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***NASSAU
INTER-COUNTY
EXPRESS***

Amendment to 2014 Annual Plan & Budget

Presentation to Bus Transit Committee

May 14, 2014



March Budget Conditionally Approved

Background

- On March 27 Committee gave “conditional approval” to a budget:
 - For April 1, 2014 to March 31, 2015
 - With total expenditures of \$121,900,833
 - And no change in fares, or
 - Level of service

Why Operating Costs are Rising

- 3% wage increases effective April 1, 2014
 - Top Operator Rate: From \$28.57/hour to \$29.43
 - Top Technician Rate: From \$29.50/hour to \$31.30
- Contractual wage increases add \$1.4M to budget

Why Operating Costs are Rising

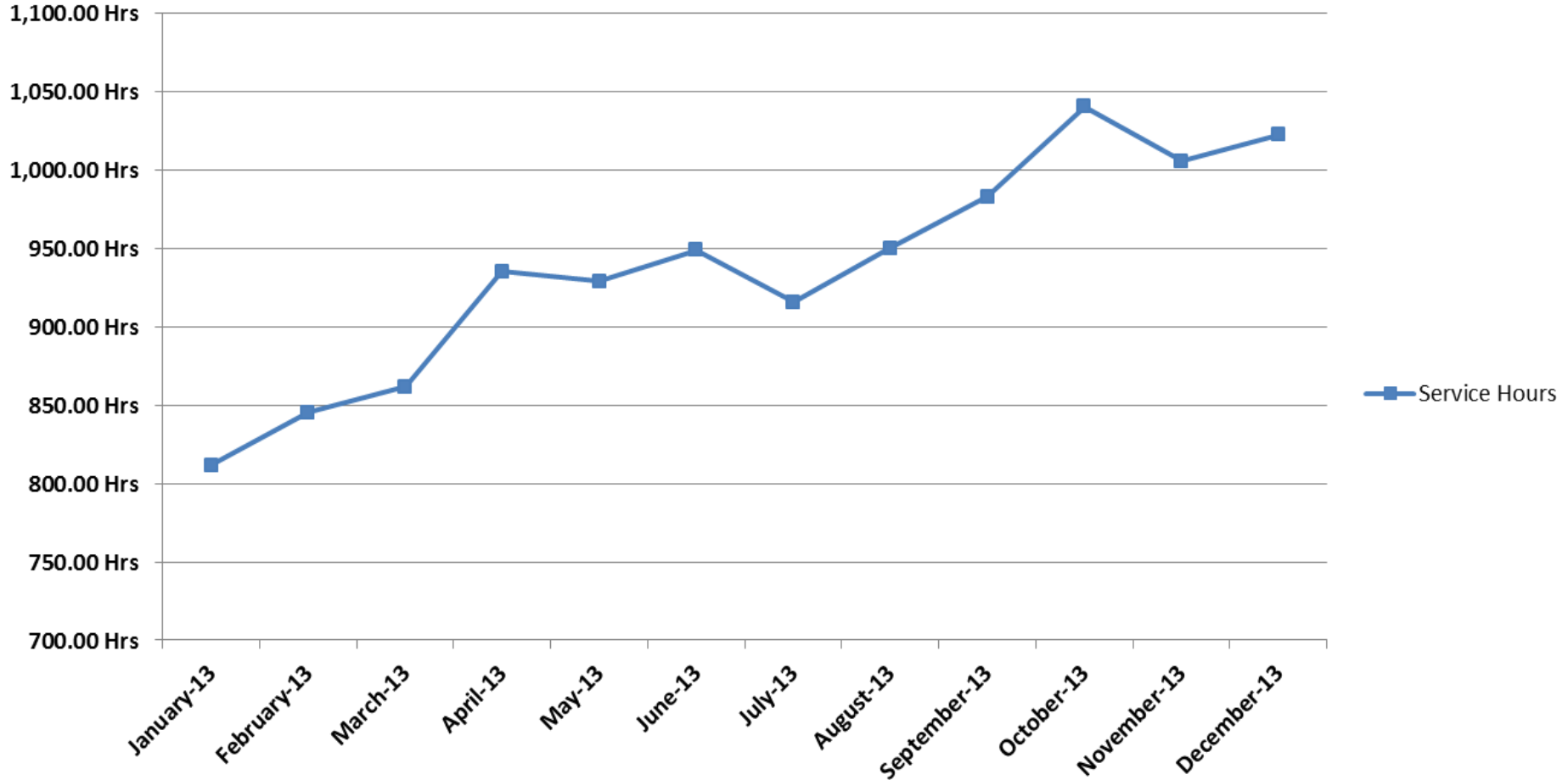
- Increase in Veolia's monthly health insurance costs
 - Increased plan enrollment, plus
 - Increased monthly premiums (3% - 4%)

Why Operating Costs are Rising

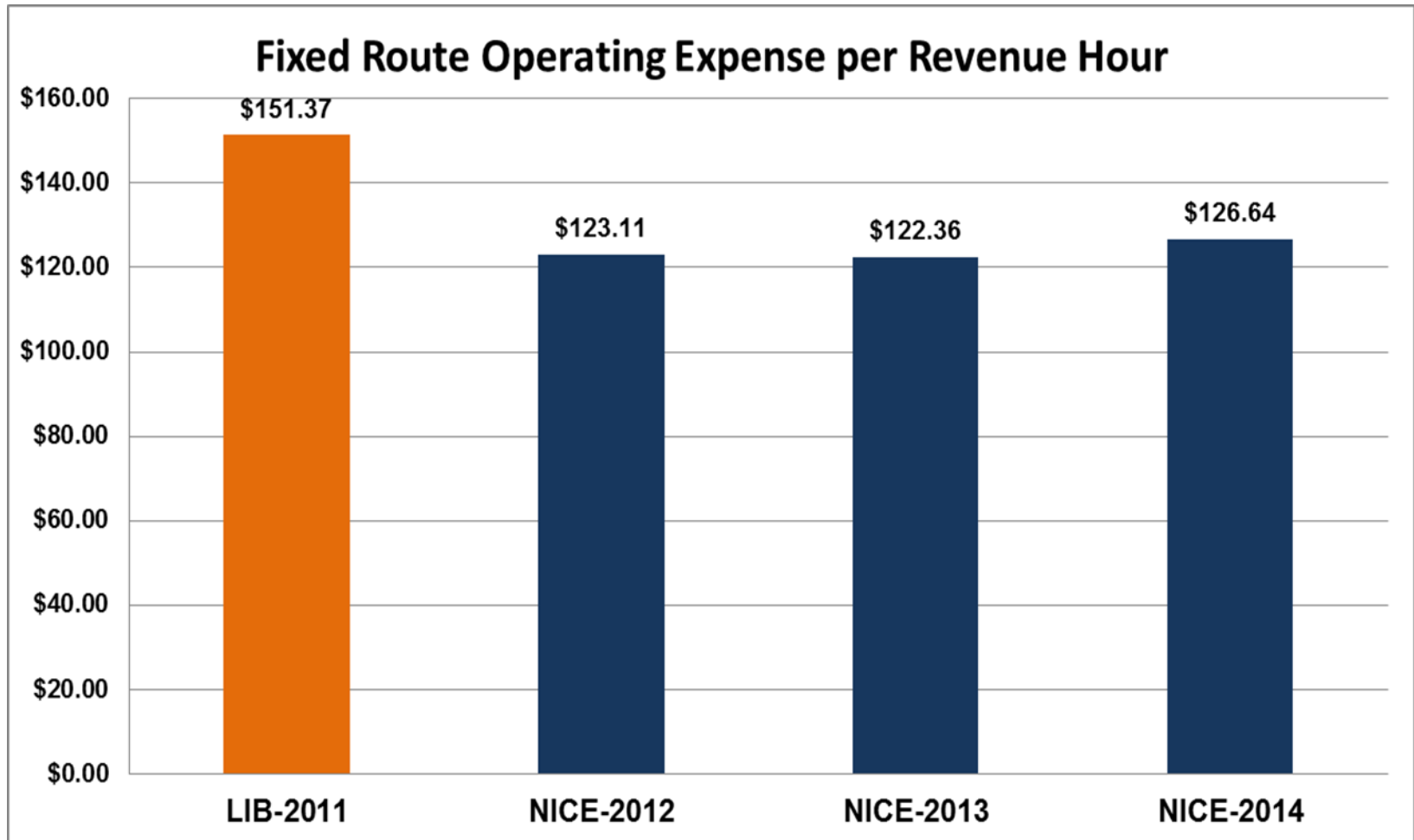
- Rising natural gas costs of approximately 25%
- Supply rate comparison:
 - December 2013: \$3.818
 - February 2014: \$5.557
- Annual Impact=\$0.7M

Why Operating Costs are Rising

Avg. Weekday Able-Ride Service

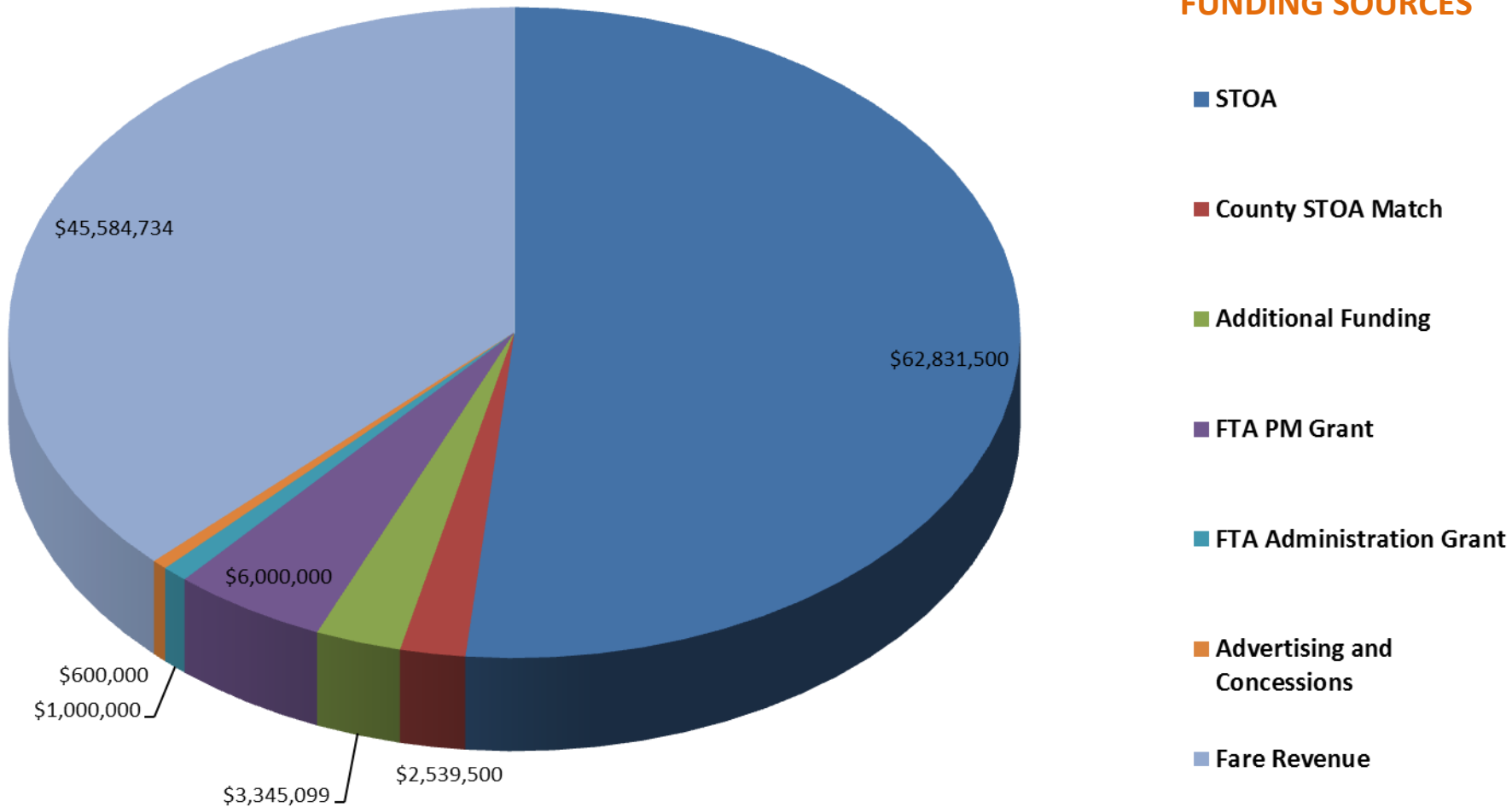


Operating Cost Trend



Total Required Funding: \$121,900,833

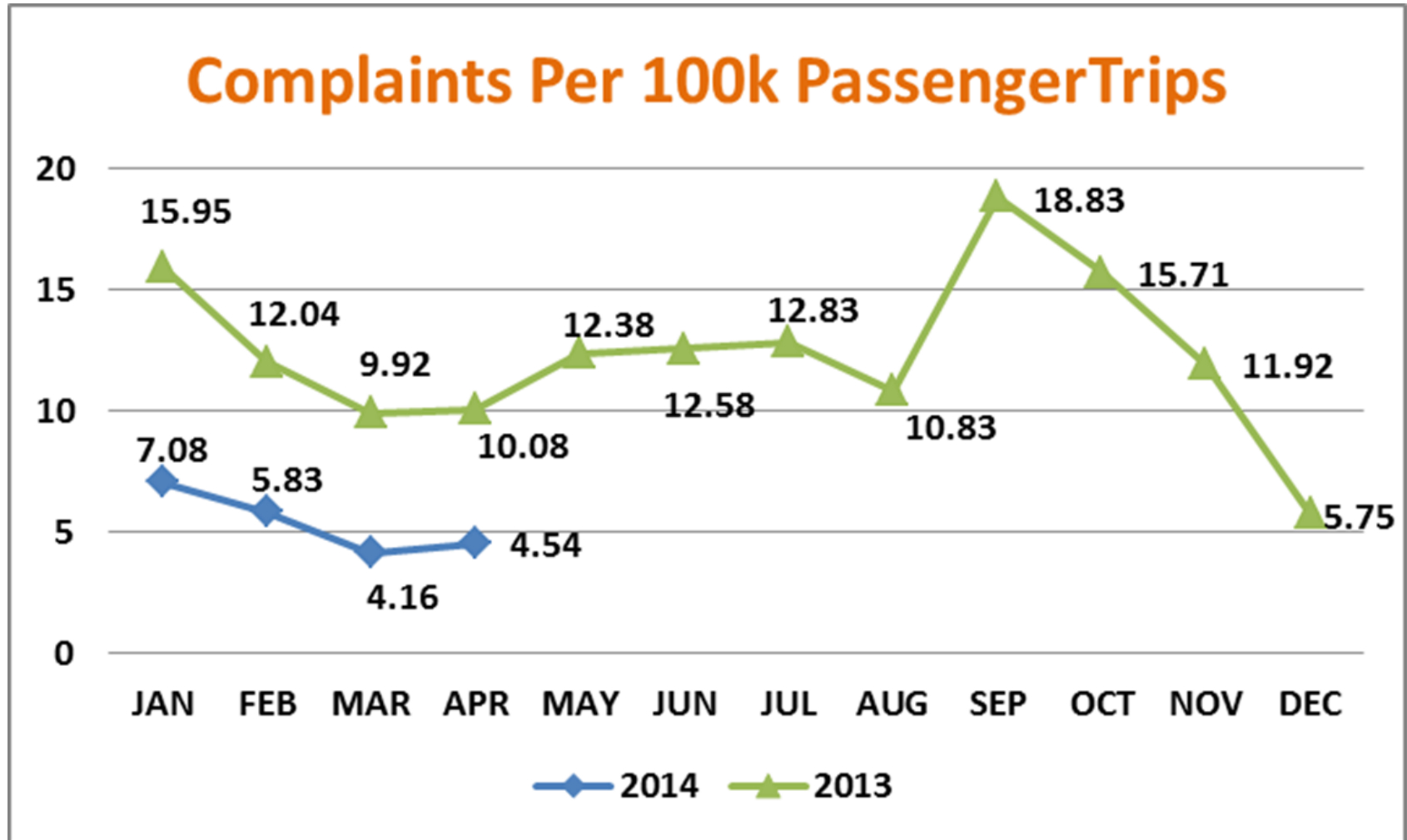
2014 FISCAL YEAR FUNDING SOURCES



Additional Funding Required

- \$3.3 million
- Potential sources
 - Further STOA increases
 - Other subsidy sources
 - Mid-year service adjustments

Why is Service Stability Important?



Balanced Budget Proposal

Change to a January 1 Fiscal Year

- County proposed the new fiscal year to:
 - Conform to County fiscal cycle
 - Conform to State funds disbursement cycle
 - Conform to Federal reporting cycle
 - Eliminate confusion from overlapping years
 - Align Federal, State, County, and NICE funding periods
- 2014 will end Dec. 31, 2014
- Budget gap reduced to \$2.67M

Proposal to Close the \$2.67M Gap

3 Steps

- **County increase**
- **Fare increase**
- **Veolia contribution**

Proposal to Close the \$2.67M Gap Step 1

<ul style="list-style-type: none"> Nassau County will provide an additional \$1.87M 	<p>\$2,670,620</p> <p><u>(1,870,620)</u></p> <p>800,000</p>
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Proposal to close the \$2.67M gap

Step 2

■ County will provide an additional \$1.87M	\$2,670,620
	<u>(1,870,620)</u>
■ Raise \$400K by increasing the cash fare (\$2.25) to match MetroCard (\$2.50) September 1	800,000
	<u>(400,000)</u>
	400,000

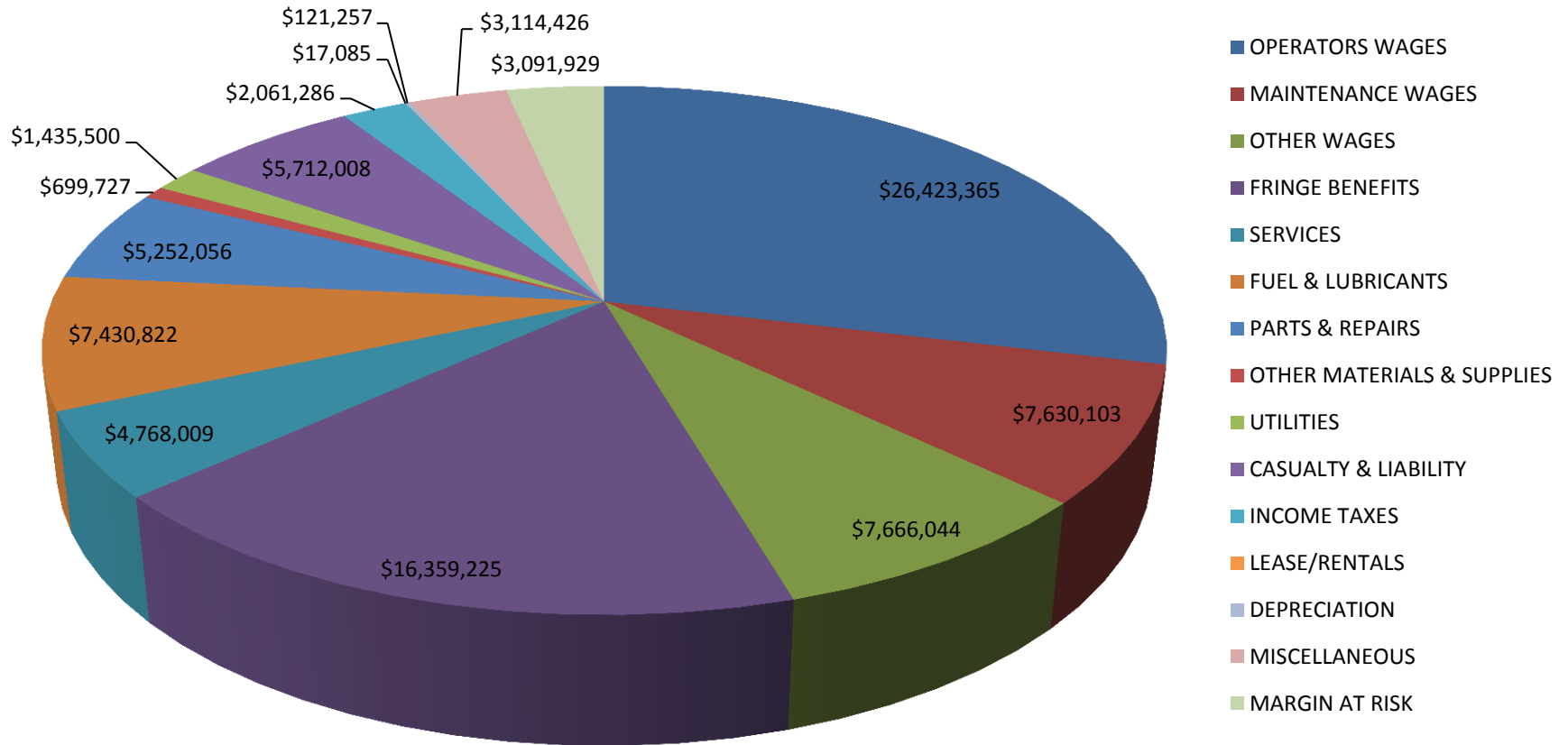
Proposal to close the \$2.67M gap

Step 3

▪ County will provide an additional \$1.87M	\$2,670,620
	<u>(1,870,620)</u>
▪ Raise \$400K by increasing the cash fare (\$2.25) to match MetroCard (\$2.50) September 1	800,000
	<u>(400,000)</u>
▪ Veolia will contribute \$400K	400,000
	<u>(400,000)</u>
▪ Maintain service levels	0

Operating Expenses 9 Month Version

Total = \$91,782,843

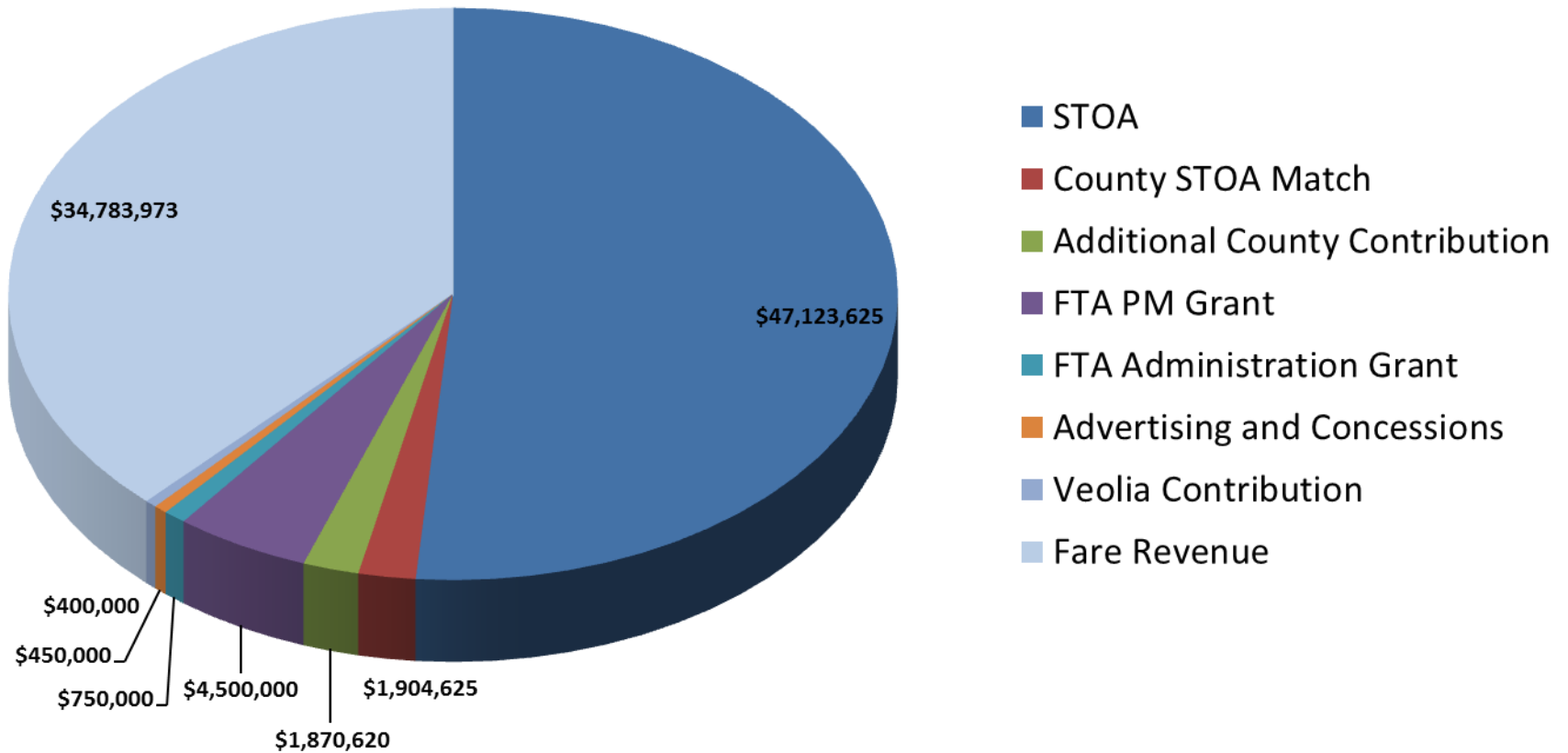


Fare Revenue Budget 9 Month Version

	2014 Projected	2013 Actual Fares
April	3,796,536	4,373,133
May	3,795,666	3,731,619
June	3,802,192	3,504,045
July	3,810,526	4,104,955
August	3,807,301	3,732,751
September	3,943,910	3,751,276
October	3,942,770	4,462,759
November	3,942,286	3,691,131
December	3,942,785	3,547,306
Total	34,783,973	34,898,973

Total Revenue 9 Month Version

Total Funding Required: \$91,782,843



Recommendations

- Approve new operating budget for April 1 to December 31, 2014 in the amount of **\$91,782,843**
- Hold public hearings on proposed fare changes between: **July 15 and July 17**

Thank You