



ITEM ID: 2023-241-0

TRANSMITTAL DATE: June 2, 2023

MEETING DATE: June 9, 2023

TO: Audit and Finance Committee

FROM: Arnold Hackett, Chief Financial Officer

SUBJECT: Adoption of a Four Month Continuing Appropriations Resolution for Arrow Service

Issue

Under the terms of the Joint Exercise of Powers Agreement (JPA), the Authority is required to adopt a budget for the succeeding fiscal year no later than June 30th of each year. The San Bernardino County Transportation Authority (SBCTA) has requested that the adoption of a FY24 Budget for Arrow Service be deferred.

Recommendation

It is recommended that the Committee recommend the Board adopt a four month Continuing Appropriations Resolution for Arrow Service.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. Deferral of the FY24 Arrow Budget will allow for the gathering of actual data, producing a more accurate budget.

Background

Arrow Service began revenue service in late October of 2022. Since no historical actuals

existed, the Budget created for FY23 was based on assumption. In addition, service started approximately three months later than originally envisioned.

Discussion

At the request of SBCTA, staff recommends that Adoption of an Operating Budget for FY24, be differed for four months. This will provide the opportunity for a budget to be constructed on the actuals experienced over the past 9 months.

In order to fund the service during that period, we are requesting that a continuing resolution be approved in an amount not to exceed total of \$6,239,915. The amount is to be utilized to cover the entire four months of expense. This amount has been determined based on actuals through the month of February of FY23.

The amount of \$6,239,915 was approved by the SBCTA Transit Committee on May11, 2023.

Budget Impact

Adoption of this item will create funding for Arrow Service for the period July 1, 2023 through October 31, 2023. This amount in its entirety will be covered by SBCTA.

Next Steps

It is expected that the amount of \$6,239,915 will be approved by the SBCTA Board on June 9, 2023. A finalized Arrow Budget for FY24 will be brought to the Board not later than October 31, 2023 for review and adoption.

Prepared by: Christine J. Wilson, Senior Finance Manager

Approved by: Arnold Hackett, Chief Financial Officer