



Agenda Item No. 2.d.

To: Finance-Auditing Committee/Committee of the Whole
Meeting of November 20, 2008

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
a) BUDGET DECREASE IN THE FY08/09 BUS TRANSIT AND FERRY
TRANSIT DIVISIONS' OPERATING BUDGET RELATIVE TO
STATE OPERATING ASSISTANCE INCOME

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors approve the following budget adjustment actions relative to the FY 08/09 Operating Budget's State Operating Assistance Income:

- a) Decrease the Bus Division's State Operating Assistance Income Budget by \$1,343,500; and
- b) Decrease the Ferry Division's State Operating Assistance Income Budget by \$432,000.

The total decrease to the District's State Operating Assistance Income Budget is \$1,775,500. All budget adjustments greater than \$50,000 are subject to Board approval.

Summary

On June 13, 2008, the Board adopted the FY 08/09 Operating and Capital Budget which included \$18,415,000 in revenues from the State Operating Assistance Income programs. In October 2008, Metropolitan Transportation Commission's (MTC) staff revised the FY08/09 Fund Estimate and informed the District's allocation will change due to the following:

- 1) MTC's FY08/09 Fund Estimate is revised to reflect FY07/08 final State Transit Assistance (STA) revenue.
- 2) MTC's FY08/09 Fund Estimated is revised to reflect funding as contained in the final state budget.

The District's total decrease is \$2,158,300. In accordance with the GGBHTD/Marin County Transit District Local Service Agreement, the total State Operating Assistance Income that is credited back to Marin County to support local transit services will be reduced by \$382,800 and the remaining \$1,775,500 will reduce the support for Golden Gate Transit and Golden Gate Ferry.

As a result, the District's revenue will be reduced by \$1,775,500 in the State Operating Assistance income category split between the Bus and Ferry Division based on their original proportion of STA assigned to each Operating Division. In addition, the reduction of \$382,800 allocated to the Marin Transit agreement will result in Marin Transit contributing more to their net payment to the District.

Fiscal Impact

The District's overall revenue will decrease by \$1,775,500 for FY 08/09. This will affect the District's estimated shortfall by an additional \$1.7 million.