

Eco-Rapid Transit, formerly known as the Orangeline Development Authority, is a joint powers authority (JPA) created to pursue development of a high speed, grade separated transit system that is environmentally friendly and energy efficient. The system is designed to enhance and increase transportation options for riders of this region utilizing safe, advanced transit technology to expand economic growth that will benefit Southern California. The Authority is composed of the following public agencies:

- City of Artesia
- City of Bell
- City of Bell Gardens
- City of Bellflower
- City of Cerritos
- City of Cudahy
- City of Downey
- City of Glendale
- City of Huntington Park
- City of Maywood
- City of Paramount
- City of Santa Clarita
- City of South Gate
- City of Vernon
- Burbank-Glendale-Pasadena Airport Authority

- Chairman
Luis Marquez
Council Member
City of Downey
- Vice Chairman
Maria Davila
Council Member
City of South Gate
- Secretary
Rosa E. Perez
Vice Mayor
City of Huntington Park
- Treasurer
Michael McCormick
Mayor
City of Vernon
- Auditor
Scott A. Larsen
Council Member
City of Bellflower
- Executive Director
Michael R. Kodama
- General Counsel
Teresa L. Highsmith
- Ex-Officio
Rene Bobadilla
City Manager Representative

AGENDA REPORT

TO: Members of Eco-Rapid
FROM: Michael R. Kodama, Executive Director
DATE: January 8, 2014
SUBJECT: **UPDATE AND/OR ACTION REGARDING MID-YEAR BUDGET REVIEW**

ISSUES

Attached is the mid-year budget for Eco-Rapid Transit. Eco-Rapid Transit staff proposes that the FY2013-14 mid-year budget be changed from \$570,566 to \$634,566. These changes are directly related to anticipated Eco-Rapid Transit activities. Most of the staff activities in the next six months will be allocated to meet project timelines and prepare project deliverables. Some of these projects have changed considerably and/or are tied to other planning issues in the Corridor. This has resulted in a request to adjust the Eco-Rapid Transit budget.

Other potential projects and funding sources may be presented to the Board for approval throughout the remainder of this fiscal year for consideration and inclusion in the budget as they are approved.

BACKGROUND

Eco-Rapid Transit’s revenues are generated from general membership dues and project funding. Funds are expended as part of the Eco-Rapid Transit Budget approved for FY 2013-14. This information is updated as part of the Mid-Year Budget Revision and review process.

General Funds - Membership Dues

Eco-Rapid Transit operates under tight fiscal constraints and must carefully manage general funds. This includes funding for planning, operational, administrative and other issues. Eco-Rapid Transit has used general funds to meet local match requirements and advance funds for projects that require payment on a reimbursable basis.

Projects

Eco-Rapid Transit is working on the following projects:

- FTA Cerritos Transportation Land Use Federal Planning Project (TLU)
- FHWA Burbank Glendale Pasadena Airport Authority Bob Hope Airport Ground Access Study
- FTA Burbank Glendale Pasadena Airport Authority

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- Metro Bob Hope Airport Transit Oriented Development Study
- Metro Transportation Oriented Development Corridor Project

Eco-Rapid Transit received approval to provide additional services for the FHWA Bob Hope Airport Ground Access Study (Amendment #3, September 16, 2013). This has been added to the mid-year budget.

Over the next six months, much of Eco-Rapid Transit's project planning and administrative duties will be related to these projects. Most of the staff is billing directly to these grants (as appropriate). Eco-Rapid Transit's senior staff is reviewing all the expenditures for appropriate cost recovery purposes and to fully analyze and manage general fund and grant fund cash flow. Eco-Rapid Transit anticipates additional projects to be started in the upcoming quarter.

Eco-Rapid Transit Mid-Year Budget and Potential Cash Flow Issues

Eco-Rapid Transit must operate and work closely with our funding partners to ensure timely payment of our own financial obligations. It has no line of credit to fund its operations, but must rely on cash on hand. As the Board may recall, this has caused significant cash flow issues in the past. To deal with this issue last year, the Board approved payment priorities in case of significant cash crunch. Staff intends to maintain the same payment priorities.

During the remainder of the fiscal year, the issue may be compounded by the retention of TLU/TOD grant proceeds and delayed grant reimbursements from time to time. As a consequence, we have taken the following actions to minimize any inconvenience and anticipate problems before they arise.

We have:

1. Reduced overhead and consultant contract costs
2. Developed a cash flow forecasting methodology
3. Advised consultant staff of potential delays in payment
4. Managed dues and payments as actively as possible

Nonetheless, we expect the last three months of the fiscal year to be potentially difficult with a need to carefully balance general fund and project fund activities. The Board will be kept informed.

RECOMMENDATION

It is recommended that the Board:

1. Discuss the information presented and/or take action; and
2. Approve Mid-Year Budget Revisions.

**ECO-RAPID DRAFT MID-YEAR BUDGET
FY 2013-2014**

	FY 2011-12				FY 2012-13				FY 2013-14			
	Approved Budget 11-12	Mid Year Actual	Approved Mid Yr Budget 11-12	Year End Actual	Approved Budget 12-13	Mid Year Actual	Approved Mid Yr Budget 12-13	Year End Actual	Approved Budget 13-14	Mid Year Actual Jul-Nov	Mid Year Estimate	Proposed Mid Year Budget 13-14
Revenues												
<i>Grants</i>												
Cerritos Transportation Land-Use Grant ¹	\$195,972.00	\$21,984.83	\$150,000.00	\$23,255.73	\$230,000.00	\$1,200.24	\$75,000.00	\$4,839.00	\$152,000.00	\$30,288.29	\$44,888.29	\$152,000.00
Member Transportation Land-Use Local Match				\$53,000.00				\$10,000.00				
Airport Ground Access Study ²	\$177,870.00	\$56,970.63	\$135,000.00	\$109,560.36	\$150,000.00	\$89,664.43	\$180,000.00	\$155,290.44	\$36,000.00	\$44,751.46	\$78,385.60	\$110,000.00
Airport FTA Grant				\$9,368.65		\$7,329.00	\$12,000.00	\$15,811.07	\$12,000.00	\$1,079.88	\$3,556.49	\$8,000.00
Airport TOD								\$2,935.67	\$18,000.00	\$2,883.81	\$4,981.29	\$12,000.00
Caltrans South Gate Environmental Justice Grant ³	\$148,850.00	\$6,418.89	\$160,000.00	\$129,357.04	\$73,000.00	\$65,249.81	\$80,000.00	\$106,268.00	\$0.00			\$0.00
Metro Transit Oriented Development ⁴					\$180,000.00	\$48,413.95	\$140,000.00	\$92,396.21	\$130,000.00	\$49,437.14	\$79,812.82	\$130,000.00
Membership Dues	\$170,784.00	\$173,563.00	\$173,563.00	\$173,563.00	\$177,478.00	\$177,644.04	\$180,423.00	\$180,423.04	\$180,423.00	\$140,443.00	\$140,443.00	\$180,423.00
Sub-total	\$693,476.00	\$258,937.35	\$618,563.00	\$498,104.78	\$810,478.00	\$388,301.23	\$667,423.00	\$567,963.43	\$528,423.00	\$268,883.58	\$352,067.49	\$592,423.00
Special Assessment - DLA Piper ⁵	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00
Reserves	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00	\$4,833.00
TOTAL	\$735,619.00	\$301,080.35	\$660,706.00	\$540,247.78	\$852,621.00	\$430,444.23	\$709,566.00	\$610,106.43	\$570,566.00	\$311,026.58	\$394,210.49	\$634,566.00
Expenditures												
<i>Grants</i>												
Executive Director - Grants	\$60,000.00	\$33,000.00	\$74,000.00	\$79,343.75	\$80,000.00	\$55,845.83	\$100,000.00	\$101,281.25	\$100,000.00	\$33,926.04	\$45,711.25	\$80,000.00
Office Administration and Expenses (Grants)								\$32,885.23	\$20,000.00	\$6,749.49	\$9,099.39	\$17,400.00
Legal (Grants)								\$2,362.36	\$6,000.00	\$427.50	\$1,200.00	\$3,500.00
Staff and Consultants: Cerritos Transportation-Land Use Grant ¹	\$185,972.00	\$21,304.39	\$103,303.00	\$14,409.60	\$240,000.00	\$1,200.24	\$85,000.00	\$2,311.80	\$215,000.00	\$48,092.15	\$68,000.00	\$205,000.00
Staff: Airport Ground Access Project ²	\$147,870.00	\$47,022.82	\$108,060.00	\$63,519.58	\$118,000.00	\$89,664.43	\$148,000.00	\$87,370.25	\$24,000.00	\$29,042.03	\$34,850.44	\$70,000.00
Staff: Airport FTA				\$5,858.15		\$7,329.00	\$12,000.00	\$4,071.75	\$8,000.00	\$1,452.50	\$1,743.00	\$5,800.00
Staff: Airport TOD								\$2,570.38	\$10,000.00	\$2,217.63	\$2,661.16	\$5,600.00
Staff and Consultants: Caltrans South Gate Env Justice Grant ³	\$128,850.00	\$33,667.74	\$160,200.00	\$70,389.52	\$47,000.00	\$55,286.28	\$54,000.00	\$53,448.85				
Staff and Consultants: Metro Transit Oriented Development					\$148,000.00	\$48,413.95	\$108,000.00	\$91,270.32	\$52,156.00	\$23,342.50	\$35,013.75	\$52,153.00
<i>General</i>												
Authority Board Activities	\$14,000.00	\$6,400.00	\$14,000.00	\$12,700.00	\$15,600.00	\$7,200.00	\$15,600.00	\$15,700.00	\$15,600.00	\$4,500.00	\$7,200.00	\$15,600.00
Executive Director - General	\$60,000.00	\$27,000.00	\$46,000.00	\$38,750.00	\$40,000.00	\$5,212.50	\$20,000.00	\$15,125.00	\$20,000.00	\$10,125.00	\$20,250.00	\$30,000.00
Other Administrative (General Professional Labor) ⁶	\$46,500.00	\$26,930.85	\$50,000.00	\$80,620.84	\$62,400.00	\$34,326.98	\$62,400.00	\$68,893.86	\$18,000.00	\$23,278.34	\$34,917.51	\$50,000.00
Office Administration (Staff/Expenses)	\$20,284.00	\$22,342.59	\$32,000.00	\$58,389.81	\$30,478.00	\$12,799.62	\$30,478.00	\$51,729.06	\$20,000.00	\$22,837.49	\$32,000.00	\$37,870.00
Legal (General)	\$16,000.00	\$3,177.50	\$12,000.00	\$11,435.00	\$16,000.00	\$14,585.58	\$22,000.00	\$26,790.88	\$12,000.00	\$4,351.50	\$6,200.00	\$12,000.00
Insurance	\$14,000.00	\$0.00	\$14,000.00	\$4,524.61	\$8,000.00	\$2,979.84	\$8,000.00	\$12,231.19	\$7,500.00	\$2,675.94	\$3,600.00	\$7,500.00
MTA Fee	\$0.00											
Sub-total	\$693,476.00	\$220,845.89	\$613,563.00	\$439,940.86	\$805,478.00	\$334,844.26	\$665,478.00	\$568,042.18	\$528,256.00	\$213,018.11	\$302,446.49	\$592,423.00
Special Assessment - DLA Piper	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00	\$37,310.00
Reserves	\$4,833.00	\$4,833.00	\$4,833.00	\$9,833.00	\$9,833.00	\$4,833.00	\$6,778.00	\$4,833.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
TOTAL	\$735,619.00	\$262,988.89	\$655,706.00	\$487,083.86	\$852,621.00	\$376,987.26	\$709,566.00	\$610,185.18	\$570,566.00	\$255,328.11	\$344,756.49	\$634,733.00

1 - Total project is \$314,965, federal grant of \$251,972; \$152,000 is estimated for FY 2013-14 (station expenditure requires local match)

2 - The total STURAA grant is \$5.4 million of which \$4,723,378 is the federal share; OLDA receives 8% in proj mgmt fees over a 30 month time period

3 - Work completed April 28, 2013

4 - Metro TOD Grant in the amount of \$276,000

5 - Special Assessment received from Cerritos, Glendale and Santa Clarita; special assessment fees from Bell and Maywood were applied to FY2010-11 membership fees

6 - Expenses for other administrative activities are reduced due to OLDA staff activities focused on federal, state and local grants