



Community Services Department

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## Memo

To: Nicole Ellis, Hermosa Beach  
Nhung Madrid, Manhattan Beach  
Meredith Petit, Monse Palacios, El Segundo  
From: Joyce Rooney, Transit Operations & Transportation Facilities Manager  
Date: August 9, 2018  
Re: FY 2017-18 BCT Line 109 Actual Operating Costs & Final Close-Out

The City of Redondo Beach Transit Division has completed the Fiscal Year 2017-18 Close-Out analysis for the BCT Line 109 cost sharing program. In FY 2018, the BCT coordinated with the transit operators' regional transit marketing efforts with other providers including operators in the South Bay such as Metro, Torrance Transit, Gardena GTrans, and Culver City. BCT has also been participating in the transit operators' regional ridership study. Most recently, BCT coordinated the implementation of the TAP (TAP Cards) on second boarding efforts by distributing public information, and issuing free TAP cards on BCT buses, select locations, and high ridership bus stops. Staff is continuing efforts to set up the Real Time Information systems on BCT buses.

The original cost sharing estimates were based on projected costs of the prior year's operations and fuel expenses, Real Time Information System (RTI) implementation costs, farebox revenues, and Metro transit formula fund estimates. Since the RTI was not implemented, the actual FY 2017-18 shortfall only includes the transit operations costs. The FY 2017-18 operations shortfall was estimated at \$53,926. The FY 2017-18 operations cost sharing estimates were:

| CITY            | % INVESTMENT<br>(avg. route miles/total route miles) | ESTIMATED OPERATING<br>FY 2017-18 INVESTMENT |
|-----------------|--|--|
| Redondo Beach   | 34.95%   | \$18,847                                     |
| Hermosa Beach   | 10.89%   | \$5,873                                      |
| Manhattan Beach | 16.05%   | \$8,655                                      |
| El Segundo      | 38.11%   | \$20,551                                     |
| TOTAL           | 100%   | \$53,926                                     |

### Actual Operating Costs and Revenues FY 2017-18

The total cost of operating BCT Line 109 was originally estimated at \$1,310,000 which included implementation of the RTI System. Since the RTI was not implemented the actual cost was \$1,260,936. The actual fuel cost was \$11,365 higher than projected. Service hour costs were lower than expected by approximately \$429.

The fare revenues, which were estimated at \$150,000, were actually \$141,197; \$8,803 less than the projections. As a result the actual shortfall was \$81,105. The first three quarters of FY 2017-18 were invoiced and paid based on the estimated contributions.

The actual FY 2017-18 annual operating costs, revenues and cost sharing shortfall is shown in the table below. Data for the FY 2015-16 through FY 2017-18 services are included for trend comparison.

| <b>Line 109 Annual Operating Costs</b>       | <b>2015</b>        | <b>2016</b>        | <b>2017</b>           | <b>2018</b>        |
|--|--------------------|--------------------|-----------------------|--------------------|
| Transit Contractor                           | \$978,291          | \$988,151          | \$1,015,724.48        | \$1,049,571        |
| Fuel   | \$195,226          | \$184,449          | \$179,313.14          | \$211,365          |
| <b>Cost Sharing Operating Costs</b>          | <b>\$1,173,517</b> | <b>\$1,172,600</b> | <b>\$1,195,037.62</b> | <b>\$1,260,936</b> |
|  |                    |                    |                       |                    |
| <b>BCT Line 109 Transit Revenues</b>         |                    |                    |                       |                    |
| Metro Formula Transit Funds                  | \$963,154          | \$969,583          | \$946,749.98          | \$1,038,634        |
| Fare and Pass Sales Revenues                 | \$149,765          | \$149,228          | \$144,029.78          | \$141,197          |
| <b>Line 109 Transit Funds &amp; Revenues</b> | <b>\$1,112,919</b> | <b>\$1,118,811</b> | <b>\$1,090,779.76</b> | <b>\$1,179,831</b> |
|  |                    |                    |                       |                    |
| <b>Actual BCT Line 109 Shortfall</b>         | <b>\$60,598</b>    | <b>\$53,789</b>    | <b>\$104,257.86</b>   | <b>\$81,105</b>    |
| <b>Service Hours Operated</b>                | <b>20,235</b>      | <b>20,344</b>      | <b>20,290</b>         | <b>20,265</b>      |
| <b>Passenger Trips</b>                       | <b>206,198</b>     | <b>200,993</b>     | <b>190,068</b>        | <b>179,020</b>     |

Based on actual costs and transit fare revenues, the FY 2017-18 BCT Line 109 Final Close Out amounts and the proportional cost sharing amounts, payments made, and the 4<sup>th</sup> quarter amount due for El Segundo, Hermosa Beach and Manhattan Beach are listed in the table below:

| <b>City</b>            | <b>Cost Sharing Investment Percentage</b> | <b>ESTIMATED OPERATING FY 2017-18 INVESTMENT</b> | <b>FY 2017-18 Actual Annual Investments through 4<sup>th</sup> Quarter</b> | <b>FY 2017-18 Amount Paid through 3rd Quarter Billing</b> | <b>FY 2017-18 4<sup>th</sup> Quarter Billing</b> |
|------------------------|---|--|--|---|--|
| <b>Redondo Beach</b>   | 34.95%                                    | \$18,847   | \$46,026   | \$19,527.45   | <b>\$26,498.57</b>                               |
| <b>Hermosa Beach</b>   | 38.11%                                    | \$5,873  | \$8,873  | \$4,404.75  | <b>\$1,468.25</b>                                |
| <b>Manhattan Beach</b> | 10.89%                                    | \$8,655  | \$8,655  | \$6,491.25  | <b>\$2,163.75</b>                                |
| <b>El Segundo</b>      | 16.05%                                    | \$20,551   | \$20,551   | \$15,413.23   | <b>\$5,137.75</b>                                |
| <b>Total</b>           |   | <b>\$53,926</b>                                  | <b>\$81,105</b>  |   |  |