



## MEETING NOTICE & AGENDA

**DATE:** Thursday, April 21, 2016

**TIME:** 4:00 P.M.

**PLACE:** Yuba County Board of Supervisors Chambers  
Yuba County Government Center  
915 8<sup>th</sup> Street  
Marysville, California

### I. **Call to Order & Roll Call**

Cleveland, Didball (Vice-Chair), Fletcher, Griego, Samayoa (Chair), Sullenger, Whiteaker and Whitmore

### II. **Public Business from the Floor**

Members of the public may address the Authority on items of interest that are within the Authority's jurisdiction and are not on the agenda for this meeting. Public comment regarding agenda items will be permitted as each agenda item is considered by the Board.

### III. **Consent Calendar**

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff or public request specific items to be discussed or removed from the Consent Calendar for specific action.

- A. Minutes from the Meeting of March 17, 2016. (Attachment)
- B. Disbursement List for March 2016. (Attachment)
- C. Monthly Performance Report for March 2016 (Attachment)

### IV. **Reports**

- A. **Revised Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2017.** Review and discussion of the revised draft budget assumptions. (Attachment)

RECOMMENDATION: Direct staff as desired.

- B. **Reciprocal Parking Agreement Between Yuba-Sutter Transit and the Allyn Scott Youth and Community Center (ASYCC).** (Attachment)

RECOMMENDATION: Authorize the execution of the reciprocal parking agreement as proposed or amended.

**C. Administrative Staff Salary and Benefit Adjustments.** (Attachment)

RECOMMENDATION: Approve the salary and benefit adjustments as proposed effective July 1, 2016, and;

Adopt Resolution No. 7-16 to establish that Yuba-Sutter Transit will pay 0% of the normal member contributions for Classic CalPERS members effective July 1, 2016.

**D. Project & Program Updates.**

1. North Beale Transit Center Enhancement Project
2. Bogue Park & Ride Video Surveillance Project
3. Pass & Ticket Sales Outlet Commissions

**V. Correspondence/Information**

**VI. Other Business**

**VII. Adjournment**

**THE NEXT MEETING IS SCHEDULED FOR THURSDAY, MAY 19, 2016  
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

P:\YST Agenda Items\AGENDA Apr 21 16.doc

If you need assistance to attend the Yuba-Sutter Transit Board Meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, please contact the Yuba-Sutter Transit office at (530) 634-6880 or (TTY) 634-6889 at least 72 hours in advance so such aids or services can be arranged.

## AGENDA ITEM III – A

### YUBA-SUTTER TRANSIT AUTHORITY MEETING MINUTES MARCH 17, 2016

#### **I. Call to Order & Roll Call**

Director Samayoa called the meeting to order at 4:00 p.m.

Present: Cleveland, Didbal, Fletcher, Samayoa, and Whitmore

Absent: Griego, Sullenger and Whiteaker

#### **II. Public Business from the Floor**

None

#### **III. Consent Calendar**

Director Cleveland made a motion to approve the consent calendar. Director Didbal seconded the motion and it carried unanimously.

#### **IV. Reports**

##### **A. Preliminary Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2017.**

Martin stated that staff is now submitting the preliminary draft operating and capital budget for FY 2016/17 as required by the JPA by the end of March. He continued that for the current year staff is now projecting expenses around \$100,000 less than budgeted mainly due to lower than expected fuel costs which are partially off-set by higher than expected expenses elsewhere in the budget. Operating expenses are up in part due to an increase in service hours and changes in the billing and accounting procedures for staffing costs especially for the new consulting contract with the Regional Waste Management Authority (RWMA).

Director Samayoa asked which line item includes staffing costs. Martin responded that these are found under Administration Expenditures – Salaries and Wages and Fringe Benefits (Accounts #50102 and #50200) which are now projected higher than budgeted due to the changes that have been made. Martin noted that RWMA revenue is now found under Operating Revenue – Non-Transportation Revenue (Account #40709) where it shows a projected amount of \$69,000 compared to the budgeted amount of \$17,000. Martin noted that year-end revenues are projected to be lower than budgeted due to lower than expected fare receipts and a drop in State Transit Assistance (STA) funds. STA funds come from a tax on diesel fuel and lower diesel fuel prices have resulted in reduced tax receipts.

Martin continued to review the preliminary FY 2017 budget stating that it is status quo budget as no fare, service or organizational changes are being recommended at this time due to the decrease in ridership and the poor STA funding outlook. Despite this conservative approach, the

preliminary draft budget is up 3.1 percent increase over the current year budget mainly due to the extra service hours and cost increases in the third year of the Transdev Services, Inc. operating contract. He noted that the Transdev contract represents about 75 percent of the budget. Martin continued by referring to the bullet points listed in the staff report under Other Considerations. He called attention to the last bullet point regarding increasing the level of liability insurance coverage noting that a quote had just been received that would increase this expense by \$6,000 dollars for a \$4 million umbrella policy. The current policy is for \$1 million per occurrence with \$2 million aggregate coverage and Yuba-Sutter Transit has long been considered to be underinsured.

Director Fletcher commented that quoted cost for the increased coverage seems to be a good price. Director Samayoa asked if passenger fare revenue is a formula based on average fare times the number of expected passengers. Martin stated that the preliminary draft budget is based on a projection based on ridership and fare receipts to date, but that we do track every passenger by fare type.

The Board had no further questions or input on the preliminary draft FY 2017 budget.

**B. Metropolitan Transportation Improvement Plan (MTIP) Update.**

Martin stated that SACOG has issued a call to update all projects by April 1, 2016 in the current Metropolitan Transportation Improvement Plan (MTIP) because they are preparing a new 2017-2020 MTIP. Staff has attached the current and proposed five year plan of program and projects (Exhibits A and B) and the proposed and current capital improvement plan (Exhibits C and D) along with Federal funding projections through the end of the FAST Act (Exhibit E). Martin continued to state that the proposed five year plan mainly updates costs with another year added.

Director Cleveland stated that the State is looking at restructuring how carbon emission credits are going to be distributed between larger urban area and smaller urban areas and that there is a push from the League of Cities so that not just the big urban areas can qualify. He added that he would be advocating for that at the League of Cities. Director Cleveland also stated that a new study just came out stating that Yuba City has three or four designated disadvantaged areas and Martin asked Director Cleveland to forward that information.

Director Fletcher made a motion to amend the Yuba-Sutter Transit Capital Improvement Plan and Adopt the FY 2017 – FY 2021 Program of Projects as proposed. Director Cleveland seconded the motion and it carried unanimously.

**C. Procurement Policies and Procedures Manual Revisions.**

Martin noted that this item is to revise the Yuba-Sutter Transit's current Procurement Policy and Procedure Manual to bring the agency in line with that of similar agencies and the local jurisdictions consistent with Federal procurement requirements. He added that all procurements would still need to be consistent with the budget and Board direction.

Director Fletcher made a motion to adopt the Yuba-Sutter Transit Procurement Policies and Procedures Manual revisions as proposed or amended. Director Didbal seconded the motion and it carried unanimously.

## **D. Projects & Program Updates.**

### 1. Connect Card Electronic Fare Card System

Martin noted that the Connect Card will not be going live before the end of this calendar year as there have been a lot of issues with the software and hardware. The system is being developed by consultants to SACOG and the Sacramento Regional Transit District, but staff is engaged with the project on a weekly basis.

### 2. Bogue Park & Ride Video Surveillance Project

Martin stated that this project is moving forward with a pre-construction meeting with Caltrans and the contractor set for tomorrow. The contract was awarded at the last meeting and the poles have been ordered so staff is hopeful that the project will be done by the end of this fiscal year.

### 3. North Beale Transit Center Enhancement Project

Martin stated that there has been interest from some concrete contractors even though it is a small job under \$10,000. Staff hopes to bring a contract award recommendation next month.

### 4. Pass and Ticket Outlet Commission Request

While not on the agenda, Martin stated that he wanted to update the Board on a recent request for a commission from one of our two pass outlets. He noted that our passes and tickets are available at just two locations outside of the Yuba-Sutter Transit office – the Yuba College Bookstore in Linda and the Bel-Air Market customer service center in Yuba City – and no commissions are provided on those sales. Martin continued by stating that Bel-Air recently requested a 5 percent commission on all sales which is the same amount that they receive from the Sacramento Regional Transit District. Based on current pass and ticket sales figures, this figure represents about \$1,200 a month. Staff has not yet responded to this request.

Martin continued that the new Connect Card will pay a negotiated regional commission rate, but this figure has not yet been set. The Clipper Card program in the Bay Area, however, pays a 2 percent commission rate to their outlets. While staff is also leaning toward offering Bel-Air a two percent commission, Board input is now being sought as there is obviously no policy on this issue.

Director Fletcher asked if the Connect Card would be an automated system where a consumer puts in cash and gets a ticket. Martin responded that the new system will not be an unattended kiosk as there will be no place to put cash in the machine. A counter person will have to be there to process credit card and cash transactions and load product onto the electronic fare card. Director Fletcher noted that society is moving toward not receiving cash and that staff should possibly consider doing the same. Martin responded that while he agrees with that assessment, Federal Title VI or Civil Rights requirements for disadvantage communities will still require that we accept cash.

Director Samayoa asked if there will be a bank transaction fee associated with the use of the new fare cards. Martin responded that there is a small fee for each transaction and that credit card fees will also be assessed on each credit transaction.

Director Fletcher asked if staff has considered using FREED as an outlet. Martin responded that staff has considered them and others, but that we are really looking for locations that are open evenings and weekends. Director Cleveland suggested that if necessary that staff should offer up to 3 percent to maintain the Bel-Air outlet. Martin responded that based on these comments that he will start with a 2 percent offer on a month to month.

Director Fletcher asked if staff has considered Save Mart who may look at it as an opportunity rather than an expense. Martin stated that staff had contacted Save Mart in the past without success, but we will begin knocking on doors again because the game will have changed once we start offering a commission.

## **V. Correspondence/Information**

None

## **VI. Closed Session**

### **A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957. Position Title: Transit Manager**

The meeting was adjourned to closed session at 4:50 p.m. The Board returned from closed session at 5:06 p.m. and Director Samayoa announced that no reportable action had been taken in closed session.

## **VII. Adjournment**

The meeting was adjourned at 5:06 p.m.

**The next meeting of the Yuba-Sutter Transit Authority is scheduled for 4:00 p.m. on  
Thursday, April 21, 2016 in the Yuba County Board of Supervisors Chambers**

**YUBA-SUTTER TRANSIT  
DISBURSEMENT LIST  
MONTH OF MARCH 2016**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 7,045.26	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 1,432.63	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 214.25	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 37.94	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 356.60	PG&E	GAS
EFT	\$ 519.04	PG&E	ELECTRIC
EFT	\$ 2,449.45	PG&E	ELECTRIC BILL #2
EFT	\$ 140.47	ATT - SECURITY LINE	SECURITY LINE
EFT	\$ 65.00	AT&T - UVERSE	INTERNET FEBRUARY
EFT	\$ 725.05	TELEPACIFIC COMMUNICATIONS	TELEPHONE
EFT	\$ 122.43	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 250.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 121.32	ELAVON	MERCHANT SERVICE FEE - JAN
EFT	\$ 400.00	FRANCOTYP-POSTALIA, INC	POSTAGE RESET
EFT	\$ 206.26	PRIMEPAY	PAYROLL FEE
EFT	\$ 29,285.11	PAYROLL	PAYROLL
15049	\$ 192.20	ADVANCED DOCUMENT CONCEPTS	COPY MACHINE - FEBRUARY
15050	\$ 167.70	FRANCOTYP-POSTALIA, INC	POSTAGE MACHINE RENTAL
15051	\$ 946.14	QU. EST	MAINTENANCE OF BUS STOPS/SHELTERS
15052	\$ 1,100.00	R.C. JANITORIAL SERVICE	JANITORIAL SERVICES
15053	\$ 10,059.05	ROSEVELT PETROLEUM	BUS FUEL
15054	\$ 700.00	SACRAMENTO REGIONAL TRANSIT	FEBRUARY BUS PASSES
15055	\$ 59.00	SIMONE REED	REIMBURSE VISION
15056	\$ 229.14	STAPLES CREDIT PLAN	OFFICE SUPPLIES
15057	\$ 182.75	SUTTER BUTTES COMMUNICATIONS	REPLACED ANTENNA
15058	\$ 9.00	HAL GOLDFARB	FAREBOX OVERPAYMENT
15059	\$ 31.76	AT&T	FIRE LINE
15060	\$ 495.00	ALL SEASONS TREE & TURF CARE	SPRAY PEAR TREES
15061	\$ 806.25	AZCO SUPPLY, INC.	ANCHOR BOLTS FOR PARK & RIDE
15062	\$ 50.00	DALE WHITEMORE	BOARD MEETING 3/17
15063	\$ 50.00	PREET DIDBAL	BOARD MEETING 3/17
15064	\$ 182.27	QUILL CORP.	JANITORIAL SUPPLIES
15064	\$ 8.99	QUILL CORP.	OFFICE SUPPLIES
15065	\$ 50.00	RANDY FLETCHER	BOARD MEETING 3/17
15066	\$ 2,039.72	RICHALL ELECTRIC COMPANY	ELECTRICAL REPAIR SERVICE
15067	\$ 50.00	RICKY SAMAYOA	BOARD MEETING 3/17
15068	\$ 10,711.34	ROSEVELT PETROLEUM	BUS FUEL
15069	\$ 11,421.47	SC FUELS	BUS FUEL
15070	\$ 40.00	SHELBY'S PEST CONTROL	PEST CONTROL
15071	\$ 50.00	STANLEY CLEVELAND	BOARD MEETING 3/17
15072	\$ 421.68	STANLEY SECURITY SOLUTIONS, INC.	SECURITY SERVICES
15073	\$ 7,348.50	SUTTER BUTTES COMMUNICATIONS	SERVICE AGREEMENT & REPEATER FEE
15074	\$ 381.63	U.S. BANK EQUIPMENT FINANCE	COPIER LEASE
15075	\$ 566.19	CARDMEMBER SERVICE	CREDIT CARD PAYMENT
	<b>\$ 91,720.59</b>		

**LAIF  
TRANSFERS**

NO LAIF TRANSFERS

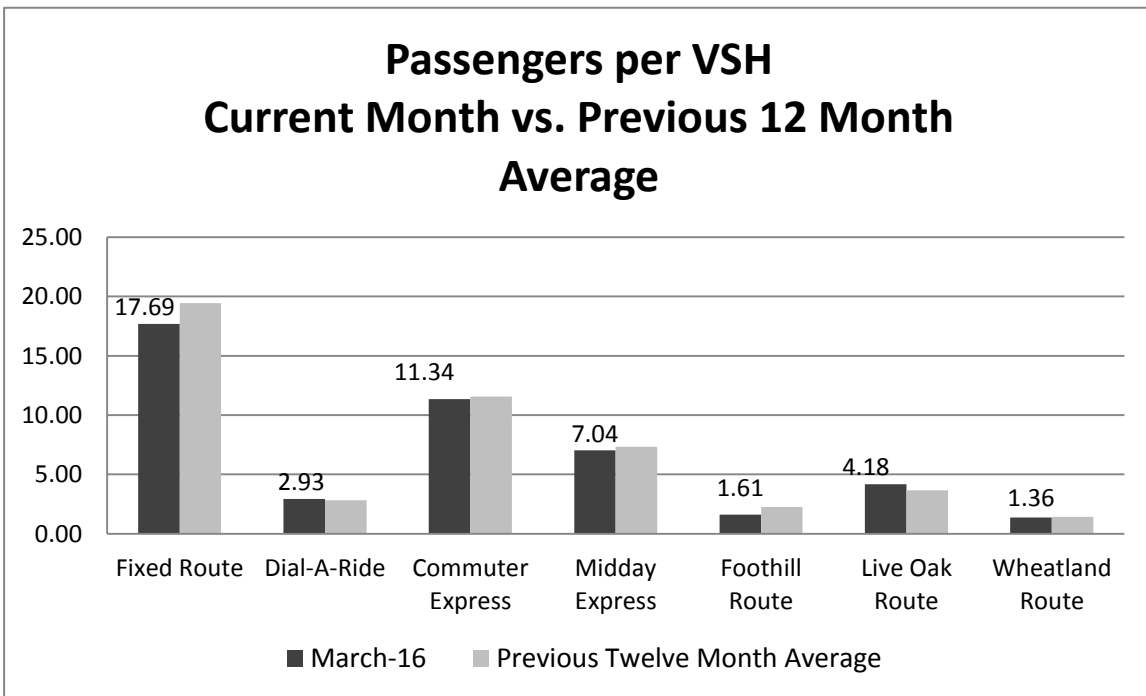
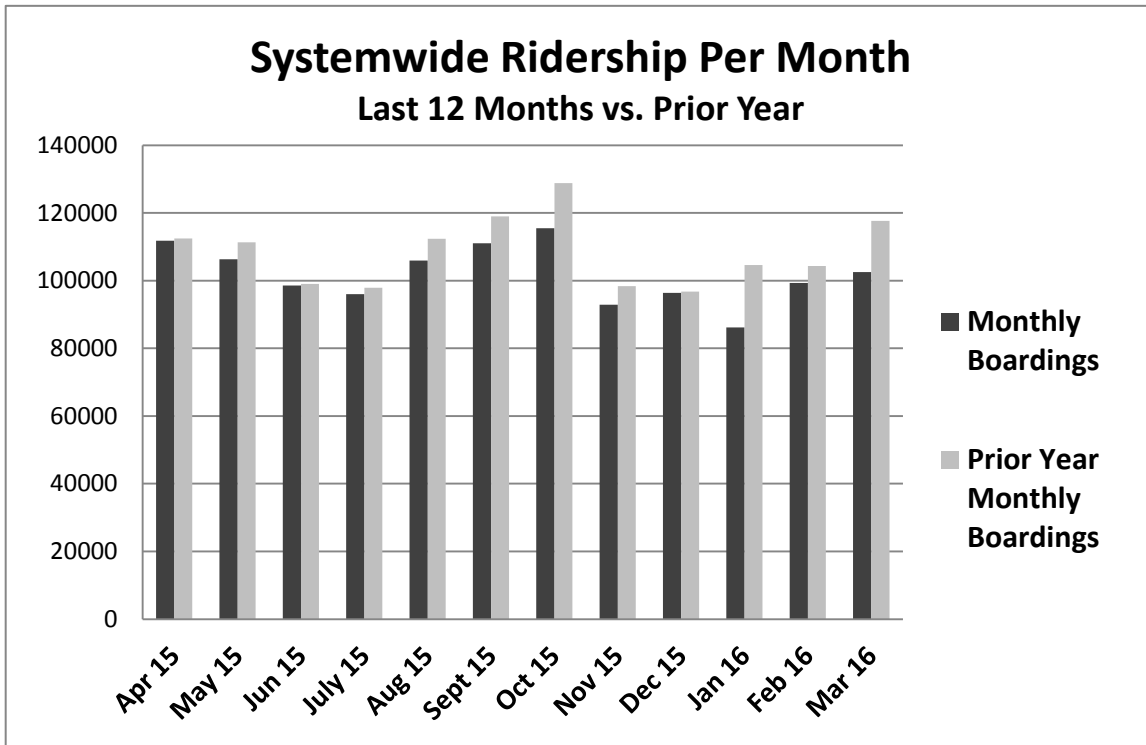
## AGENDA ITEM III - C

### MARCH 2016 PERFORMANCE REPORT

<b>Ridership:</b>	<b>March-16</b>	<b>Previous Twelve Month Average</b>	<b>Fiscal YTD</b>	<b>Previous Fiscal YTD</b>
Fixed Route	82,839	84,463	738,743	807,289
Dial-A-Ride	6,517	5,900	53,140	52,024
Commuter Express	11,537	11,127	99,136	104,458
Midday Express	1,147	1,195	10,372	12,195
Foothill Route	156	190	1,686	2,055
Live Oak Route	323	232	2,431	1,518
Wheatland Route	66	44	472	312
<b>Total Ridership:</b>	<b>102,585</b>	<b>103,151</b>	<b>905,980</b>	<b>979,851</b>
<b>Vehicle Service Hours:</b>				
Fixed Route	4,683.92	4,342.19	39,099.34	38,328.67
Dial-A-Ride	2,228.01	2,082.21	18,688.19	18,466.37
Commuter Express	1,016.95	962.11	8,696.13	8,484.11
Midday Express	162.86	162.96	1,428.00	1,497.51
Foothill Route	96.88	84.44	768.89	763.03
Live Oak Route	77.26	63.22	663.14	381.95
Wheatland Route	48.68	31.27	322.33	229.69
<b>Total VSH's:</b>	<b>8,314.56</b>	<b>7,728.40</b>	<b>69,666.02</b>	<b>68,151.33</b>
<b>Passengers Per Hour:</b>				
Fixed Route	17.69	19.45	18.89	21.06
Dial-A-Ride	2.93	2.83	2.84	2.82
Commuter Express	11.34	11.57	11.40	12.31
Midday Express	7.04	7.33	7.26	8.14
Foothill Route	1.61	2.25	2.19	2.69
Live Oak Route	4.18	3.67	3.67	3.97
Wheatland Route	1.36	1.42	1.46	1.36
<b>Total Passengers Per VSH:</b>	<b>12.34</b>	<b>13.35</b>	<b>13.00</b>	<b>14.38</b>



## MARCH 2016 PERFORMANCE REPORT



AGENDA ITEM IV – A  
STAFF REPORT

**REVISED DRAFT YUBA-SUTTER TRANSIT  
OPERATING AND CAPITAL BUDGET FOR FY 2017**

**Summary**

Attached for Board review and discussion is the revised draft Yuba-Sutter Transit operating and capital budget for FY 2017 which includes a detailed description of each revenue and expense account. Operating expenses are estimated at just over \$6.9 million for FY 2017 and the capital program is estimated at just over \$5.2 million with both fully funded. The revised draft budget has increased over the preliminary draft version that was presented at the March 17<sup>th</sup> meeting with operating expenses up \$60,200 and capital expenses up \$134,300.

Based on any comments received at this meeting and any further revisions that may be necessary due to changes in conditions or assumptions, a final draft version of the budget will be presented for approval consideration at the May 19<sup>th</sup> meeting. The Yuba Sutter Transit Authority Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule is designed to provide early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

**Current Year (FY 2016) Budget Projections**

Projected year-end operating expenses for FY 2016 are now expected to be \$183,000 (2.7 percent) below the amount budgeted largely due to much lower than anticipated year-to-date diesel fuel prices. While fuel expenses are now expected to be \$328,000 (40 percent) less than budgeted, this savings is partially off-set by higher than budgeted expenditures for maintenance services and operating materials/supplies (up a combined \$66,000); contract operating expenses (up \$53,000); and, administrative staffing expenses (up \$55,200). The increase in contract expenses is due to the operation of 1,000 (1 percent) more vehicle service hours than budgeted. The increase in staffing expenses is due primarily to changes in accounting and billing procedures particularly under the July 2015 consultant agreement with the Regional Waste Management Authority (RWMA) with these expenses now being off-set by revenues that were not previously recognized in the FY 2016 budget.

The major positive expense factor continues to be much lower than expected price of fuel which has by far been the most volatile line item over the years. The year-to-date average price for diesel fuel is now \$1.72 per gallon compared to a budget of just over \$3.00 per gallon. Fuel prices have been well below the year-to-date average since October 2015 so the year-to-date average is not likely to increase through the end of the

fiscal year. As a result, the currently estimated year-end savings is likely to increase still further in the final draft budget unless fuel prices suddenly spike upward.

On the revenue side, projected fare receipts are projected lower than budgeted for FY 2016 (down \$49,000) due to decreased ridership while the previously unrecognized RWMA payments and other miscellaneous reimbursements are expected to help backfill this shortfall. While not expected to impact the operating budget in FY 2016, a broader revenue issue that will be discussed further in relation to the FY 2017 budget is the drop in State Transit Assistance (STA) revenue collections. STA revenue is derived from a sales tax on diesel fuel and reduced receipts well below projected levels will likely impact future operating and capital funding plans.

### **FY 2017 Budget Estimates**

The revised draft operating budget is essentially a status quo document as staff is not recommending any service, fare or organizational changes for FY 2017 due to the uncertainty of several factors most notably the current negative ridership trend and the current STA funding outlook. Despite this conservative approach, the revised draft operating budget of \$6,901,600 represents an increase of 4.0 percent (\$264,500) over the adopted FY 2016 budget and an increase of 6.9 percent (\$447,500) over the projected year end figure.

Much of this increase is due to higher costs in the third year of the Transdev Services, Inc. contract and an allowance for the higher number of vehicle service hours to reflect the number now being operated for a budgeted total of 93,000 hours for FY 2017. The current three year contract will expire on September 30, 2017, but two indexed one year extension options will be available at the sole discretion of Yuba-Sutter Transit. For some perspective, all of the expenses related to the service contract combine to represent 75 percent of the revised draft FY 2017 operating budget. The next largest expense (10 percent) is for diesel fuel which has been the major budget variable in recent years with wild swings in both directions and much of the budgeted increase over the FY 2016 year-end projection is due to continued fuel price uncertainty for FY 2017.

The most significant revenue assumptions in the revised draft operating budget include the expected stabilization of ridership, the resulting impact on fare revenue and the relative distribution between operating and capital uses for a significantly lower level of STA funding. Based on these and other assumptions, the amount of the Local Transportation Fund (LTF) contributions from the member jurisdictions is expected to increase by 6.9 percent (\$161,800) over the budgeted amount for FY 2016 to \$2,497,900. The revised draft budget includes a similar level of Federal funding for operations compared to FY 2016 though from a reduced number of sources.

The revised draft capital budget of \$5,210,000 for FY 2017 includes the much needed replacement of seven commuter buses and a number of smaller capital projects. These smaller projects include long delayed accessibility improvements on North Beale Road that are being funded by three Federal New Freedom grants in coordination with Yuba

County; bus stop enhancements being funded from the State Low Carbon Transit Operations Program; and, facility security improvements and system technology upgrades being funded through the State Proposition 1B Transit Safety and Security Grant bond program.

### **Other Considerations**

In addition to the above, the revised draft FY 2017 budget includes several other significant expense and revenue assumptions for consideration:

- No major SRTP related service, program or policy recommendations are expected to be implemented until FY 2018. This approach delays consideration of any extension of local service later in the evening. Separate from the budget process, the plan to provide special service for Yuba College's Sutter County Center has been delayed indefinitely as the college has tabled the proposed student election for a universal transit fee without offering an alternative.
- No fare increases are included in the revised draft budget as it assumes a farebox recovery ratio of 20.6 percent (compared to a 20 percent goal and a minimum requirement of 14.6 percent).
- The continued use of Federal transit funding at the near maximum amount of up to 50 percent of eligible operating expenses.
- Winter 2016/2017 implementation of the Connect Card regional fare card system. The financial and operational impacts of the new system are assumed to be revenue neutral, but with several significant fare policy changes and unknown administrative costs, the actual impact will not be known until we have fully transitioned to the new system presumably by the end of 2017.
- Continued funding from the Feather River Air Quality Management District (FRAQMD) for the deeply discounted monthly youth, senior and disabled discount pass program at a level similar to what is being provided for 2016. The current program will expire on December 31, 2016 without additional funding and higher pass rates would likely have a significant impact on both ridership and fare revenue.
- Temporarily slowing the accumulation of the necessary local funds to match and augment expected State and Federal grants for planned bus replacement and minor fleet expansion projects in FY 2018 and FY 2019 due to reduced STA funding projections and to minimize the level of LTF funding required from the member jurisdictions in FY 2017.
- Due to STA funding for FY 2016 and FY 2017 being dramatically less than what was available in previous years, Yuba-Sutter Transit and the City of Wheatland will need to address a projected deficit by the end of FY 2017 for services

provided. The City of Live Oak is expected to be facing an STA revenue deficit itself in FY 2018.

**Recommendation**

The annual Yuba-Sutter Transit budget continues to be a work in progress that will be reviewed and revised as necessary right up to its scheduled adoption on May 19<sup>th</sup>. Because it is essentially a status quo budget, staff is not recommending a special budget workshop this year. For this reason, it is especially important that the Board provide feedback and direction at the April meeting so the final draft version can adequately reflect that input. Of course, if further discussion is deemed necessary, a special meeting could be scheduled if so desired.

Staff will be prepared at the meeting to discuss the above issues as well as the revised draft budget in as much detail as desired.

RECOMMENDATION: Direct staff as desired.

Attachment: Revised Draft Operating and Capital Budget for FY 2017  
Revised Draft FY 2017 Budget Assumptions

P:\yst agenda items\Revised Draft Budget Item IV-A 4-16.doc

**YUBA-SUTTER TRANSIT AUTHORITY  
REVISED DRAFT FY 2016/2017 OPERATING BUDGET**

PREPARED APRIL 13, 2016

	FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
Operations Expenditures							
010.50300	Services - Other Maintenance	85,000	90,275	100,000	96,857	100,000	120,000
010.50401	Fuel and Lubricants	945,000	929,819	937,300	715,212	828,000	697,500
010.50402	Tires and Tubes	54,000	52,824	54,600	58,431	64,400	68,000
010.50499	Other Materials and Supplies Consumed	60,000	58,851	60,000	149,188	70,000	120,000
010.50500	Utilities - Electric and Gas	48,000	44,751	48,000	42,568	48,000	48,000
010.50501	Utilities - Water and Sewer	4,500	4,793	5,200	5,211	5,500	5,500
010.50600	Casualty and Liability Costs - Operations	243,400	242,546	262,000	258,882	268,600	277,000
010.50800	Services - Contract Operations	4,345,500	4,366,798	4,490,000	4,448,164	4,647,000	4,855,500
010.50801	Services - Out of Contract	12,500	12,639	12,500	9,200	12,500	12,000
	Subtotal - Operations	\$5,797,900	\$5,803,296	\$5,969,600	\$5,783,713	\$6,044,000	\$6,203,500
Administration Expenditures							
160.50102	Salaries and Wages - Admin. Staff	237,600	256,745	255,000	266,865	278,000	355,000
160.50200	Fringe Benefits - Admin. Staff	112,000	114,756	120,000	118,942	150,000	165,000
160.50301	Services - Accounting	3,000	1,470	2,000	1,407	2,000	2,300
160.50302	Services - Legal	12,000	8,040	12,000	10,582	12,000	12,000
160.50303	Services - Printing and Copying	30,000	32,540	35,000	31,944	35,000	40,000
160.50309	Services - Miscellaneous Professional	20,000	8,784	106,000	104,373	20,000	20,000
160.50499	Materials and Supplies - Office & Postage	10,000	10,585	11,000	14,262	15,000	15,000
160.50502	Utilities - Telephone & Internet	4,500	3,447	7,500	7,126	9,000	11,300
160.50900	Miscellaneous Expense - Insurance and Bond	30,000	20,033	30,000	25,260	33,000	33,000
160.50901	Miscellaneous Expense - Dues & Subscriptions	3,500	3,034	3,500	4,815	4,800	6,000
160.50902	Miscellaneous Expense - Travel and Meetings	4,000	3,751	6,000	5,585	6,000	7,000
160.50903	Miscellaneous Expense - Board of Directors	5,000	4,350	5,000	3,550	4,800	4,800
160.50904	Miscellaneous Expense - Media Adv. and Promo.	20,000	8,161	15,000	18,580	20,000	20,000
160.50909	Miscellaneous Expense - Other	1,000	4,884	1,000	1,653	3,500	5,000
	Subtotal - Administration	\$492,600	\$480,580	\$609,000	\$614,944	\$593,100	\$698,100
	Total Expenditures	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,901,600

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted Budget	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
Operating Revenue								
40100	Passenger Fares	1,365,000	1,404,948	1,375,000	1,424,757	1,430,000	1,380,000	1,400,000
40200	Special Transit Fares	35,000	33,908	35,500	21,922	20,000	21,000	20,000
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	30,000	28,910	25,000	28,398	25,000	28,000	28,000
40700	Non-Transportation Revenue (Interest)	3,000	1,470	2,000	1,060	1,000	1,000	1,000
40709	Non-Transportation Revenue (RWMA, Misc.)	10,000	12,052	10,000	9,571	17,000	69,000	66,000
40900	Local Transportation Funds (LTF)	1,920,700	1,887,951	1,837,100	1,716,203	2,336,100	2,101,000	2,497,900
40901	Local Cash Grants/Reimbursements	0	0	0	0	0	20,700	23,400
41100	State Transit Assistance Funds (STA)	576,800	506,919	809,000	810,746	480,000	480,000	488,900
41109	State Cash Grants/Reimbursements	0	0	0	0	0	26,400	26,400
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	200,000	200,000	200,000	200,000	228,000	228,000	250,000
41309	Job Access Grant - FTA Sect. 5316 (JARC)	150,000	207,718	200,000	101,000	100,000	99,000	0
41310	Rural/Small Urban Planning Grant - FTA Sect. 5304 (SRTP)	0	0	85,000	85,000	0	0	0
	Total Operating Revenue	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,454,100	\$6,901,600

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Adopted Budget	FY 2015/2016 Projected	FY 2016/2017 Preliminary Draft
	Deferred TDA Revenues, July 1	\$1,518,384	\$1,482,452	\$1,024,836	\$1,011,353	\$1,383,042	\$1,358,293	\$1,792,793
	LTF Revenues Received	1,920,700	1,920,700	1,837,100	1,823,274	2,336,100	2,336,100	2,497,900
	STA Revenues Received	948,800	878,920	909,000	1,050,615	932,162	700,000	760,000
	LTF Revenues Allocated - Operating	(1,920,700)	(1,887,951)	(1,837,100)	(1,716,203)	(2,336,100)	(2,101,000)	(2,497,900)
	STA Revenues Allocated - Operating	(576,800)	(506,919)	(809,000)	(810,746)	(480,000)	(480,000)	(488,900)
	LTF Revenues Allocated For Local Capital Outlays	0	0	0	0	0	0	0
	STA Revenues Allocated For Local Capital Outlays	(961,505)	(883,780)	(100,000)	0	(100,000)	(20,600)	(100,000)
	Prior Period Audit Adjustments (As Necessary)	0	7,931	0	0	0	0	0
	Deferred TDA Revenues, June 30*	\$928,879	\$1,011,353	\$1,024,836	\$1,358,293	\$1,735,204	\$1,792,793	\$1,963,893
	Local Transportation Funds (LTF)	928,338	1,008,557	1,024,626	1,115,628	1,164,777	1,350,728	1,350,728
	State Transit Assistance Funds (STA)	541	2,796	210	242,665	570,427	442,065	613,165

Deferred STA Detail								
	Yuba-Sutter Transit Portion		\$13,137		\$113,137	\$459,730	\$356,343	\$569,070
	City of Live Oak Portion		(9,168)		107,276	90,686	78,132	44,095
	City of Wheatland Portion		(1,173)		22,252	20,011	7,590	0
	Total Deferred STA Revenue		\$2,796		\$242,665	\$570,427	\$442,065	\$613,165

**YUBA-SUTTER TRANSIT AUTHORITY  
REVISED DRAFT CAPITAL BUDGET  
FY 2016/2017**

**PREPARED APRIL 13, 2016**

	<b>FY 2014/2015 BUDGET</b>	<b>FY 2014/2015 AUDITED</b>	<b>FY 2015/2016 BUDGET</b>	<b>FY 2015/2016 PROJECTED</b>	<b>FY 2016/2017 PRELIMINARY DRAFT BUDGET</b>
<b><u>EXPENDITURES</u></b>					
Maintenance and Operations Facility (1)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vehicle Purchase/Replacement (2)	0	0	4,375,000	0	4,425,000
Miscellaneous Capital (3)	<u>464,000</u>	<u>11,230</u>	<u>580,600</u>	<u>345,600</u>	<u>785,000</u>
	\$ 464,000	\$ 11,230	\$ 4,955,600	\$ 345,600	\$ 5,210,000
<b><u>REVENUES</u></b>					
Federal (5307/5339, 5310, 5311 & 5317)	\$ 286,000	\$ 0	\$ 1,271,513	\$ 0	\$ 1,271,513
Federal State of Good Repair (5309)	0	0	0	0	0
Transportation Development Act (Local)	100,000	0	100,000	20,600	100,000
Low Carbon Transit Operations Program	0	0	60,300	60,300	180,400
Vehicle Emission Fees (FRAQMD)	0	0	0	0	0
Other Local	0	0	0	0	0
Proposition 1B (PTMISEA/Safety)	<u>78,000</u>	<u>11,230</u>	<u>3,523,787</u>	<u>264,700</u>	<u>3,658,087</u>
	\$ 464,000	\$ 11,230	\$ 4,955,600	\$ 345,600	\$ 5,210,000

Notes:

1. No facility projects are planned for FY 2017. The last major facility project was the remodel and expansion of the facility that was completed in FY 2012.
2. The listed vehicle projects for FY 2017 include the replacement of the seven 2006/2007 model Blue Bird commuter buses (PTMISEA – \$3,389,487 / Section 5311 – \$526,573 / Section 5339 – \$458,940) along with the replacement of a 1996 model accessible minivan that has been used for road supervision (STA -- \$50,000). The last major vehicle projects were the purchases of six demand response/rural route buses and eleven heavy duty local fixed route buses that were both completed in FY 2014.
3. Planned miscellaneous capital expenditures for FY 2017 include an allowance for facility and office equipment & furnishings (STA – \$50,000); North Beale Road accessibility improvements funded by three Federal New Freedom (Section 5317) grants in the combined amount of \$286,000; a State Proposition 1B Transit Safety and Security Grant funded facility security and Phase I of the system technology upgrade project (\$134,300); Phase II of the system technology upgrade project (\$134,300); and, the 2016 State Low Carbon Transit Operations Program (LCTP) funded bus stop enhancement project (\$180,400). The North Beale Road project has been in the budget for several years, but is now expected to be completed in FY 2017 as part of a complex Yuba County project. Projected FY 2016 expenses include completion of the Park & Ride Lot Video Surveillance Project (\$68,400); close-out of an earlier mobile video surveillance project (\$62,000); a mobile video retrofit project (\$134,300); and, the North Beale Road Transit Center (LCTOP – \$60,300 from 2015). All of the video surveillance projects are financed primarily (except for \$20,600 in STA funds) with State Proposition 1B Transit Safety and Security Funds from previous years.



**YUBA-SUTTER TRANSIT  
FY 2016/2017 OPERATING & CAPITAL BUDGET ASSUMPTIONS  
PREPARED APRIL 13, 2016**

**OPERATIONS EXPENDITURES**

**Services – Other Maintenance (Acct. #010.50300)**

This account is available to fund a variety of outside maintenance and operations related services. These services include radio maintenance and repeater contracts; CHP inspection certificates; minor facility repairs and services; landscape maintenance; janitorial expenses; bus stop shelter and sign maintenance, repairs and relocations; mechanical warranties; and, storm water/pollution prevention related planning, permitting, monitoring and reporting expenditures. This account also includes an allowance for the labor portion of major mechanical repairs based on current year experience as well as for the labor portion of Proposition 1B Safety & Security funded project expenditures below the capitalization threshold.

**Fuel & Lubricants (Acct. #010.50401)**

This account is based on the operation of 93,000 vehicle service hours (VSH) in FY 2017 at a budgeted average cost of \$7.50 per VSH. While this figure is much higher than the \$5.38 that is now being projected for FY 2016, it is less than the audited \$7.81 figure for FY 2015 which is just one indicator of how volatile this account can be from year to year. The budgeted FY 2017 figure is equivalent to the consumption of approximately 275,700 gallons of off-road (red-dye) diesel fuel at a net average price of about \$2.53 per gallon including diesel emission additives and applicable fuel taxes.

The projected FY 2016 year-end fuel expense figure is equivalent to \$5.38 per VSH which is the lowest since FY 2005 (\$4.30 per VSH) which is another example of what a unique year this has been. Despite the relatively low price now being experienced, the budgeted figure for FY 2017 is still relatively aggressive when compared to recent three year period of FY 2012 – FY 2014 when the audited cost averaged \$10.14 per VSH. Due to the historic volatility of fuel prices and because fuel expenses account for 10.1 percent of the proposed budget, this account will always be the greatest expenditure risk each year.

**Tires & Tubes (Acct. #010.50402)**

This account is based on past experience adjusted for an increase in tire prices during the fiscal year using an allowance of approximately \$0.73 per vehicle service hour (VSH) for FY 2017. In addition to changes in tire prices, this figure can vary significantly from year to year depending on if and when vehicles are replaced. The last new buses were delivered in early 2014.

**Other Materials & Supplies Consumed (Acct. #010.50499)**

This account is available to fund miscellaneous maintenance and operations materials and supplies such as the purchase of replacement vehicle components and non-capital maintenance equipment as necessary. The amount budgeted is based on recent expenditure levels with an allowance for major unforeseen expenses during the fiscal year as well as for non-labor Proposition 1B Safety & Security funded project expenditures below the capitalization threshold. Of particular concern are the repair and replacement costs for major components (engines, transmissions and differentials) on older buses that are nearing the end of their life cycle.

**Utilities – Electric & Gas (Acct. #010.50500)**

Based on projected year-end expenditures for FY 2016.

**Utilities – Water & Sewer (Acct. #010.50501)**

Based on the projected year-end expenditures for FY 2016 assuming an increase in FY 2017.

**Casualty & Liability Costs – Operations (Acct. # 010.50600)**

This account is based on the current fleet of 51 revenue vehicles and the vehicle insurance rates that are provided in the current operating contract with Transdev Services, Inc.

**Services – Contract Operations (Acct. #010.50800)**

This figure is based on the current operating contract assuming the operation of 93,000 annual VSH for FY 2017 – unchanged from the figure that is now projected for the current year.

**Services – Out of Contract (Acct. #010.50801)**

This account is available for the provision of out-of-contract service hours for special events and community services that are provided in partnership with a wide variety of community groups and organizations consistent with the applicable service procedures.

**ADMINISTRATIVE EXPENDITURES**

**Salaries & Wages – Administrative Staff (Acct. #160.50102)**

The budgeted amount is based on an estimated total salary figure for the four administrative staff including an allowance of \$5,000 for temporary office staff to assist with the start-up of the Connect Card electronic fare card system. This amount assumes no cost of living adjustment (COLA) for FY 2017. It does include any available step increases and longevity adjustments; an allowance for the pay out of a portion of accrued annual leave; and, a required accounting adjustment for accrued compensated absences. This figure also assumes approval of the

proposed 7.53 percent salary schedule increase in exchange for the elimination of Employer Paid Member Contributions (EPMC) for Classic PERS covered employees which will be discussed later on this same agenda.

The projected increase in FY 2016 over the amount budgeted is due primarily to the July 2015 Consultant Agreement with the Regional Waste Management Authority and the aforementioned accounting adjustment for accrued compensated absences.

**Fringe Benefits – Administrative Staff (Acct. #160.50200)**

Fringe benefits represent an estimated 46 percent of salary expenditures for FY 2017 which, despite increased health and retirement expenses and the reclassification of Worker's Compensation insurance to Fringe Benefits, is still a significant reduction from the projected 53 percent figure for FY 2016 due primarily to the proposed elimination of EPMC for Classic PERS covered employees.

**Services – Accounting (Acct. #160.50301)**

Based on past expenditures including payroll and miscellaneous accounting services.

**Services – Legal (Acct. #160.50302)**

An allowance for outside legal services based on recent expenditures with an allowance for unforeseen future legal services.

**Services – Printing & Copying (Acct. #160.50303)**

This account is for the lease and operating expenses for two office copiers as well as for the outside printing of tickets/passes, brochures and other miscellaneous materials based on projected expenses for FY 2016 with an allowance for all new passenger information materials related to the implementation of the new Connect Card electronic fare system in FY 2017.

**Services – Miscellaneous Professional (Acct. #160.50309)**

This account is for miscellaneous professional services such as computer support services, graphic design work and other administrative support services.

**Materials & Supplies – Office & Postage (Acct. #160.50499)**

This account is for supplies, postage and express mail expenses based on past expenditures with an allowance for increased costs associated with implementation of the Connect Card system.

**Utilities – Telephone & Internet (Acct. #160.50502)**

This account is based on projected year-end expenditures for FY 2016 assuming some increase for a long-needed Internet upgrade in FY 2017.

**Miscellaneous Expense – Insurance & Bond (Acct. #160.50900)**

This account is based on past experience with an allowance for increased coverage limits for the existing liability insurance policy which will be partially off-set by the aforementioned reclassification of Worker’s Compensation insurance expenses to Fringe Benefits.

**Miscellaneous Expense – Dues & Subscriptions (Acct. #160.50901)**

This account is based on past expenditures with an allowance for a new membership in the Small Urban Network of the Community Transportation Association of America (CTAA). Current memberships include the California Transit Association, the California Association for Coordinated Transportation (CalACT) and the Association of Government Accountants (AGA). Paid subscriptions include Passenger Transport, the weekly publication from the American Public Transportation Association (APTA), and Transit Access Report, a weekly digest related to compliance with the Americans with Disabilities Act (ADA).

**Miscellaneous Expense – Travel & Meetings (Acct. #160.50902)**

This account is available to fund travel, lodging and meeting expenses on an as needed basis for Yuba-Sutter Transit staff and board. The budgeted amount is based on past expenditures and expected future staff travel and training expenses allowing for an increase in FY 2017 in part due to training needs related to the recent reauthorization of the Federal surface transportation act.

**Miscellaneous Expense – Board of Directors (Acct. #160.50903)**

This account is based on an average of 12 meetings a year for each member. Current policy limits compensation to a maximum of 20 meetings per member each fiscal year.

**Miscellaneous Expense – Media Advertising & Promotion (Acct. #160.50904)**

This account is an allowance for a wide range of marketing and promotional expenses including specialized point of use passenger informational materials for bus stop shelters and information panels; special event promotional pieces; telephone directory advertising; and, other marketing opportunities. FY 2016 is experiencing lower than budgeted marketing expenses due in part to delayed implementation of the new Connect Card system, but marketing activities have always been constrained at Yuba-Sutter Transit. For comparison, marketing expenses are typically 1 – 2 percent of the operating budget at similarly sized systems which would represent a budget of at least \$70,000 or more annually for Yuba-Sutter Transit.

**Miscellaneous Expense – Other (Acct. #160.50909)**

This account is an allowance for miscellaneous expenses such as banking fees, check charges and otherwise undesignated expenses. It has been increased for FY 2017 due to credit/debit card merchant account fees and new annual CalPERS report expenses to comply with new accounting requirements.

**OPERATING REVENUES**

**Passenger Fares (Acct. #40100)**

With no major service changes or fare increases, the budget assumes only a minimal increase in total passenger fare revenue in FY 2017 over the projected amount for FY 2016 (including Special Transit Fares). This assumption is being made despite the recent decline in ridership as staff is optimistic that the impact of the September 2015 service and fare policy changes will stabilize and begin to reverse in FY 2017.

**Special Transit Fares (Acct. #40200)**

This account is based on current year revenue projections for direct fare payments by Yuba County Employment Services, Yuba County Child Protective Services (CPS) and other miscellaneous special transit service revenues which are deducted from the systemwide fare revenue projection.

**Auxiliary Transportation Revenue – Advertising (Acct. #40600)**

This account is for bus exterior, bus stop shelter and bus stop bench advertising program revenues. This figure is based on the projected year end figure for FY 2016 which is consistent with past years. A total of 28 advertising bus stop shelters and 69 advertising bus stop benches are installed throughout the service area and exterior ads are available on 34 of 51 revenue vehicles. The current advertising contract expires on February 28, 2017, but the vendor has stated that they want to continue the relationship beyond this date. Staff will be bringing this issue back to the Board for discussion and direction in the fall.

**Non-Transportation Revenue – Interest (Acct. #40700)**

This account represents the estimated interest earnings for FY 2017 and it reflects the reduction in recent years of both interest rates and available cash following the completion of several major projects and the continued delay in receiving Federal funding reimbursements during the year. Interest is derived from the investment of operating and capital reserves that are available for cash flow, contingencies and future capital expenditures such as fleet replacement/expansion and the repair or replacement of major facility items.

### **Non-Transportation Revenue – FRAQMD, RWMA & Miscellaneous (Acct. #40709)**

This account includes receipts from the Consulting Agreement with the Regional Waste Management Authority (\$65,000) and miscellaneous income from photo I.D. fees, bike locker rentals, special grants and surplus property sales. For FY 2017, this account assumes the Board approved waiver of all I.D. fees (approximately \$3,000 annually) to encourage conversion to the new Connect Card system.

### **Local Transportation Funds (Acct. #40900)**

The allocation of Local Transportation Fund (LTF) revenues is based on the amount required to balance the budget after all other revenues are calculated. With a 4.0 percent increase in budgeted operating costs, the proposed LTF allocation for FY 2017 is up 6.9 percent (\$161,800) over FY 2016 due to much less State Transit Assistance (STA) funds being available and essentially no change in the amount of Federal funds being dedicated to operating support. Staff has repeatedly noted in recent years that higher LTF apportionments would be necessary starting in FY 2016 just to maintain the existing system and this trend will continue into the foreseeable future. Despite the proposed increase, the FY 2017 LTF figure would be just 22 percent more than it was in FY 2007 when the operating budget was just 58 percent of what it is now ten years later.

For the current year (FY 2016), the \$235,100 difference between the amount of LTF revenue budgeted and the amount now projected is due primarily to much lower than anticipated fuel costs partially offset by higher than expected operating expenses in a variety of other categories. This surplus will be added to Yuba-Sutter Transit's cash reserve at year-end. This reserve is shown at the bottom of the operating budget as deferred TDA revenue and broken out for both LTF and STA with the latter broken out in more detail to include the restricted amounts for Live Oak and Wheatland. Yuba-Sutter Transit's STA reserves are typically used for capital purposes while LTF reserves constitute Yuba-Sutter Transit's contingency and cash flow fund. The LTF reserve is budgeted at 19.6 percent of total operating expenditures for FY 2017. In addition to providing a contingency fund for unforeseen expenses or wildly escalating fuel prices, an adequate cash reserve is essential due to the high level of Federal funding that is still being used for operations (34.1 percent of all budgeted revenue) since most of these funds are not received until near the end of the fiscal year or even beyond.

### **Local Cash Grants/Reimbursements (Acct. #40901)**

This account is available for local contract service payments and other contributions for services or programs. For FY 2016 and FY 2017, this account includes grants from the Feather River Air Quality Management District (FRAQMD) toward the expansion of the Live Oak Route from three to five days a week effective July 2015 and reimbursements from Mercy Housing for the expansion of the Wheatland Route from three to five days a week effective December 2015.

### **State Transit Assistance (STA) Funds (Acct. #41100)**

State Transit Assistance (STA) revenue is the often threatened single source of on-going State transit funding which has historically been the primary source of local matching funds for Federal capital grants. In just the last seven years, STA funding has been eliminated once, restored once and significantly reworked twice. STA funding is now tied to a sales tax on diesel fuel and is generally available with only minimal restrictions for operating or capital purposes. The amount of STA funding available, however, has recently dropped significantly with FY 2016 receipts coming in about 24 percent below the original allocation and FY 2017 projections are only slightly higher. Despite this reduction, to minimize the impact on the local jurisdictions in FY 2017, staff is recommending only a slight increase in the amount of STA funding for operating expenses from FY 2016 to FY 2017. As a result, a much greater share of STA funds in future years will need to be reserved for capital matching funds for the long-planned fleet replacement projects in FY 2019 and FY 2020.

It should be noted that the \$488,900 in STA funding that is being budgeted for operating expenses includes a total of \$88,900 in STA funding from Live Oak (\$67,500) and Wheatland (\$21,400) for the operation of the contract services that Yuba-Sutter Transit provides to these non-member jurisdictions. Due to the reduced amount of STA funds available in FY 2016 and FY 2017, the accumulated reserve balances for both Live Oak and Wheatland are being drained much faster than expected following the expansion of both services in 2015. Most significantly, Wheatland's reserve balance of STA funding will be exhausted by the end of FY 2017 which will require some combination of service reductions, fare increases or increased funding from other sources by July 2017.

### **State Cash Grants/Reimbursements (Acct. #41109)**

This account is available for the receipt or accrual of payments for Proposition 1B Safety & Security funded project expenditures below the capitalization threshold.

### **Federal General Operating Assistance – FTA Section 5307 (Acct. #41300)**

This account is for Federal operating assistance that is provided to transit systems in small urban areas through what is now known as the Fixing America's Surface Transportation (FAST) Act. Signed December 4, 2015, the FY 2016 allocation of Section 5307 funding to Yuba-Sutter Transit from the FAST Act was up 1.9 percent over the amount that was available for FY 2015 and staff is assuming another 2.0 percent increase for FY 2017 to approximately \$2.4 million for operating or capital purposes.

These flexible Federal funds have historically been a significant source of capital funding for Yuba-Sutter Transit, but the 2006 passage of the Proposition 1B State Bond Program and the 2009 transfer of approximately \$1.9 million in Federal transit stimulus capital funds from Yuba-Sutter Transit to the Davis urbanized area allowed a greater use of these funds for operations as Yuba-Sutter Transit received a like amount of Section 5307 funds. This transfer, combined with the Proposition 1B funds and several major discretionary grants from other sources have allowed

Yuba-Sutter Transit to program a much higher level of Federal funding for operations than was programmed for this purpose in the past.

The proposed FY 2017 budget assumes that \$2.1 million in Section 5307 funding will be programmed for operations. The remaining Federal funds will be added to the current balance and carried over for use in future years for eligible operating and/or capital expenses. Based on the current balance of Section 5307 funding, the FY 2017 year-end balance is projected at \$3.6 million which is just short of the \$3.9 million that has been budgeted for the replacement of the eleven 2008 model local fixed route buses by 2020. This balance is especially important moving forward with the end of the State Proposition 1B capital bond program in FY 2017. As a result, it is important to preserve future funding flexibility especially for capital purposes and Yuba-Sutter Transit's five year Transportation Improvement Program now assumes the use of \$2.1 million in Section 5307 funds for operations each year through at least FY 2020.

**Federal General Operating Assistance – FTA Section 5311 (Acct. #41301)**

This account is for Federal operating assistance that is provided specifically to rural transit systems. Yuba-Sutter Transit's rural services include the Foothill, Live Oak and Wheatland Routes and the Plumas Lake stop on the Sacramento Commuter and Midday Express service. These funds can be used for both operating and capital assistance subject to a 55.33 percent Federal funding limitation (88.53 percent for capital expenditures). This funding source has grown significantly in recent years, but the limited amount of rural service provided by Yuba-Sutter Transit limits its use for operating use though the balance can be used for capital needs as is being done for the purchase of a replacement commuter bus in FY 2017.

**Federal Job Access Grant – FTA Section 5316 (Acct. #41309)**

This funding source was eliminated in MAP-21, but previously awarded grants were used to fund the weekday evening general public Dial-A-Ride service level through FY 2016.

**Federal Rural/Small Urban Planning Grant – FTA Section 5304 (Acct. #41310)**

This account was for a one-time Federal grant for the 2015 update of the Yuba-Sutter Short Range Transit Plan which was fully expended by June 30, 2015. This \$85,000 grant was transferred from SACOG to Yuba-Sutter Transit through a sub-recipient agreement and matched with \$11,013 in local funds.

**DEFERRED REVENUE DETAIL**

1. Deferred TDA Revenues (July 1) – Carried forward from projected year-end figures for FY 2016 with LTF and STA revenues combined.
2. LTF Revenues Received – Amount set in annual apportionment adjusted for any prior year audit findings.



3. STA Revenues Received – Amount of STA revenues that are available to Yuba-Sutter Transit, Live Oak and Wheatland.
4. LTF Revenues Allocated (Operating) – Maximum local share of actual or projected expenditures as set by the budget.
5. STA Revenues Allocated (Operating) – Amount allocated in the budget for operating expenditures, if any.
6. LTF Revenues Allocated for Local Capital Outlays – Amount of deferred or current year LTF revenues budgeted for capital acquisitions during the fiscal year, if any.
7. STA Revenues Allocated for Local Capital Outlays – Amount of deferred or current year STA revenues budgeted for capital acquisitions during the fiscal year, if any.
8. Prior Period Audit Adjustments (As Necessary)
9. Deferred TDA Revenues (June 30) – Amount available for cash flow, contingencies and future local capital expenditures itemized by LTF and STA share of the total available.

### **CAPITAL PROGRAM SUMMARY**

The proposed capital budget for FY 2017 includes two fleet replacement projects and a number of smaller projects. The major vehicle project is the replacement of the seven oldest commuter buses with seven heavy-duty, high floor model buses similar to those that were purchased in 2010 and 2012. Most of the budgeted cost for this purchase will be covered by State Proposition 1B bond funds. The other vehicle project is the replacement of the 1996 model accessible minivan that has long been used for road supervision.

Of the smaller projects, the most significant are the long planned accessibility improvements in the North Beale Road corridor in Linda specifically near Lowe Avenue. This project is being funded by three Federal New Freedom grants for a total of \$286,000 with any required local match to be provided by Yuba County. Because Yuba County is the lead on this project and will provide any necessary matching funds, only the Federal funds are shown in the Yuba-Sutter Transit budget. Other small projects include those funded by State Proposition 1B Transit Safety & Security program for enhanced facility security and system technology upgrades along with bus stop enhancement activities to be funded with State Low Carbon Transit Operations grants.

The projected FY 2016 capital program includes the completion of the mobile video surveillance retrofit project that is being funded exclusively from the State Transit Safety & Security Bond program and also the State Low Carbon Transit Operations Program funded bus stop enhancement project at the North Beale Road Transit Center. The remainder of the capital program is an allowance for minor miscellaneous capital improvements and equipment purchases for office and shop equipment (such as a forklift) or unforeseen facility repairs.

AGENDA ITEM IV - B  
STAFF REPORT

**RECIPROCAL PARKING AGREEMENT BETWEEN YUBA-SUTTER TRANSIT  
AND THE ALLYN SCOTT YOUTH AND COMMUNITY CENTER (ASYCC)**

At the December 15, 2015 meeting, The Yuba-Sutter Transit Board of Directors authorized a funding request for two years of funding under the Transit System Safety, Security and Disaster Response Account of the State Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Proposition 1B). A portion of these funds were designated for the addition of new and enhanced exterior lighting in and around the employee and visitor parking areas that have long been shared by both Yuba-Sutter Transit and the Allyn Scott Youth and Community Center (ASYCC). This project was approved by the State for funding on January 29, 2016.

The two organizations have shared the entire parking lot since the ASYCC opened and Yuba-Sutter Transit significantly improved this area as part of the 2011 remodel and expansion of the Operating and Maintenance Facility, but there has never been an agreement covering this joint use. Such an agreement is now appropriate since the proposed lighting project would result in the installation and continued operation of three new lot lights on ASYCC's property and staff was directed at the December 2015 meeting to draft such an agreement for future consideration by both entities.

Attached for Board review and consideration is a draft agreement for the maintenance and repair of the mutual common parking easement between Yuba-Sutter Transit and ASYCC. The area to be covered by this agreement is shown in the attached Exhibit A. This agreement was prepared by Yuba-Sutter Transit's legal counsel and it has been reviewed by the ASYCC Board of Directors. This agreement would authorize the proposed improvements to the ASYCC property; create a permanent recorded reciprocal parking easement on both properties; establish indemnification and insurance requirements; and, define the extent and term of the mutual obligations under this agreement. In anticipation of this agreement, the ASYCC has already secured the necessary insurance and provided a certificate naming Yuba-Sutter Transit as an additional insured.

Staff and legal counsel will be prepared to discuss the draft agreement and this project in detail at the meeting.

**RECOMMENDATION:** Authorize the execution of the reciprocal parking agreement as proposed or amended.

**AGREEMENT FOR MAINTENANCE AND REPAIR OF COMMON RECIPROCAL  
PARKING EASEMENT BETWEEN YUBA-SUTTER TRANSIT AUTHORITY AND  
THE ALLYN SCOTT YOUTH AND COMMUNITY CENTER FOR ESTABLISHMENT,  
MAINTENANCE AND REPAIR OF MUTUAL COMMON PARKING EASEMENT**

This agreement is made effective April 12, 2016 between the **YUBA-SUTTER TRANSIT AUTHORITY**, 2100 B Street, Marysville, California 95901 (“the Authority”) and the **ALLYN SCOTT YOUTH AND COMMUNITY CENTER**, 1830 B Street, Marysville, California 95901 (“the Community Center”) with respect to those matters set forth below.

**RECITALS**

- A. The parties to this agreement each own property in the City of Marysville, California and share a contiguous boundary between them.
- B. The parties have informally allowed their employees, guests and invitees to park vehicles on each other’s properties for many years.
- C. The parties desire to formally establish reciprocal easements for vehicle parking over, across and upon portions of their respective properties as more particularly described on Exhibit A attached hereto and incorporated herein by reference as if set forth in full (“the Parking Easement Property”).

As shown on Exhibit A, the Parking Easement Property consists of both an access easement and a parking area to be developed in accordance with this agreement.

In mutual consideration of the matters described above and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

**SECTION ONE  
INCORPORATION OF RECITALS**

The foregoing recitals are not merely recitals but are contractual in nature and are incorporated into this agreement.

**SECTION TWO  
IMPROVEMENT OF THE PARKING EASEMENT PROPERTY**

Following execution of this agreement, the Authority agrees that it will design, construct, install and maintain at least three (3) parking lot light poles and related light fixtures along the Caltrans highway right-of-way fence along the east side of the Community Center property. In addition to the foregoing, the Authority shall cause the Parking Easement Property to be appropriately striped for the parking of vehicles, following the installation of said light poles. Thereafter, subject to the Authority’s right to terminate any maintenance obligations as set forth below, the Authority shall accept responsibility for routine maintenance of the pavement and parking

lot striping within the Parking Easement Property and shall at its cost and expense bear the cost for energy supplied to the parking lot light poles and maintenance thereof.

**SECTION THREE  
CREATION OF A PERMANENT MUTUAL RECIPROCAL EASEMENT FOR  
PARKING**

The parties agree to cause to be recorded in the official records of Yuba County a reciprocal easement for the parking of vehicles over and upon both the Parking Easement Property as well as the Authority's public parking area. This easement will provide that it shall be a permanent easement for the mutual benefit of the parties to this agreement and shall be binding upon their successors and assigns. The easement shall further provide that both parties will cooperate regarding their mutual reciprocal parking easements over the Parking Easement Property and that neither party will block access to any driveways, gates or doors and promptly remove any trash, rubbish or debris related to their use of the other party's property or the Parking Easement Property.

**SECTION FOUR  
AUTHORITY ACCESS TO THE PARKING EASEMENT PROPERTY FOLLOWING  
EXECUTION OF THIS AGREEMENT**

Following execution of this agreement the Authority shall be granted full and complete access to the Parking Easement Property for purposes of the design, construction, installation and maintenance and operation of the parking lot lights or the routine maintenance of the area comprising the Parking Easement Property.

**SECTION FIVE  
AUTHORITY OPTION TO DISCONTINUE BEARING SOLE COST OF  
MAINTENANCE OF THE PARKING EASEMENT PROPERTY**

On or after ten (10) years after the execution of this agreement, the Authority may, by written notice to the Community Center, elect to no longer be responsible for 100% of the costs to perform routine maintenance and operate the parking lot area, including without limitation the cost of providing energy and maintenance with respect to the light poles and related light fixtures within the Parking Easement Property. As used herein, "routine maintenance" does not include resurfacing, reconstructing or other actions that would constitute a substantial improvement. In the event the Authority gives such notice, the parties agree to maintain and operate the parking lot within the Parking Easement Property and share the costs thereof equally.

**SECTION SIX  
PERSONAL INJURY AND PROPERTY DAMAGE LIABILITY**

Any liability of the parties for personal injury or property damage as a result of or arising out of the design, construction, installation and maintenance of the parking facilities under this agreement, shall be borne, as between the parties, equally. Each party shall maintain a liability insurance policy or general liability insurance, including coverage of bodily injury and property damage liability, in an amount no less than \$1,000,000 per occurrence and \$2,000,000 in the

aggregate. Each party's insurance policy shall name the other party to this agreement as an additional insured. Coverage shall be evidenced by a policy endorsement which each party shall provide to the other.

**SECTION SEVEN  
MUTUAL INDEMNITY**

Each of the parties to this agreement agree to indemnify and hold the other harmless from and against any and all liability for personal injury or property damage when such injury or damage shall result from, arise out of, or be attributable to actions of that party with reference to the Parking Easement Property.

**SECTION EIGHT  
GOVERNING LAW**

This agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California.

**SECTION NINE  
ENTIRE AGREEMENT**

This agreement constitutes the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding on either party except to the extent incorporated in this agreement.

**SECTION TEN  
MODIFICATION OF AGREEMENT**

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

**SECTION ELEVEN  
NO WAIVER**

The failure of either party to this agreement to insist on the performance of any of the terms and conditions of this agreement, or the waiver of any breach of any of the terms and conditions of this agreement, shall not be construed as waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

**SECTION TWELVE  
ATTORNEYS FEES**

If any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.

Each party to this agreement has caused to be executed on the date set forth below.

Date: \_\_\_\_\_ **ALLYN SCOTT YOUTH AND COMMUNITY CENTER**

By \_\_\_\_\_  
Its \_\_\_\_\_

Date: \_\_\_\_\_ **YUBA-SUTTER TRANSIT AUTHORITY**

By \_\_\_\_\_  
Its Chairman

Exhibit A - Diagram Parking Easement Property

EXHIBIT A



AGENDA ITEM IV – C  
STAFF REPORT

**ADMINISTRATIVE STAFF SALARY AND BENEFIT ADJUSTMENTS**

Due to the prolonged recession, the last cost of living adjustment (COLA) for Yuba-Sutter Transit's staff was effective July 2008. Since that time, the Board of Directors replaced the Administrative Analyst I/II position with two new Program Manager I/II positions in 2013 (increasing staff size from three to four); made several changes to the employee benefit package in 2014; and, granted a significant equity adjustment for the Administrative Assistant I/II position in 2015.

With an eight year gap since the last staff COLA and recent actions by several related organizations including the City of Yuba City, the Feather River Air Quality Management District (FRAQMD) and the Sacramento Area Council of Governments (SACOG); a general salary scale adjustment might be considered for FY 2017. Staff is instead recommending that the agency take this opportunity to better align the agency with the intent of the Public Employee Pension Reform Act (PEPRA) by eliminating Employer Paid Member Contributions (EPMC) for Classic CalPERS members (equal to 7 percent of salary) in exchange for an equivalent increase in the salary scales for all positions including the Transit Manager.

A revenue neutral adjustment with no change in employee take-home pay would require an increase of 7.53 percent which would then be deducted as a tax deferred retirement contribution of 7 percent of the new base salary for the three Classic PERS members. While this would increase the base earnings for retirement purposes for all four employees, it would significantly reduce a major disparity between Classic CalPERS members and PEPRA covered members both now and in the future as PEPRA employees are now required to pay their full share of member retirement contributions. In a recent compensation survey of 13 comparable northern and central California transit operations, none of the four most comparable systems offer any EPMC for Classic CalPERS members and at least two made specific adjustments in recent years similar to what is now being recommended for Yuba-Sutter Transit.

There would be a financial impact of the recommended EPMC adjustment because some employee benefits are tied to base salary levels and one of the four affected employees is under PEPRA and not receiving the current EPMC benefit. The additional annual cost of the recommended change is approximately \$11,200 which is equal to a 2.32 percent increase in salary and benefit expenses for FY 2017 compared to no change of any kind. For comparison purposes, a 2 percent COLA with no change in EPMC would have an estimated annual cost impact of \$7,800 (a 1.60 percent increase in salary and benefit expenses), but it would do nothing to reduce the current benefit disparity between Classic CalPERS members and PEPRA covered employees.

The recommended 7.53 percent salary increase in all positions and the corresponding shift in EPMC for Classic CalPERS members is reflected in the revised draft FY 2017 budget to be discussed earlier on this agenda. Should the Board choose to approve the proposed adjustments, CalPERS requires that the attached resolution be adopted to memorialize any change in EPMC.

Staff will be prepared at the meeting to discuss this issue in detail.

**RECOMMENDATION:** Approve the salary and benefit adjustments as proposed effective July 1, 2016, and;

Adopt Resolution No. 7-16 to establish that Yuba-Sutter Transit will pay 0% of the normal member contributions for Classic CalPERS members effective July 1, 2016.



YUBA-SUTTER TRANSIT AUTHORITY

RESOLUTION NO. 7-16

RESOLUTION FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the Yuba-Sutter Transit Authority has the authority to implement Government Code Section 20691;

WHEREAS, the governing body of the Yuba-Sutter Transit Authority has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the Yuba-Sutter Transit Authority of a Resolution to commence said Employer Paid Member Contributions (EPMC);

WHEREAS, the governing body of the Yuba-Sutter Transit Authority has identified the following conditions for the purpose of its election to pay EMPC:

- This benefit shall apply to all Miscellaneous Employees.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this Resolution shall be July 1, 2016.

*NOW, THEREFORE, BE IT RESOLVED THAT THE GOVERNING BODY OF THE YUBA-SUTTER TRANSIT AUTHORITY ELECTS TO PAY EPMC, AS SET FORTH ABOVE.*

---

*Ricky Samayoa*  
*Chairman of the Board of Directors*

*Attest:*

---

*Sandra Anderson*  
*Secretary to the Board of Directors*