

# **Jefferson Transit Authority Board 2010 Amended Budget Workshop**

## **Meeting Minutes**

Tuesday, October 26, 2010, 10:00 a.m.

Mountain View Commons

1925 Blaine St., Port Townsend, WA

### **CALL TO ORDER/WELCOME**

The Meeting was called to order by Jefferson Transit Authority Board Chair Catharine Robinson at 10:04 a.m. Other members present were John Austin, George Randels, David Sullivan and Pam Thompson. Phil Johnson was absent and excused for jury duty.

Peggy Hanson, Tammi Rubert, Sara Crouch, Natalie Patten, Rachel Katz, Cori Boyd, Patty Perry

### **CAC PRESENT**

None

### **OTHERS PRESENT**

Brenda McMillan

### **Staff report:**

Sara Crouch reported that expenses are 7.15 % above budget. She reported on cost saving measures that staff has taken so far this year and presented a graph showing the difference between sales tax projections and actual sales tax revenues year to date. Fare revenues are also under by almost 7% but recent increased ridership may make up some of the shortfall. The budget adjustment should reflect 75% of the year's budget.

Discussion: Rural Mobility grants. It is not clear whether or not we have received all the funds from this grant available for the biennium. There is also a question about whether the grant year begins in January or July.

Discussion: Sales tax revenue. Sara expects we will end the year in the red, though sales tax revenues tend to climb in the last few months of the year.

Steps Sara used to calculate a net income loss: Operating revenues minus operating expenses, add the grants for total adjusted budget.

Salaries and wages are tracking close to budget, but service fees and materials were high. There is

still an unresolved issue regarding July expenses, and until it is resolved, Sara doesn't feel comfortable adopting an amended budget for 2010. It will be addressed at the afternoon's board meeting, even if it is not acted upon at that meeting.

Discussion: moving from an accrual system to a cash system of accounting. This has been recommended by the State Auditor's Office. Sara stated that the advantage with the cash system is that you see the actual losses and gains. There may be big losses when grant revenues are expected but not yet realized, but the dips can be planned for, as long as there is enough cash available to cover expenses month to month. Budget projections can be used with a cash system. Sara reported that other transit systems in the state of Washington use the cash method. There are also others that use accrual.

Peggy stated that the amended budget goal is to present as accurate picture of the current financial situation and provide background for preparation for a sales tax levy.

\$500,000 is needed for cash flow.

Catharine observed that the increase in salaries and wages expenditures for Dial-A-Ride indicates an increased demand for the service. Peggy commented that she is working with the Mobility Coordinator to conduct ride assessments and continue to move ADA passengers from Dial-A-Ride to fixed routes whenever possible.

For 2011 planning, Sara reported that staff held a brainstorming meeting and reviewed the main points for anticipated expenses. If the sales tax levy passes in February, revenues would not actually be realized until probably July. Budget projections are based on a .3% increase.

Discussion: should two budgets be prepared, or just one? Sara recommended that in the event of the failure of the levy, the adopted budget should be amended. The discussion continued by examining the strategy of making public the information of what the consequences would be if the levy fails. The perception of "blackmail" or voter influence may be avoided by stating clearly what would be the results in either case. This could be accomplished by a comprehensive program of public outreach outlining potential service cuts. Peggy suggested presenting a resolution in November to adopt a policy for building operating and capital reserves in January 2012, though there was a concern that there could be a legal problem if we are unable to operate within that policy due to lack of funds.

There was a discussion regarding fuel expenses. Jefferson Transit is considering dropping out of the fuel fixed price swap agreement. Randels suggested taking a look at how Jefferson Transit did overall since we started participating. It may be short sighted to drop out if we make a decision about continued participation based only on today's conditions.

Vehicle maintenance: will this be affected by the acquisition of four new coaches? Overall expenses were anticipated to be pretty much even, as old coaches will be replaced by new ones, but

additional training will be required for the new systems that the mechanics will encounter.

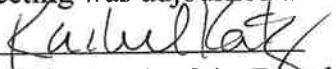
Training: this is being budgeted very conservatively. Catharine identified municipal clerks training as a need. George also pointed out that professional association memberships should be considered a need rather than a want.


Peggy spoke about the 2010 Transit Develop Plan. She seeks guidance from the board on oversight and action of the adopted plan. She asked how the document has been used in the past and how the Board would like to use it in the future. The Board members agree that it has not been used to its full potential. It could be used a jumping off place to assess where we are and where we're going. It could also be used to provide benchmarks for our internal planning process. Peggy described some items in the current TDP that staff is working on now or plans to implement soon, such as reducing SOV use through a commute trip reduction program which may include a partnership with Jefferson County for an employee pass program.

Peggy also stated her intention to ask the Board to un-table the tax levy issue for adoption before the December 24<sup>th</sup> deadline for filing with the County Auditor's Office.

#### ADJOURNMENT

The meeting was adjourned at 11:34 a.m.

  
Rachel Katz, Clerk of the Board

  
Date