



## BCT Line 109 Cost Sharing Proposal: July 2016-2017

March 2016

**Service Overview** Beach Cities Transit operates the Line 109 route with agency partners, including Redondo Beach, Hermosa Beach, Manhattan Beach and El Segundo. The partner agencies share operating costs for Line 109.

**Update:** Three new buses were placed in service in January 2015. Also, new BCT flag signs were installed, and At Stop Panel signs were installed at key bus stop locations along the Line 109 route. The At-Stop Panel signs illustrate destination information, the time schedule for the specific bus stop, as well as the travel time from the specific stop to destinations along the Line 109 route.

**Proposed:** City staff is in progress of setting up BCT service information for trip planning on Google Transit, which is projected to be active in May 2016. The City Council has approved the use of Twitter for BCT services which is planned to be live by June 2016.

**Statistics:** BCT Line 109 passenger trips decreased in FY 2014-15 by 3%, with 6,386 fewer trips over the prior year. Fare revenues were commensurate to the passenger trips at 3%, or \$5,036 shortfall.

**Service Statistics History of BCT Line 109**

	<b>FY 08-09 Actual</b>	<b>FY 09-10 Actual</b>	<b>FY 10-11 Actual</b>	<b>FY 11-12 Actual</b>	<b>FY 12-13 Actual</b>	<b>FY 13-14 Actual</b>	<b>FY 14-15 Actual</b>
Service Hours	16,663	19,317	18,953	18,809	20,134	20,234	20,235
Operating Cost	\$846,106	\$1,027,029	\$930,967	\$998,035	\$1,088,582	\$1,174,214	\$1,173,517
Fare Revenues	\$145,000	\$158,190	\$135,465	\$144,820	\$162,909	\$154,801	\$149,765
Passenger Trips	193,350	194,345	179,748	199,295	205,321	212,584	206,198

### **Transit Funding**

Metro's annual transit formula funding allocations to municipal transit operators is based on sales tax revenue receipts. Regional funding estimates stayed relatively stable, however annual operations funding under the State Transit Assistance Program decreased by approximately \$52,000 for FY 2016-17. This decrease is due to the California State Controller's Office recent interpretation of State Transit Assistance (STA) program funding. The changes to the allocation added more than 100 new transit entities to the list of agencies for which the Controller calculates revenue, resulting in less funding to the existing transit agencies.

### **Cost Estimates**

The expenses included in the cost sharing estimates for BCT Line 109 are the operating expenses incurred by the transit contractor and fuel expenses, which are expected to be \$1,231,205 for the operation of 20,306 projected annual

**Fiscal Year 2016** service hours. Cost increases are the result of increased fuel expenses and the transit contractor annual operating increases.

**Cost Sharing Allocation History** The cost sharing allocations, based on the percent of average route miles, remains the same for all agencies. In FY 2013-14, Redondo Beach paid more than the allocated percentage, in order to cover unanticipated fuel costs.

CITY	% INVESTMENT (avg route miles/ total route miles)	FY 2012-13 actual	FY 2013-14 actual	FY 2014-15 actual	FY2015-16 projected
Redondo Beach	34.95%	\$39,825	\$70,098 *	\$21,179	\$33,349
Hermosa Beach	10.89%	\$12,396	\$6,757	\$6,599	\$10,391
Manhattan Beach	16.05%	\$18,268	\$9,959	\$9,726	\$15,314
El Segundo	38.11%	\$43,379	\$23,646	\$23,094	\$36,363
<b>TOTAL SHORTFALL</b>	100%	\$113,868	\$110,460	\$60,598	\$95,417
Note: * Redondo Beach's 34.95% = \$21,686. Actual contribution is \$70,098 due to fuel costs.					

**Investment Estimates** Based on the preliminary fund marks issued by Metro in March 2016, the estimated FY 2016-17 shortfall for the BCT Line 109 is estimated at \$134,455. Dedicated Transit Funding remains stagnant for the majority of Formula Funding, and changes to the State Transit Assistance (STA) funding results in overall reduction in Transit Fund allocations.

The Cities' cost sharing agreement is a two-year period (FY 2015-16 and FY 2016-17), that set a contribution cap increase of 10% for Hermosa Beach, Manhattan Beach and El Segundo. City Council approval was granted by Hermosa Beach and El Segundo, valid until FY 2016-17. The Manhattan Beach City Council approved a one-year agreement; the FY2016-17 must be negotiated prior to June 30, 2016.

#### BCT Estimated Cost Sharing Contract Allocations

CITY	FY 2015 – 2016 INVESTMENT	FY 2016-2017 INVESTMENT ESTIMATE
Redondo Beach	\$33,349	\$66,181
Hermosa Beach	\$10,391	\$11,430
Manhattan Beach	\$15,314	\$16,845*
El Segundo	\$36,363	\$39,999
<b>Total</b>	<b>\$95,417</b>	<b>\$134,455</b>
Note: * Manhattan Beach subject to budget negotiations for FY 2016-17		

#### Proposal Assumptions:

- 20,306 annual service hours
- No change in route mile distribution to Cities
- Per the terms of the two year agreement, the FY 2016-17 Cities' contribution estimate is increased by 10% from FY 2015-17; Redondo Beach will contribute the remaining shortfall costs.

March 31, 2016

BCT Line 109 Cost Sharing Estimates V.5