

AGENDA #4c

MEMORANDUM

TO: Mayor and Town Council

FROM: W. Calvin Horton, Town Manager

SUBJECT: Proposed Allocation of Additional State Transportation Revenues

DATE: March 7, 2005

The attached budget ordinance would approve an increase in the Transportation Department's Capital Reserve, Operations, and Maintenance budgets based on an increase in state-operating assistance.

BACKGROUND

The Town received \$1,328,571 in additional state transportation funds for transit operations this year. The additional funding was generated because of increased ridership. The representatives of the Public Transit Committee from the University, the Town of Carrboro, and the Town of Chapel Hill have agreed to recommend allocation of a portion of the additional funds to specified projects and to allocate the remaining funds to the Transportation Department Capital Reserve fund to balance future requirements for capital expenditures.

DISCUSSION

The recommendation for use of the additional funds was discussed by the Public Transit Committee at their February 16, 2005 committee meeting. The Committee agreed to endorse allocation of the additional \$1,328,571 in state funds as follows:

1. Local share of remanufacture of thirteen buses including automatic vehicle locator (AVL) additions = **\$255,480**

Remanufacturing the Town's existing buses will be approximately \$100,000 less per bus than purchasing new buses. As of March 1, 2005, four of the 13 buses have been shipped to the Complete Coach Works facility in California.

Buses: \$196,989 x 13 buses = \$2,560,857
 AVL additions: 146,698
 \$2,707,555

Total Grant	Federal share	State	Local
\$1,000,000	\$800,000 (80%)	\$100,000 (10%)	\$100,000 (10%)
\$180,000	\$144,000 (80%)	\$18,000 (10%)	\$18,000 (10%)
\$1,527,555	\$1,267,871 (83%)	\$122,204 (8%)	\$137,480 (9%)
\$2,707,555	\$2,211,871	\$240,204	\$255,480

2. Additional funds transferred to capital reserve to level out payments in FY 2005-06 = **\$310,000**
 Additional funds transferred to capital reserve to level out payments in FY 2006-07 = **\$280,000**

Capital Reserve requirements in FY 2005-06 and FY 2006-07 are higher than other years due to the payment required to the Capital Reserve account to cover the remaining two years of contributions towards construction of the Town Operations Center. The University, Town of Carrboro, and Town of Chapel Hill obligations will be reduced in these two years by transferring the additional funds into the reserve.

3. Additional funds to cover higher than budgeted cost of bus fuel in the current year's budget = **\$114,991**

The FY 2004-05 budget for bus fuel was estimated using a cost per gallon of \$1.25. The actual cost of bus fuel in 2004-05 has been between \$1.20 and \$1.65 per gallon. The additional funds would increase the budgeted amount to \$1.40 per gallon and would cover the increased cost until the end of this budget year.

4. Purchase of equipment and software to further automate the payroll management process for Chapel Hill Transit = **\$78,877**

The Transportation Department employs 141 full time and 31 part time employees. The employees work varying shifts; some are paid on a weekly basis and others on a bi-weekly basis. There is a considerable number of manual entries by the Dispatcher on each shift to document the payroll changes for the bus drivers each day. We believe that the benefits of the new payroll management system would include:

- Savings from reduction of errors and in personnel time to process payroll.
 - Allows employees to query system for hours worked, sick and vacation balances, and leave requests as well as improved attendance record-keeping.
5. Improvements to bus amenities = **\$289,223**

The most important improvement needed is the addition of "Code Blue" emergency phones for the park and ride lots. The Jones Ferry park and ride lot is the only lot that currently has a code blue emergency phone. We would need to purchase four additional units to equip the remaining park and ride lots. Other improvements are needed system wide and would include additional shelters, benches, concrete pads, trash cans, glass replacement for the cloudy Plexiglas shelters, transit tubes (bus stop schedule display), and/or solar lighting. The Transportation staff would work with the transit partner's staff working group to identify and prioritize the specific needs and locations for the amenities.

RECOMMENDATION

That the Council authorize the allocations proposed by the Public Transit Committee and enact the attached budget ordinance making changes to the FY 2004-05 budget.

AN ORDINANCE TO AMEND "THE ORDINANCE CONCERNING APPROPRIATIONS AND THE RAISING OF REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2004" (2005-03-07/O-2)

BE IT ORDAINED by the Council of the Town of Chapel Hill that the Budget Ordinance entitled "An Ordinance Concerning Appropriations and the Raising of Revenue for the Fiscal Year Beginning July 1, 2004" as duly adopted on June 14, 2004 and the same is hereby amended as follows:

ARTICLE I

APPROPRIATIONS	Current Budget	Increase	Decrease	Revised Budget
TRANSPORTATION FUND	11,420,609	1,328,571		12,749,180

ARTICLE II

REVENUES	Current Budget	Increase	Decrease	Revised Budget
TRANSPORTATION FUND	11,420,609	1,328,571		12,749,180

This the 7th day of March, 2005.