

Anaheim Resort Transportation

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DATE: MAY 22, 2019
TO: ATN BOARD OF DIRECTORS
FROM: DIANA KOTLER, EXECUTIVE DIRECTOR
RE: AGENDA ITEM #12

RECOMMENDATION:

Review and approve Anaheim Transportation Network's:

- a. Fiscal Year 2019/2020 Operating Budget; and
- b. Amendments to the 2018/2013 Capital Improvement Program

DISCUSSION:

The proposed Fiscal Year (FY) 2019/20 Operating Budget presents as a balanced plan of available resources and uses of funds necessary for the provision of transportation services for The Anaheim Resort® District and surrounding communities.

The proposed budget utilizing available financial resources required for the provision of Anaheim Resort Transportation (ART) services. ART services are provided to the community by staff from five (5) divisions. The proposed budget includes additions to the current personnel plan. Additions are 1 FT position in Operations for Dispatch and Fran On Demand Service; 3 positions in Maintenance to handle increased demand on aging buses and anticipated increased volume; 1 FT position in Administration to handle HR and Marketing Data management. ART services will be managed by forty-four (44) full-time positions, fifteen (15) part-time positions, sixteen (16) key professional contracting positions and over 150 bus operators. The attached organizational chart provides an overview of the of the ATN organizational structure for FY 2019/20.

Each division submitted a budget request to ATN's Controller, which was subject to an internal review to ensure conformance with the ATN Work Program, as established and approved by the Board of Directors. The proposed budget warrants a fiscally responsible and sustainable provision of transportation services.

ATN is in a sustainable financial position at the end of the FY 2019/20. Nevertheless, the agency needs to be cautious over the year in managing demand for services, preparation for upcoming developments, upcoming facility move and in support capital rolling stock replacement of its aging fleet.

The development of the budget was based on a series of programmatic assumptions including changes in contract reimbursement and billing rates, expansion of the ATN services to outlining communities, advertising sales, grant opportunities and other reimbursables.



As the ATN looks forward to FY 2019/20, staff is recommending:

- Implementing Anaheim Resort Transportation Fare Structure Effective June 2019
- Continuance of the assessment structure for local business establishments with slight adjustments to the retail assessment structure
- Continued enhancement of the Mobility Ticketing Applications
- Smart Real-Time Passenger Information System
- Continuation and Expansion of Micro Transit Service
- Continuation of the Capital Improvement Program
- Continuation of ElectrifyAnaheim initiatives
- Selection of new Contractor for ART service

The proposed uses of funds include provision of transportation services, consulting agreements, personnel expenditures, maintenance, fuel and operating expenses. Total expenditures are budgeted at \$18,128,072 for FY 2019/20; representing a \$2,230,130 change from FY2018/19 expenditure plan of \$15,897,942. This cost represents new estimated contractor rate, increased services for anticipated increase in ridership and fleet maintenance costs.

The proposed revenue sources account for growth of the hospitality establishments, continuation of services for areas outside of The Anaheim Resort and Platinum Triangle, federal reimbursement funds, alternative fuel tax revenue and advertising sales. Total annual revenue for FY 2019/20 is projected at \$18,407,509 representing a \$2,061,606 change from FY 2018/19 of \$16,345,903. This change represents the ART fare increase effective June 2019 and anticipated increase in volume due to opening of new theme park attractions and hospitality developments.

The proposed expenditure plan also includes the following initiatives:

1. Continued branding and marketing of ART service. Enhancement of mobile and other technology related initiatives
2. Support for special events and conventions at Disneyland® Resort and Anaheim Convention Center
3. Continuation of zero emission bus technologies and facility relocation
4. Development of Mobility on Demand initiatives to meet future transportation needs
5. Partnership with City of Anaheim on innovative MicroTransit solutions as well as research of autonomous vehicle technologies and applications
6. Continuation to seek and apply for all available grant opportunities
7. Addition of hotel properties to the family of ART services – JW Marriott, Westin Anaheim, Cambria, Dual by Hilton, Raddison Blu and Element



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Fiscal Year 2019.20 Projected Revenue Sources

Ordinary Income/Expense		TOTAL	Total
		Budget 19/20	Budget 18/19
Income			
4000 · ART Revenue			
	4010 · Participation Assessment Fees	2,698,549.52	2,322,735.22
	4011 · Assessment - Route 20 Hours	7,641,284.90	6,475,105.28
	4012 · Assessment - Route 20 Fuel	0.00	171,116.84
	4020 · Retail Assessment Fees	172,903.68	195,607.64
	4040 · Ticket Sales		
	Total 4040 · Ticket Sales	5,318,795.66	4,267,430.36
	4050 · ART Group Sales	226,636.94	371,114.74
	4060 · Kiosks Leases	60,000.00	124,800.00
	4070 · Advertising	623,422.82	862,204.06
	4071 · Advertising Microtransit	72,000.00	83,000.00
	Total 4000 · ART Revenue	16,813,593.52	14,873,114.14
4110 · Cooperative Agreements			
	4111 · Metrolink Rte 15 Reimbursement	3,375.00	17,263.49
	Total 4110 · Cooperative Agreements	3,375.00	17,263.49
4300 · Grant Income			
	4310 · T.D.M Revenue		
	Total 4310 · T.D.M Revenue	66,550.00	179,378.50
	4320 · Other Grant Income		
	Total 4320 · Other Grant Income	1,169,893.00	852,999.96
	Total 4300 · Grant Income	1,236,443.00	1,032,378.46
4400 · Membership Revenues			
	Total 4400 · Membership Revenues	68,250.00	59,245.00
4700 · Other Income			
	4701 · OCTA & Metrolink Tickets	4,250.00	6,252.77
	4710 · Interest Income	3,600.00	4,989.54
	4720 · Miscellaneous Income	3,000.00	-2,043.29
	4770 · Alternative Fuel Tax Credits		
	Total 4770 · Alternative Fuel Tax Credits	274,395.47	354,703.22
	Total 4700 · Other Income	285,245.47	363,902.24
	4702 · Vending Maching Sales	600.00	0.00
	Total Income	18,407,508.99	16,345,903.33



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Fiscal Year 2019/20 Proposed Uses of Funds

	6000 · Personnel Expenses		
	6010 · Salaries and Wages		
	Total 6010 · Salaries and Wages	2,837,584.49	2,273,160.00
	6020 · 403B Employee Retirement		
	6022 · Employer Contribution	20,450.94	36,000.00
	Total 6020 · 403B Employee Retirement	20,450.94	36,000.00
	6030 · Medical Insurance		
	Total 6030 · Medical Insurance	291,375.00	278,942.50
	6040 · Payroll Taxes		
	Total 6040 · Payroll Taxes	254,194.60	226,116.00
	Total 6000 · Personnel Expenses	3,403,605.04	2,814,218.50
	7000 · Transp Svc - Driver Contractors		
	Total 7000 · Transp Svc - Transdev	9,040,422.53	7,610,441.28
	7020 · Participation Usage Credit		
	Total 7020 · Participation Usage Credit	170,979.95	182,008.33
	7030 · ART Ticket Production Expense	1,993.38	20,000.00
	7031 · ART Refunds (2000)	3,600.00	1,800.00
	7033 · ART Kiosk Change	0.00	0.00
	7040 · Rideshare		
	Total 7040 · Rideshare	13,200.00	0.00
	7110 · Tax Expense		
	Total 7110 · Tax Expense	70,009.80	73,436.68
	7180 · Fees and Permits	2,435.00	3,000.00
	7210 · Postage and Delivery	7,325.96	10,484.15
	7240 · Fuel Supplies		
	Total 7240 · Fuel Supplies	1,883,219.43	1,871,302.37
	7250 · Supplies		
	7251 · Uniforms	61,645.65	87,522.00
	7252 · Office Supplies	16,230.91	34,619.01
	7253 · Maint Supplies (Non-Auto)	26,212.62	23,094.32
	7254 · Janitorial Supplies	32,220.49	35,962.81
	7255 · Printing	8,704.59	2,739.35
	Total 7250 · Supplies	145,014.26	183,937.49
	7300 · Website Develop/Maint Exp	30,000.00	27,750.00
	7310 · Marketing		
	Total 7310 · Marketing	250,509.82	193,969.12
	7400 · Board and Committee Expenses	4,000.00	6,000.00
	7500 · Dues & Subscriptions		
	Total 7500 · Dues & Subscriptions	60,692.68	61,980.00
	7600 · Professional Services		
	7610 · Legal and Government Affairs		
	Total 7610 · Legal and Government Affairs	382,064.65	260,000.00
	7620 · Accounting, Audit & Tax	38,900.00	30,450.00
	7630 · Technology		
	Total 7630 · Technology	62,689.18	60,000.00
	7640 · Grant Writing	28,513.11	80,000.00
	7650 · ADP Service	6,000.00	14,200.00
	7670 · Marketing and Advertising Svcs		
	Total 7670 · Marketing and Advertising Svcs	55,596.66	144,000.00
	7680 · Copy Machine Maintenance	17,400.00	17,566.55
	7690 · Other Consulting	500.00	
	Total 7600 · Professional Services	591,663.60	606,216.55



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Fiscal Year 2019/20 Proposed Uses of Funds *Continued*

	7632 · Fleet Management	0.00	15,479.76
	7700 · Auto Expense-Gas/Mileage/Parkng	12,000.00	9,991.98
	7710 · Travel & Entertainment		
	Total 7710 · Travel & Entertainment	75,000.00	56,299.92
	7800 · Repairs and Maint-Facilities	60,000.00	60,000.00
	7801 · Repairs - Bus Accidents	132,000.00	128,400.00
	7805 · Repairs - Non Vehicle Maintenance	12,000.00	0.00
	7820 · Bus Maintenance - Contracted		
	7829 · Tire Lease and Maintenance	144,000.00	112,339.13
	Total 7820 · Bus Maintenance - Contracted	144,000.00	112,339.13
	7830 · Bus Maintenance - In-house		
	Total 7830 · Bus Maintenance - In-house	807,000.00	900,020.00
	7840 - Lubricants	60,000.00	0.00
	7850 - Batteries	19,200.00	0.00
	7880 · Facility Rental		
	Total 7880 · Facility Rental	91,200.00	78,613.58
	7890 · Vehicle Leases		
	7898 · Auto Lease	18,300.00	12,130.32
	Total 7890 · Vehicle Leases	18,300.00	12,130.32
	7900 · Equip/Furniture/Software Exp		
	Total 7900 · Equip/Furniture/Software Exp	123,000.00	88,675.30
	8002 · Prof Development & Training	422.20	5,503.00
	8003 · Conferences and Assn Events	11,958.39	4,110.00
	81300 · Utilities - Building		
	Total 81300 · Utilities - Building	99,888.57	104,745.39
	8200 · Telecommunications		
	Total 8200 · Telecommunications	106,800.00	125,956.70
	8310 · Grant Expense		
	Total 8310 · Grant Expense	114,591.12	32,499.96
	8400 · Miscellaneous Expense		
	Total 8400 · Miscellaneous Expense	10,800.00	22,700.90
	8500 · Finance charges		
	Total 8500 · Finance charges	297,000.00	231,615.22
	8600 · Insurance		
	Total 8600 · Insurance	254,240.16	242,316.72
	Total Expense	18,128,071.89	15,897,942.35



Proposed FY 2019/20 Operating Budget

	FY 19 Budget	FY 19 Projected	FY 20 Proposed Budget
Total Sources of Revenue	\$16,345,903	\$16,699,968	\$18,407,509
Total Uses of Funds	\$15,897,942	\$16,194,379	\$18,128,072
<i>Excess Revenue</i>	<i>\$447,961</i>	<i>\$505,589</i>	<i>\$279,437</i>
<i>Contingency Funds</i>	<i>\$700,000</i>	<i>\$700,000</i>	<i>\$700,000</i>
<i>Total Funds</i>	<i>\$1,147,961</i>	<i>1,205,589</i>	<i>\$979,437</i>
Reserve Fund	\$200,000	\$200,000	\$200,000
Remaining Excess Revenue	\$1,347,961	\$1,405,589	\$1,179,437

CAPITAL IMPROVEMENT PROGRAM

On June 6, 2018, ATN adopted its first Capital Improvement Program (CIP) which represents ATN’s short-range plan and identifies capital projects and large equipment purchases. The CIP also provides a planning schedule and identifies options for financing the plan.

ATN adopted a five-year planning document spanning from Fiscal Year 2018/2019 through 2022/2023. This CIP plan became part of the ATN’s overall budget with the total expenditures plan of \$53,479,249.

Staff recommends to amend ATN’s CIP program by addition of funding sources ATN is seeking through several grant applications, as a funding mechanism for ElectrifyAnaheim project list:

1. LoNo FTA 5339 Capital Program \$2,000,000
2. Carl Moyer Emission Reduction Program \$1,200,000
3. Technology Advancement Program & Sandbox \$ 650,000

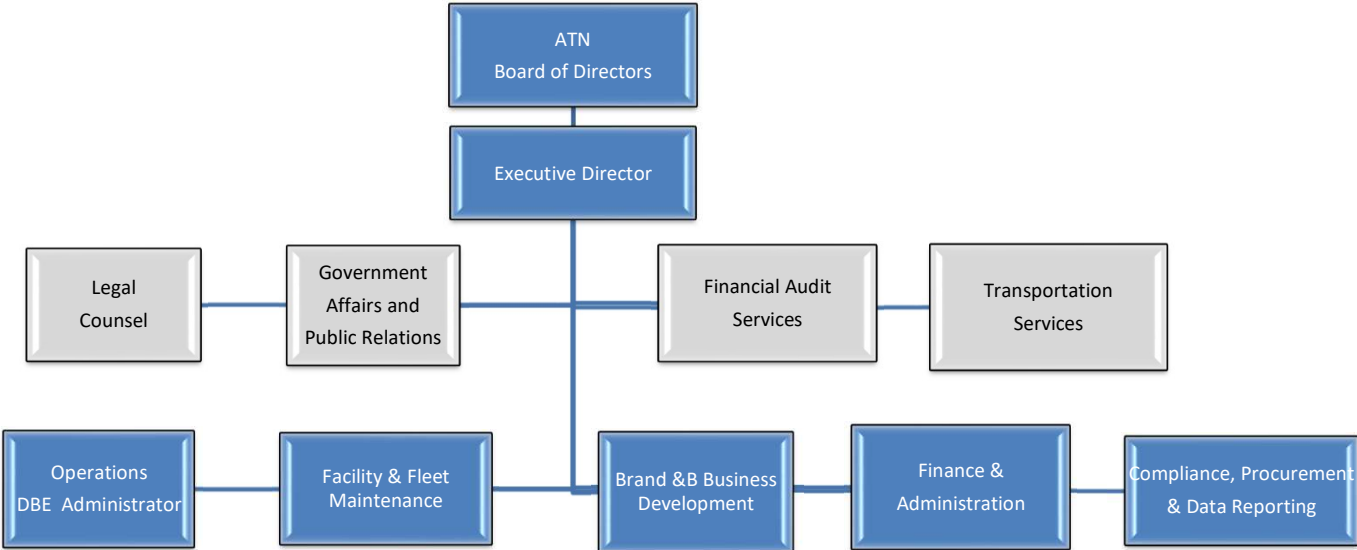


The ATN's CIP program identified a need to raise additional \$14.186M funding to complete current **ElectrifyAnaheim** initiatives. ATN obtained \$6.856M in funding from Anaheim Tourism Improvement District toward ElectrifyAnaheim initiatives, with \$7.330M still in need of funding. Through a Public Private Partnership (P3), ATN will negotiate \$5.0M in funding toward infrastructure for a Power Purchase Agreement to supply electricity to “fuel” our bus fleet; thus leaving \$2.33M funding shortfall.

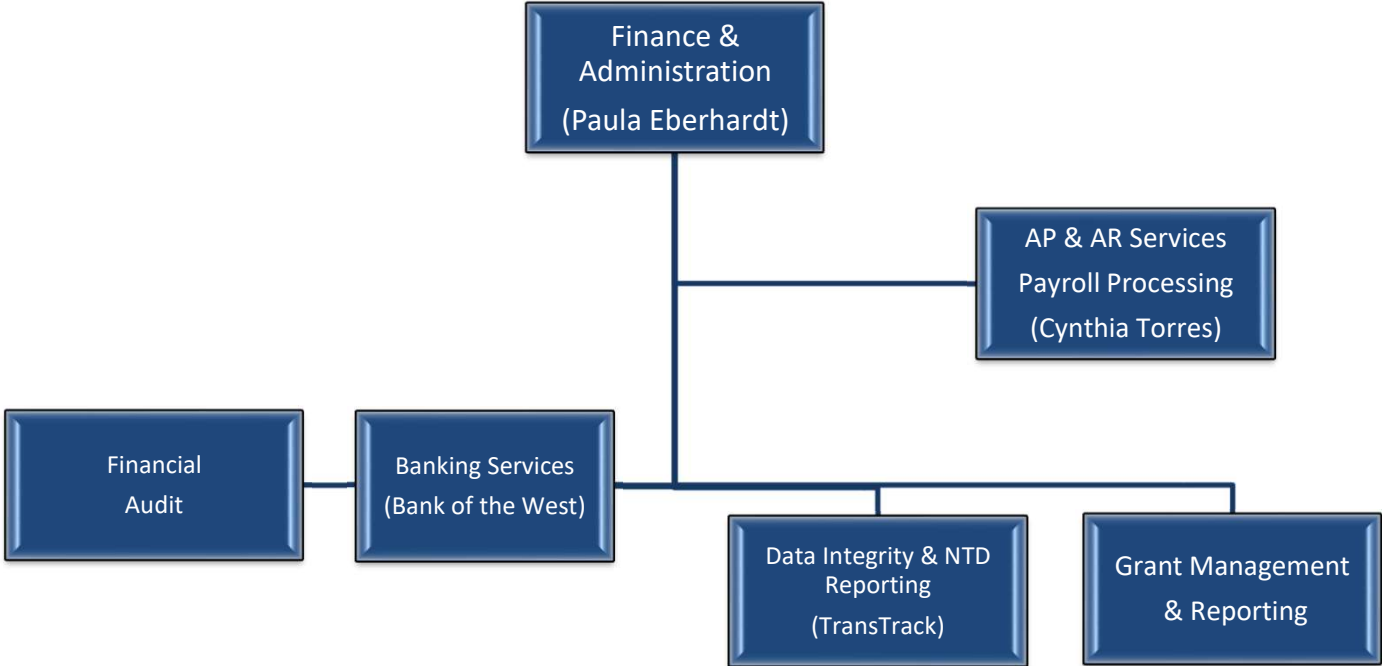
ATN is applying for several grants to fill this shortfall. Should ATN receive requested grant funds, no further actions will be required of this Board to amend ATN's CIP program. Separate action will be necessary to accept awarded funds and to enter into a funding agreement.

This shortfall does not include full fleet electrification. Staff recommendation to proceed with funding requests for full fleet electrification and other capital improvement funds will be presented to the Board in Fall 2019, as State of California SB1 funding proposals are available and there is greater clarity about federal budget.

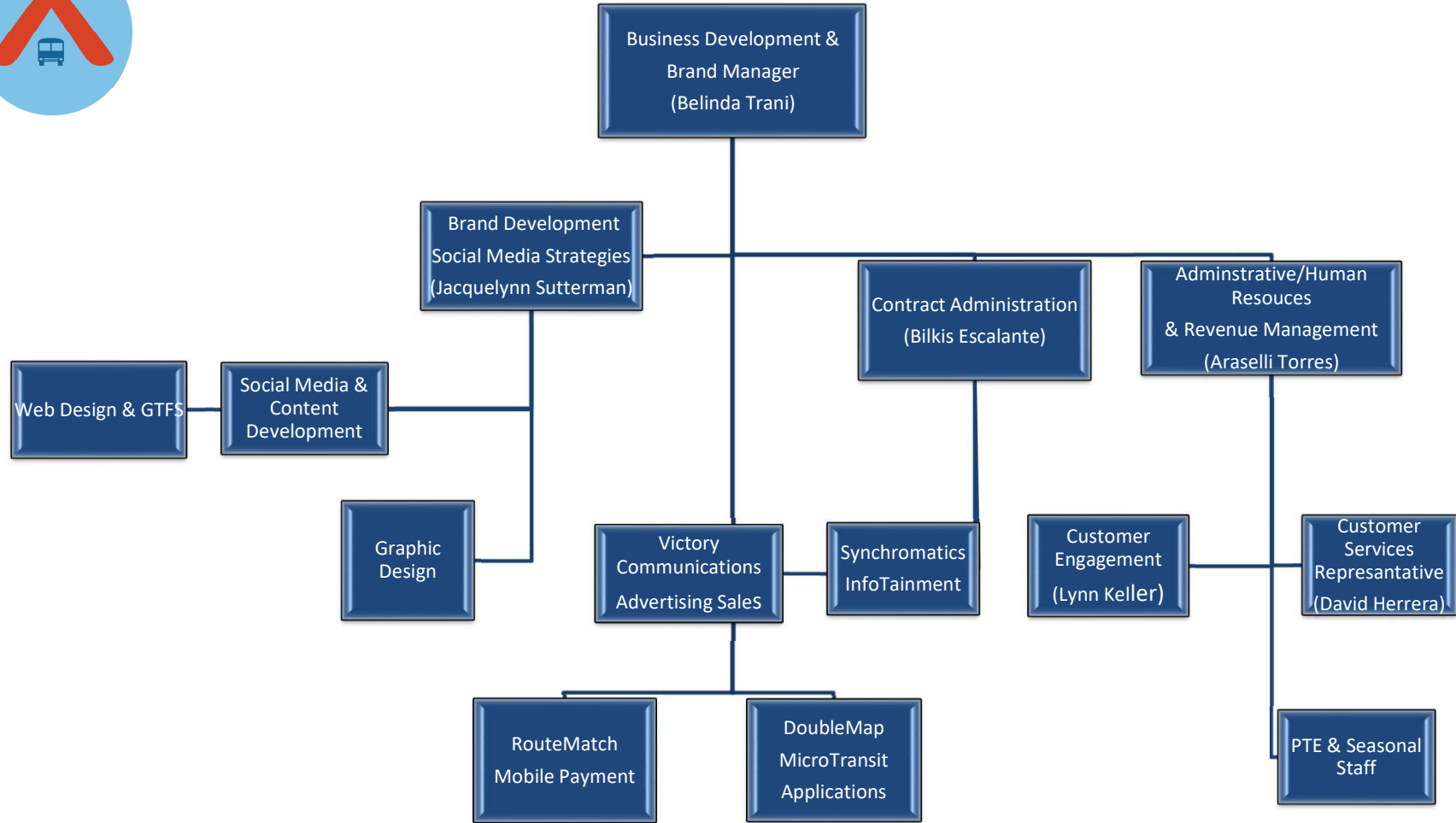
Anaheim Transportation Network
Organizational Chart
2018/19



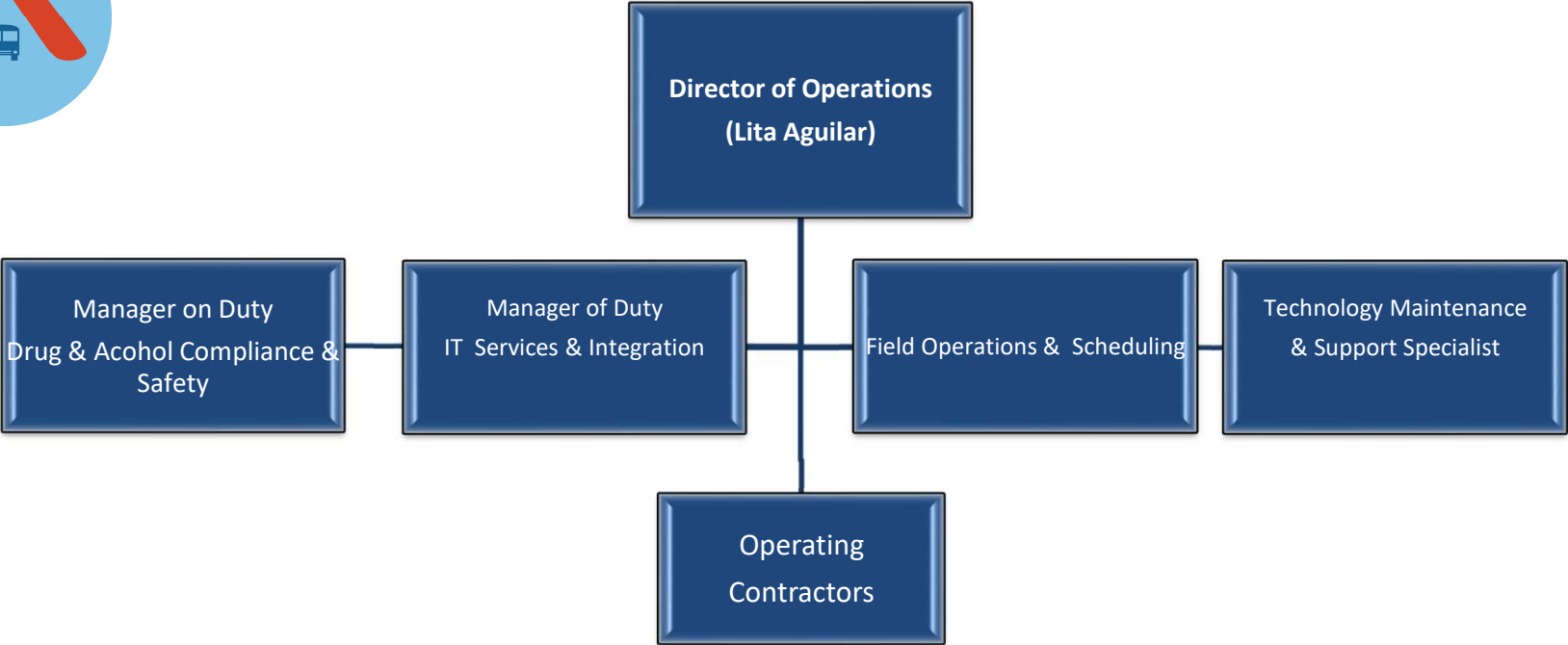
Anaheim Transportation Network
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2018/19



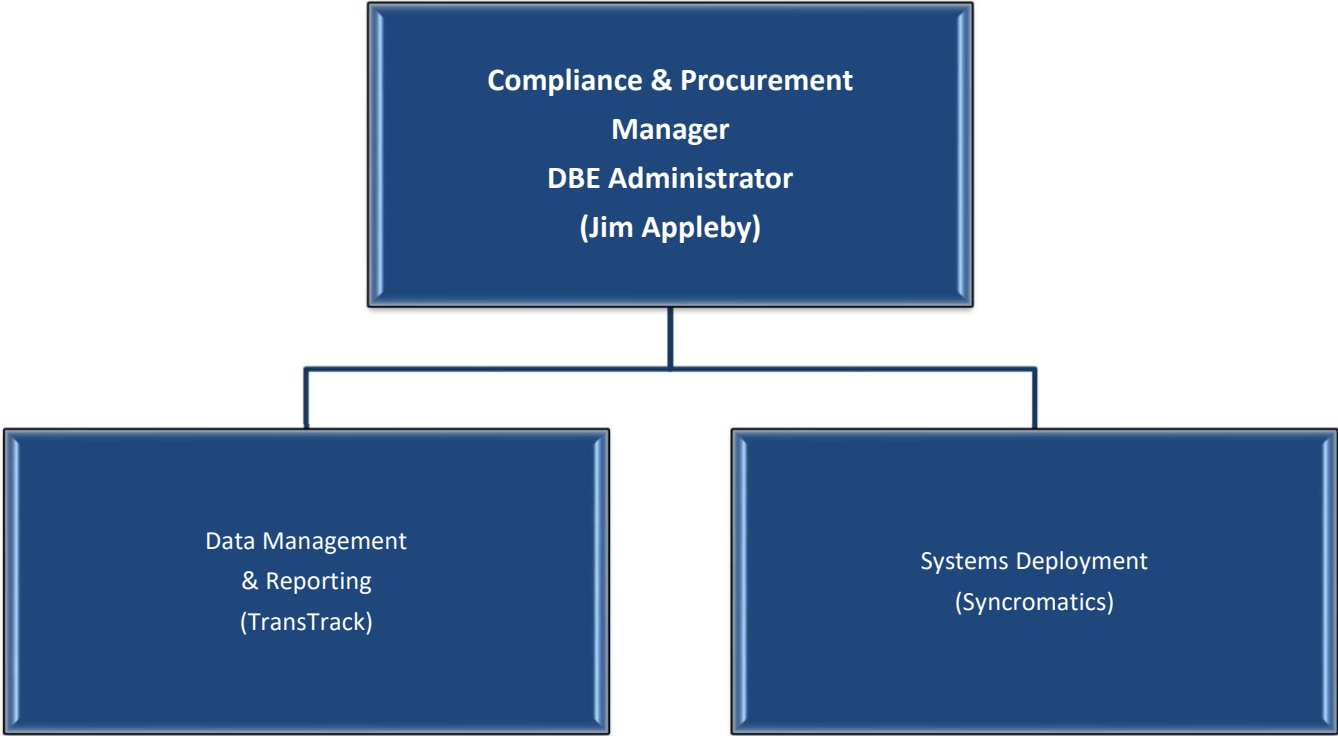
Anaheim Transportation Network
Organizational Chart
2018/19



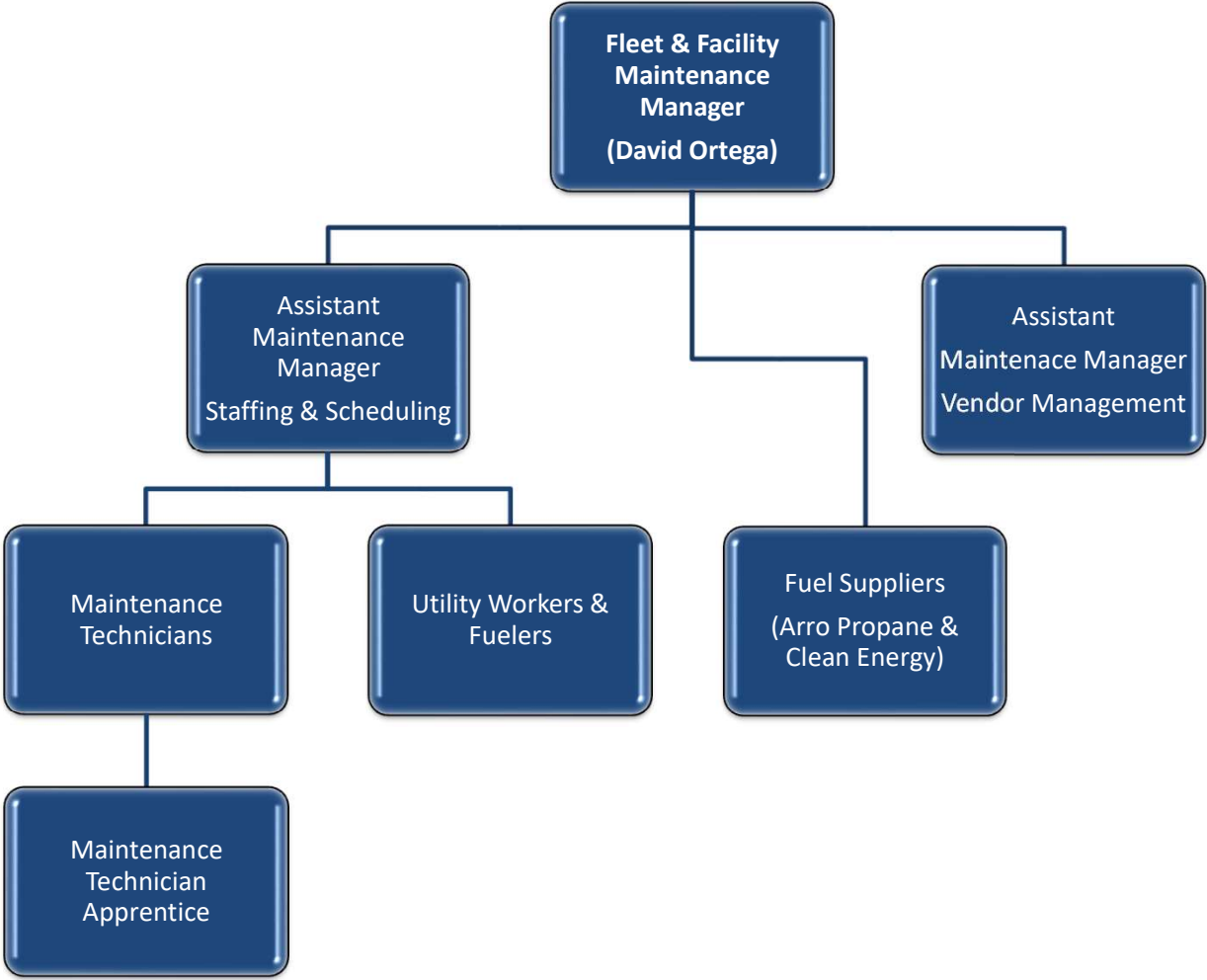
Anaheim Transportation Network
Organizational Chart
2018/19



Anaheim Transportation Network
Organizational Chart
2018/19



Anaheim Transportation Network
Organizational Chart
2018/19



**Anaheim Transportation Network
Budget FY20**

Anaheim Transportation Network	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar20	Apr20	May20	Jun20	Budget FY20	Budget FY19	TOTAL	Est. FY19
Total 7820 · Bus Maintenance - Contracted	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00	144,000	112,339		128,089
7830 · Bus Maintenance - In-house																
Total 7830 · Bus Maintenance - In-house	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	67,250.00	807,000	900,020		753,745
7840 - Lubricants	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	60,000	0		1,950
7850 - Batteries	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	19,200	0		-
7880 · Facility Rental																
Total 7880 · Facility Rental	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00	91,200	78,614		51,513
7890 · Vehicle Leases																
7898 · Auto Lease	1,800.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,300	12,130		23,639
Total 7890 · Vehicle Leases	1,800.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,300	12,130		23,639
7900 · Equip/Furniture/Software Exp																
7901 · Computer Lease	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	12,000	16,800		12,535
7902 · Microsoft 365	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	1,950.00	23,400	24,000		22,254
7903 · Purchases and Licences	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	45,600	19,000		73,090
7904 · Repairs	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	42,000	28,875		48,323
Total 7900 · Equip/Furniture/Software Exp	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	10,250.00	123,000	88,675		156,201
8002 · Prof Development & Training	0.00	0.00	0.00	0.00	372.20	50.00	0.00	0.00	0.00	0.00	0.00	0.00	422	5,503		2,428
8003 · Conferences and Assn Events	4,799.17	340.00	3,085.00	1,694.00	428.22	659.00	519.00	0.00	90.00	344.00	0.00	0.00	11,958	4,110		14,624
81300 · Utilities - Building																
Total 81300 · Utilities - Building	7,150.08	9,172.38	9,574.03	10,683.27	8,860.75	6,316.05	8,622.04	10,135.72	7,050.93	6,956.22	6,593.50	8,773.60	99,889	104,745		102,670
8200 · Telecommunications																
Total 8200 · Telecommunications	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	8,900.00	106,800	125,957		141,408
8310 · Grant Expense																
Total 8310 · Grant Expense	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	9,549.26	114,591	32,500		198,422
8400 · Miscellaneous Expense																
Total 8400 · Miscellaneous Expense	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	10,800	22,701		20,715
8500 · Finance charges																
Total 8500 · Finance charges	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	24,750.00	297,000	231,615		311,916
8600 · Insurance																
Total 8600 · Insurance	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	21,186.68	254,240	242,317		247,051
Total Expense	1,558,991.54	1,484,571.37	1,474,303.40	1,664,792.89	1,457,316.84	1,598,848.61	1,511,380.43	1,390,809.31	1,551,761.87	1,495,775.93	1,467,210.53	1,472,309.17	18,128,072	15,897,941		16,194,379
Net Income	47,825.33	-131,831.68	-128,479.25	118,776.94	68,895.78	95,733.93	-17,064.34	-81,865.19	22,032.25	141,297.01	-26,762.70	170,879.03	279,437	447,962		505,589