015. However, this item has been revised since the CRTC meeting to accommodate updated budget information provided by SCRRA.

Responsible Staff:

Mitch Alderman, Director of Transit and Rail Programs

Approved
Board of Directors
Date: June 3, 2015

Witnessed By:

May 28, 2015

TO: Anne Mayer, *Executive Director, RCTC*
Darrell Johnson, *Chief Executive Officer, OCTA*
Darren Kettle, *Executive Director, VCTC*
Phillip Washington, *Chief Executive Officer, Metro*
Dr. Raymond Wolfe, *Executive Director, SANBAG*

FROM: Arthur Leahy
Chief Executive Officer, SCRRA



SUBJECT: Revised SCRRA Preliminary FY2016 Budget

As we discussed today in the workshop, please find attached a revised SCRRA preliminary budget for fiscal year 2016. This includes the reallocation to other member agencies of the Maintenance of Way expenses for the Shortway Subdivision that was previously allocated to SanBAG. It also includes additional operational expenses to improve safety and compliance with regulations. These are: (1) two additional Amtrak crews to comply with the 6 workdays a week instead of seven and reduce overtime; (2) an additional Train Master, in preparation for adding crews in January as a result of having more trains operate out of the Eastern Maintenance Facility (EMF); (3) retaining a dispatch consultant to train new dispatching recruits, especially now that the SCRRA Rules Manager has resigned; (4) two Field Operations Administrators to supplement staff that now has to be offered leave when they respond to an incident involving fatality; and (5) two Material Handlers at EMF that will manage spare parts inventory at EMF and relieve the burden of having to issue materials out of the Central Maintenance Facility and then transport it to EMF.

We intend to present the revised budget for adoption to the SCRRA Board at its June 26, 2015 meeting. This memo is intended to assist you as you are presenting your share of the SCRRA budget to your Boards.

Thank you for attending today's workshop. I think we had a very productive discussion and I look forward to similar workshops in the future. Please let me know if you need additional information on the revised budget.



**SOUTHERN CALIFORNIA REGIONAL RAIL AUTHORITY
REVISED FISCAL YEAR 2015-16 PRELIMINARY BUDGET
(\$000s)**

	Total FY 15-16	Metro Share	OCTA Share	RCTC Share	SANBAG Share	VCTC Share
Expenses Including MOW	\$ 228,667	\$ 118,378	\$ 50,118	\$ 22,352	\$ 25,440	\$ 12,378
Less: Revenues	\$ 101,749	\$ 53,535	\$ 24,286	\$ 7,947	\$ 12,624	\$ 3,357
Member Agency FY 2015-16 Subsidy as transmitted on 4/17/15	\$ 126,917	\$ 64,843	\$ 25,832	\$ 14,405	\$ 12,816	\$ 9,021
Reallocation of Shortway Expenses	\$ -	\$ 39	\$ 36	\$ 18	\$ (93)	\$ -
Requested Operations Safety Additions *	\$ 1,155	\$ 599	\$ 226	\$ 132	\$ 124	\$ 74
Member Agency FY 2015-16 Subsidy as of 5/28/15	\$ 128,072	\$ 65,481	\$ 26,093	\$ 14,555	\$ 12,848	\$ 9,095

FY 2014-15 Budget As Adopted	\$ 111,735	\$ 59,683	\$ 22,267	\$ 9,817	\$ 11,805	\$ 8,163
Increase/(Decrease) vs FY15	\$ 15,182	\$ 5,160	\$ 3,565	\$ 4,588	\$ 1,011	\$ 858
Percentage Change	13.6%	8.6%	16.0%	46.7%	8.6%	10.5%

* See Attachment A

Requested Operations Safety Additions

Description	Annual Amt	Start Date	Amount for FY16	TOE	Amount by Member					
					Alloc. Method	METRO	OCTA	RCTC	SANBAG	VCTC
Two Extra board crews	603,290	7/1/2015	603,290	Amtrak	2	328,793	126,751	55,322	67,991	24,433
1 Train Master	188,272	12/1/2015	94,136	Amtrak	2	51,304	19,778	8,632	10,609	3,813
Dispatch Consultant	200,000	n/a	200,000	Consultant	20	95,580	34,560	29,840	19,980	20,040
2 Jr Field Ops Admin wage	114,695									
Bene	39,317									
Total	154,012	7/1/2015	154,012	Employee	20	73,603	26,613	22,979	15,386	15,432
2 Material Handlers (EMF) wage	102,784									
Bene	35,234									
Total	138,018	10/1/2015	103,514	Employee	20	49,469	17,887	15,444	10,341	10,372
Grand Total			<u>1,154,952</u>			598,749	225,590	132,217	124,307	74,090
Alloc Name	Alloc#					METRO	OCTA	RCTC	SANBAG	VCTC
Train Miles	2					54.50%	21.01%	9.17%	11.27%	4.05%
Unduplicated Route Miles	20					47.79%	17.28%	14.92%	9.99%	10.02%