



MEETING NOTICE & AGENDA

DATE: Thursday, March 20, 2025

TIME: 4:00 P.M.

PLACE: Board of Supervisors Chambers
Yuba County Government Center
915 8th Street
Marysville, California

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

Bains (Vice-Chair), Bradford, Buttacavoli, Cole, Flores, House, Hudson and Kirchner (Chair)

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. **Closed Session**

A. **Conference with Real Property Negotiators**

Property: 2100 B Street, Marysville, CA

Agency Negotiator: Matthew Mauk, Executive Director

Negotiation Parties: Yuba-Sutter Transit Authority and the California Department of Transportation (Caltrans)

Under Negotiation: Price and Terms of Payment

B. **Pursuant to Government Code Section 54956.9: Conference with Legal Counsel - Anticipated Litigation, (Paragraph (4) of subdivision (d) of Section 54956.9) One Potential Case.**

IV. **Consent Calendar**

All matters listed under the Consent Calendar are considered 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 Regular Meeting of February 20, 2025. (Attachment)

B. Disbursement List for February 2025. (Attachment)

C. Monthly Performance Report for February 2025. (Attachment)

V. **Reports**

A. **Caltrans State Route 70 Binney Junction Roadway and Complete Streets Project Settlement Agreements.**

Approval of settlement agreement, permanent access deed, and relocation property lease necessary for the Caltrans State Route 70 Binney Junction construction project.

RECOMMENDATION: 1) Approve the settlement terms of a Permanent Access Easement Deed and two (2) Temporary Construction Easements, as proposed or amended, and authorize the Chair or designee, to sign said agreements and any other documents necessary to effect the terms of the said agreements.

2) Approve the terms of a property lease with the County of Yuba, as proposed or

amended, and authorize the Executive Director to execute said lease.

B. Authorizing Resolution for Federal Transit Administration (FTA) Grant Documents. (Attachment)

RECOMMENDATION: Adopt Resolution No. 1-25 authorizing the Executive Director, or designee, to execute all federal grant and contract documents under Sections 5307, 5309, 5310, 5311, 5317, 5339, and the Better Utilizing Investments to Leverage Development (BUILD) Grant Program.

C. Preliminary Draft Operating and Capital Budgets for FY 2026. (Attachment)

RECOMMENDATION: Receive the Preliminary Draft Operating and Capital Budgets for FY 2026 and direct staff as desired.

D. Special Service for the 2025 Sikh Parade. (Attachment)

RECOMMENDATION: Appointment of an ad hoc committee to address the potential operation of a special service for the 2025 Sikh Parade.

E. Transit Operations Agreement Option. (Attachment)

RECOMMENDATION: Authorize the Executive Director to issue a conditional notice to Storer Transit Systems exercising the final two-year option on the existing Transit Operations Agreement, for the performance period October 1, 2025, through September 30, 2027.

F. State Low Carbon Transit Operations Program (LCTOP) Project Selection. (Attachment)

RECOMMENDATION: 1) Authorize the submittal of specified projects for LCTOP funding as proposed or amended.
2) Adopt Resolution No. 2-25 authorizing execution of the related LCTOP Certifications and Assurances including the designation of the Executive Director as the Authorized Agent.

G. Project and Program Updates.

1. NextGen Transit Facility Project
2. NextGen Transit Plan Implementation/Frontrunner Vehicle Showcase

RECOMMENDATION: Information only.

VI. Correspondence / Information

VII. Other Business

VIII. Adjournment

THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, APRIL 17, 2025, AT 4:00 P.M. IN THE BOARD OF SUPERVISORS CHAMBERS, YUBA COUNTY GOVERNMENT CENTER

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 by email at info@yubasuttertransit.com at least 72 hours in advance so such aids or services can be arranged.

AGENDA ITEM IV – A

**YUBA-SUTTER TRANSIT AUTHORITY
MEETING MINUTES
FEBRUARY 20, 2025**

I. Call to Order & Roll Call (4:00 p.m.)

Present: Bains (Vice-Chair), Boomgaarden (Alternate for Kirchner) Bradford, Buttacavoli, Cole, Flores, House and Hudson.

Absent: Kirchner (Chair).

II. Presentations

A. Sacramento Area Council of Governments (SACOG) Mobility Zones Project.

Kathleen Hanley, Principal Transportation Planner, Sacramento Area Council of Governments (SACOG), gave a presentation about the agency’s Mobility Zones Project designed to improve transportation in zones around the Sacramento region. The purpose of the presentation is to provide a good understanding of what SACOG is hoping to accomplish with this project and to provide some feedback, particularly on the focus zones in Yuba and Sutter Counties.

The first phase of the project is to locate and identify 10 community or neighborhood zones throughout the six (6) county regions and the second phase is to focus on improving transportation or travel within those zones. SACOG’s goal is to partner with local cities and counties to get a better understanding of how travel can be improved in some of the communities that do always receive funding or have not received attention from SACOG in the past.

Several metrics were used to determine which ten zones would most benefit from this project and once the SACOG board approves those ten places in May, then the focus will be to improve travel in those areas. All the information regarding how the zones were analyzed is available in a very detailed online mapping tool through SACOG.

The initial analysis identified 23 areas across the region. Of these 23 areas, five were in Yuba and Sutter counties including the south portion of Live Oak, south Yuba City, a core area of Yuba City, Brownsville, and Linda and Olivehurst along Highways 65 and 70 corridors. The three areas that will be focused on will be south Yuba City, Linda/Olivehurst and Brownsville.

Vice-Chair Bains opened the discussion for questions.

Victor Godwin stood to speak about concerns for the board. Vice-Chair Bains informed him that this time was for questions on the presentation, and he would have time to speak during Public Business.

Director House asked with the three zones that have been identified by SACOG, is to goal to collaborate on how to improve mobility access in the areas and if the overall goal for the

Brownsville area would be to expand service hours or extend the service area. Ms. Hanley stated that the immediate next step would be to do additional analysis and community outreach to better understand what the unidentified transportation needs are, but ultimately there is funding set aside from SACOG to implement projects in some of the ten zones. There will be prioritized lists from each zone including necessary transportation improvements not only public transit but crosswalks, gutters for flooding issues and other roadblocks to mobility.

Director Flores asked what the next steps for City staff regarding the project. Ms. Hanley stated that there is coordination happening between SACOG and staff at the cities and counties to better understand what the jurisdiction priorities are, including what projects the jurisdictions already have in progress that this project might be able to help support. She stated that there has been great coordination so far and this presentation is simply to bring some awareness to the board about its goals.

Director Bradford gave his thanks for the presentation.

III. Public Business from the Floor

Victor Godwin addressed the Board regarding several issues with bus services and recommendations for bus stops. Vice-Chair Bains referred him to staff for discussion of his concerns and Planning Manager, Adam Hansen, spoke with him during the Closed Session.

IV. Closed Session

A. Conference with Real Property Negotiators

Executive Director Matthew Mauk stated that the Closed Session was regarding Real Property Negotiations for 2100 B Street in Marysville as well as the Public Employee Performance Evaluation of the Executive Director.

The Board adjourned to closed session at 4:15 p.m.

The Board reconvened at 4:55 p.m. No reportable action was taken.

B. Public Employee Performance Evaluation (Pursuant to Government Code Section 54957)

Legal Counsel Brant Bordsen reported that there was nothing reportable regarding the performance contract. The action will be taken in public.

V. Consent Calendar

Director Hudson made a motion to approve the consent calendar. Director Flores seconded the motion, and it carried unanimously.

VI. Reports

A. Caltrans State Route 70 Binney Junction Roadway and Complete Streets Project Settlement Agreements.

Mauk stated staff is withdrawing any action on this item.

B. Yuba-Sutter Transit Executive Director Employment Agreement.

Mauk stated that the requested action is to approve an amendment to the Executive Director's contract to increase the base salary by 2 percent effective with the February payroll period.

Director House made a motion to approve the amendment to the Executive Director Employment Contract as proposed. Director Buttacavoli seconded the motion, and it carried unanimously.

C. Fiscal Year (FY) 2024 Financial Audit Report.

Mauk stated the item was a receipt and file of the independent annual financial audit report as required by TDA statute. Mauk reported it was a clean audit with no findings and congratulated staff.

D. FY 2025 Mid-Year Budget Report and FY 2026 Budget Preview.

Mauk presented the Mid-Year Budget Report for FY 2025 and preview of the FY 2026 Budget. Mauk stated the JPA specifies that the FY 2026 needs to be approved by May, and it will be presented to the board at least twice before adoption. The Mid-Year budget report for FY 2025 shows expenses are trending under budget for Operations while revenues are trending above budgeted. Mauk stated that capital expenses and revenues generally track each other as projects are done using dedicated grant funding sources received on a reimbursement basis. He stated that the capital expenditures are below the budgeted amount year to date.

E. Draft Sacramento Commuter Service Revision.

Mauk presented for approval the revision of the Sacramento Commuter service to include service to the newly opened May Lee State Office Complex in North Sacramento. There is an existing bus stop that would be utilized pending approval on a few routes without inconveniencing current downtown riders. Two surveys completed by current and former riders with thirty percent saying they would be utilizing the stop at the May Lee Complex. The augmented service would begin at the end of March or first part of April if approved. The service would include one supplement bus in the morning that would operate Tuesdays, Wednesdays and Thursdays, which are the highest ridership days providing direct service to the May Lee Complex and would provide relief for the highly utilized 399 route. The total annual cost estimate for the additional service would be approximately \$24,000. This would not require any adjustments to the current budget as operations expenses are currently below budget and the amount would be considered for the next budget before adoption in May.

Director Buttacavoli made a motion to approve the Sacramento Commuter Service schedule revision as proposed. Director House seconded the motion, and it carried unanimously.

F. FY 2025 Mid-Year Performance Report.

Mauk presented the Mid-Year Performance Report showing that ridership is up by eight percent year to date over last year, despite operating slightly less service hours. Ridership productivity has increased four percent on Fixed Route, fourteen percent for Dial-A-Ride and 53 percent for the Sacramento Commuter Service as represented by riders per revenue hour.

G. Project and Program Updates.

1. NextGen Transit Facility Project

Mauk stated the first draft of the preliminary design package has been received for the NextGen Transit Facility this week for staff review. Pending review by staff, the package will be presented to the board for review and approval in March or April.

2. NextGen Transit Plan Implementation Update

Mauk reported that staff have been conducting some internal planning and analysis with the contractor regarding the next phases of the NextGen Transit Plan implementation. Since there is no longer discussion of the elimination of fixed route service, the discussion of the next phase of the NextGen Plan will include options to include demand response in Yuba City and service to Lincoln and Roseville. Future requested action will most likely include a public hearing for possible adoption.

VII. Correspondence / Information

None

VIII. Other Business

None

IX. Adjournment

The meeting was adjourned at 5:03 p.m.

The next regular meeting is scheduled for Thursday, March 20, 2025, at 4:00 p.m. in the Yuba County Board of Supervisors Chambers, unless otherwise noticed.

**AGENDA ITEM IV - B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF FEBRUARY 2025**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 10,526.30	CALPERS HEALTH	HEALTH INSURANCE
EFT	\$ 5,097.04	CALPERS RETIREMENT	RETIREMENT PAYMENT (EMPLOYER SHARE)
EFT	\$ 800.82	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 875.53	CYPRESS DENTAL ADMINISTRATORS	DENTAL & VSP INSURANCE - FEBRUARY 2025
EFT	\$ 51,376.94	PAYROLL	PAYROLL - JANUARY 2025
EFT	\$ 1,047.09	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE - FEBRUARY 2025
EFT	\$ 2,196.16	CARDMEMBER SERVICES	CREDIT CARD: SUBSCRIPTIONS, REGISTRATION FEE, TESTING KIT, LANYARDS & PRINTER RIBBONS
EFT	\$ 46.83	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION - FEBRUARY 2025
EFT	\$ 382.13	CALIFORNIA WATER SERVICE	WATER - FEBRUARY 2025
EFT	\$ 4,860.08	PG&E	ELECTRIC 1/10/2025 - 2/09/2025
EFT	\$ 61.89	PG&E	ELECTRIC #2 PARKING LOT LIGHTS - FEB 2025
EFT	\$ 1,355.26	PG&E	GAS - JANUARY 2025
EFT	\$ 116.92	HARLAND CLARKE	BANK DEPOSIT SLIPS
EFT	\$ 350.73	MACQUARIE EQUIPMENT CAPITAL INC	COPY MACHINE LEASE - JANUARY 2025
EFT	\$ 432.58	COMCAST BUSINESS	INTERNET SERVICES - FEBRUARY 2025
EFT	\$ 471.43	COMCAST BUSINESS	TELEPHONE SERVICES - FEBRUARY 2025
EFT	\$ 5,601.62	RAMOS OIL COMPANY	BUS FUEL - GAS 1/20/2025 - 1/31/2025
EFT	\$ 3,512.23	RAMOS OIL COMPANY	BUS FUEL - GAS 2/01/2025 - 2/10/2025
EFT	\$ 227.97	UTILITY MANAGEMENT SERVICES	SEWER - FEBRUARY 2025
EFT	\$ 24,303.71	TACENERGY	BUS FUEL: DYED RENEWABLE DIESEL
EFT	\$ 8,195.56	INNOVATE MOBILITY	ONGOING SUPPORT: 1/13/2025 - 2/14/2025
EFT	\$ 296.12	PRIMEPAY	PAYROLL FEES - JANUARY 2025
EFT	\$ 243.23	ELAVON	MERCHANT SERVICE FEE - FEBRUARY 2025
19111	\$ 326.85	ADVANCED DOCUMENTS CONCEPTS	COPY MACHINE CHARGES - JANUARY 2025
19112	\$ 175.00	ALL SEASONS TREE & TURF CARE	LANDSCAPING & WEED CONTROL - JANUARY 2025
19112	\$ 315.00	ALL SEASONS TREE & TURF CARE	LANDSCAPE MAINTENANCE AT 6035 AVONDALE AVE
19113	\$ 366.47	FRANCOTYP-POSTALIA INC	POSTAGE MACHINE RENTAL: 10/13/2024 - 4/12/2025
19114	\$ 35,684.84	FREEWAY TOYOTA OF HANFORD	ADMINISTRATION STAFF VEHICLE
19115	\$ 245.53	HANCOCK PETROLEUM ENGINEERING	REPLACED DIESEL WHIP ON PUMP #3
19116	\$ 22,986.64	INTERSTATE OIL COMPANY	BUS FUEL: DYED RENEWABLE DIESEL
19117	\$ 64.61	JESSICA SOLIS	MILEAGE REIMBURSEMENT: JANUARY 2025
19118	\$ 325.00	LETTER PUBLICATIONS, INC	ANNUAL RENEWAL FOR TRANSIT ACCESS REPORT
19119	\$ 50.00	MARYSVILLE CHINESE COMMUNITY INC	ENTRY FEE FOR MARYSVILLE BOK KAI PARADE
19120	\$ 590.06	MATTHEW MAUK	REIMBURSEMENT FOR FTA TRIENNIAL WORKSHOP
19121	\$ 1,100.00	RC JANITORIAL	JANITORIAL SERVICES - JANUARY 2025
19122	\$ 1,316.25	RICH, FUIDGE, BORDSEN & GALYEAN INC	LEGAL SERVICES 12/6/2024 - 1/8/2025
19123	\$ 117.00	ROYAL AIRE INC	FACILITY - CHECK ON HEATER IN OPERATIONS
19124	\$ 340.36	SC FUELS	DEF FLUID
19125	\$ 532,988.33	STORER TRANSIT SYSTEMS	CONTRACT SERVICES & VEHICLE INSURANCE - 12/2024
19126	\$ 535.00	STREAMLINE	WEBSITE SERVICES - FEBRUARY 2025
19127	\$ 749.71	T-MOBILE	WIFI FOR BUSES - JANUARY 2025
19128	\$ 446.80	T-MOBILE	WIFI FOR BUSES: 12/21/2024 - 1/20/2025
19129	\$ 290.02	ADAM HANSEN	TRAVEL & MILEAGE REIMBURSEMENT 7/1/2024 - 2/20/2025
19130	\$ 2,150.00	ALLIANT NETWORKING SERVICES INC	IT SERVICES - MARCH 2025
19131	\$ 425.00	APPEAL DEMOCRAT	EXPLORE & F2F PUBLICATION
19132	\$ 46.50	BIDWELL WATER COMPANY	WATER SERVICE 1/7/2025 - 2/5/2025
19133	\$ 560.00	CALIFORNIA COMMUNICATIONS	SITE CALLS AT PARK & RIDES
19134	\$ 289.58	DAVIS PRINTING AND COPYING	LAMINATING POSTERS FOR SHELTER INSERTS
19135	\$ 3,433.75	PROSIO COMMUNICATIONS	MARKETING SERVICES - 12/18/2024 TO 1/31/2025
19136	\$ 1,851.55	QuEST	MAINTENANCE OF BUS STOPS/SHELTERS - 1/25
19137	\$ 427.50	QUILL CORPORATION	JANITORIAL SUPPLIES: TRASH BAGS, PAPER TOWELS & TOILET PAPER
19138	\$ 946.61	SC FUELS	DEF FLUID
19139	\$ 589.61	SECURITAS TECHNOLOGY CORPORATION	SECURITY SERVICES - MARCH 2025
19140	\$ 60.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICES - FEBRUARY 2025
19141	\$ 2,794.20	SMART MARKETING AND PUBLIC AFFAIRS	PRINTING BROCHURES AND PRINTING COORDINATION
19142	\$ 243.13	STORER TRANSIT SYSTEMS	SPECIAL EVENT SHUTTLLING - MLK MARCH 1/18/2025
19143	\$ 4,241.25	TEHAMA TIRE SERVICES INC	TUBES/TIRES
19144	\$ 5,993.60	THE LE FLORE GROUP	NGTF CONSULTING - JANUARY 2025
	\$ 745,443.92		

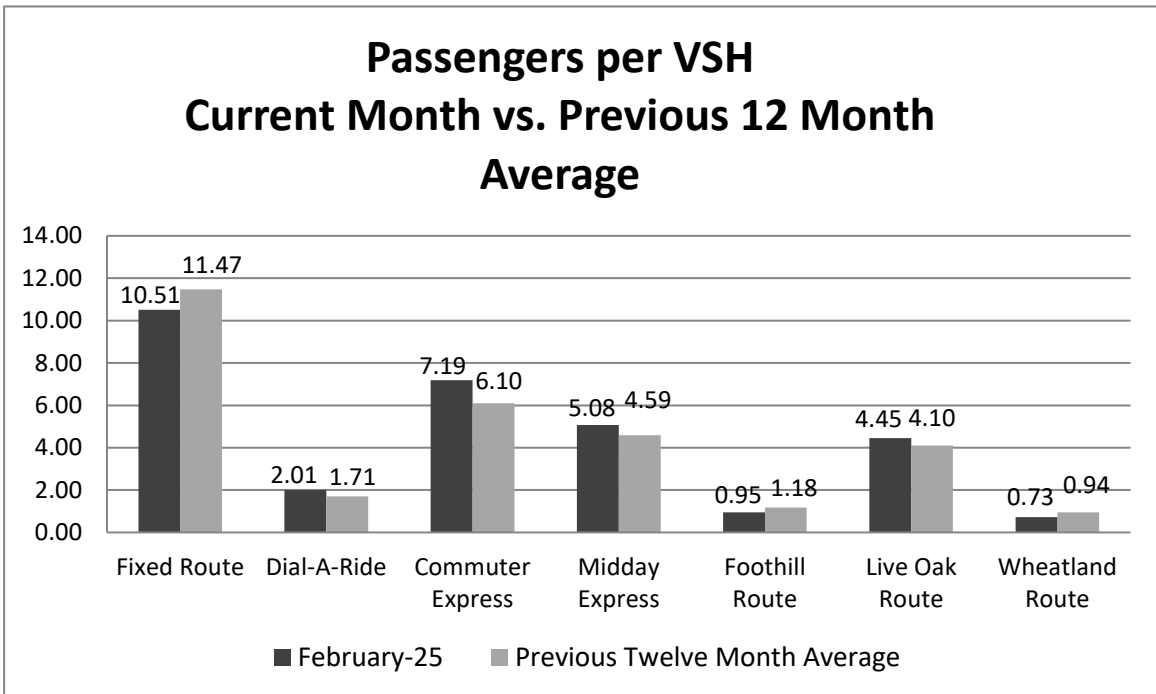
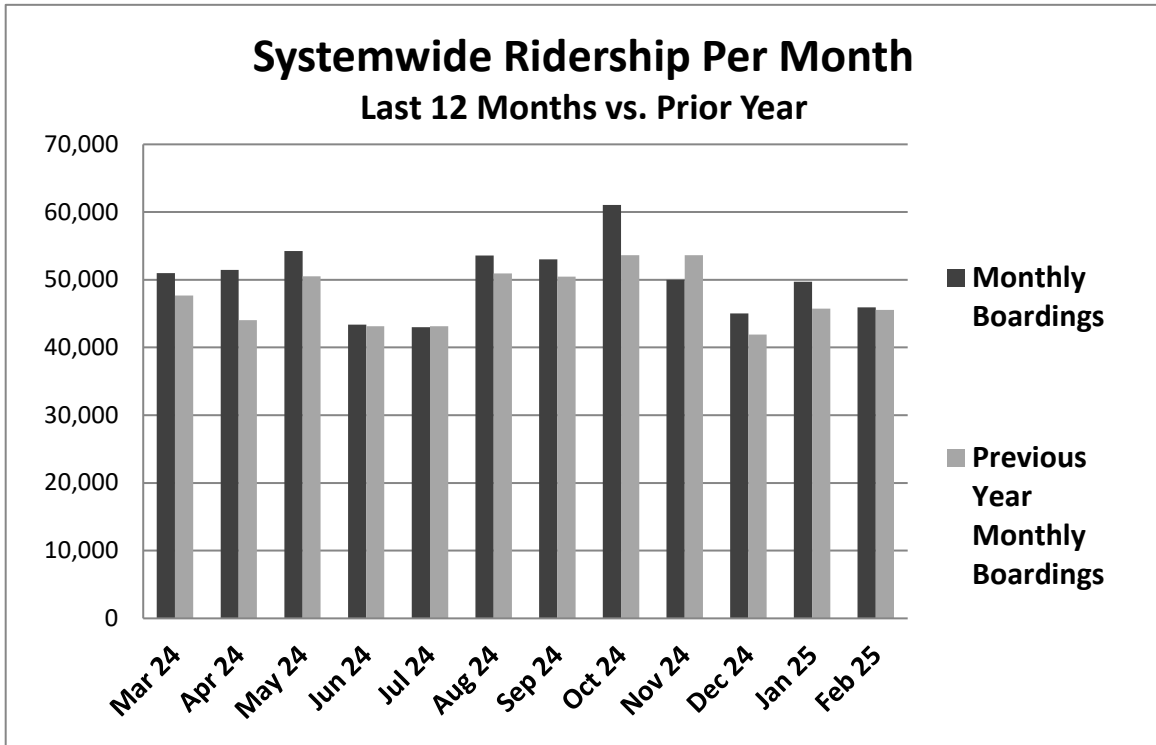
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AGENDA ITEM IV - C

FEBRUARY 2025 PERFORMANCE REPORT

	February-25	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Ridership:				
Fixed Route	38,578	42,531	338,316	322,796
Dial-A-Ride	2,343	2,685	21,627	19,897
Commuter Express	4,088	3,879	33,337	23,893
Midday Express	516	516	4,137	3,884
Foothill Route	77	101	705	1,104
Live Oak Route	315	322	2,937	2,164
Wheatland Route	30	49	278	197
Total Ridership:	45,947	50,082	401,337	373,935
Vehicle Service Hours:				
Fixed Route	3,669.20	3,708.35	29,863.67	29,058.99
Dial-A-Ride	1,165.77	1,574.35	12,541.12	13,119.33
Commuter Express	568.66	635.62	5,054.07	5,407.57
Midday Express	101.65	112.36	885.75	1,075.47
Foothill Route	81.02	85.42	672.18	704.42
Live Oak Route	70.79	78.36	616.22	679.00
Wheatland Route	41.21	51.89	403.74	391.99
Total VSH's:	5,698.30	6,246.34	50,036.75	50,436.77
Passengers Per Hour:				
Fixed Route	10.51	11.47	11.33	11.11
Dial-A-Ride	2.01	1.71	1.72	1.52
Commuter Express	7.19	6.10	6.60	4.42
Midday Express	5.08	4.59	4.67	3.61
Foothill Route	0.95	1.18	1.05	1.57
Live Oak Route	4.45	4.10	4.77	3.19
Wheatland Route	0.73	0.94	0.69	0.50
Total Passengers Per VSH:	8.06	8.02	8.02	7.41

FEBRUARY 2025 PERFORMANCE REPORT



AGENDA ITEM V – B
STAFF REPORT

**AUTHORIZING RESOLUTION FOR
FEDERAL TRANSIT ADMINISTRATION (FTA) GRANT DOCUMENTS**

RECOMMENDATION: Adopt Resolution No. 1-25 authorizing the Executive Director, or their designee, to execute all federal grant and contract documents under Sections 5307, 5309, 5310, 5311, 5317, 5339, and the Better Utilizing Investments to Leverage Development (BUILD) Grant Program.

As a recipient of Federal financial assistance from the Federal Transit Administration (FTA), Yuba-Sutter Transit must maintain a current resolution designating the person or position within the organization authorized to execute and file federal grant and contract related documents. The attached resolution references all known, relevant federal funding sources. The Executive Director position, or designee, is again being appointed to represent Yuba-Sutter Transit for this purpose and the proposed resolution follows the currently prescribed language for such an authorization.

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

Attachment

Resolution No. 1-25.

YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 1-25

**Resolution authorizing the filing of applications with the
Federal Transit Administration, an operating administration of the
United States Department of Transportation, for Federal transportation
assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code,
or other Federal statutes administered by the Federal Transit Administration.**

WHEREAS, *the Federal Transportation Administration has been delegated authority to award Federal financial assistance for a transportation project;*

WHEREAS, *the grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the Yuba-Sutter Transit Authority, and may require the Yuba-Sutter Transit Authority to provide the local share of the project cost;*

WHEREAS, *the Yuba-Sutter Transit Authority has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project;*

NOW, THEREFORE, BE IT RESOLVED BY THE YUBA-SUTTER TRANSIT AUTHORITY BOARD OF DIRECTORS;

1. *That the Executive Director, or their designee, is authorized to execute and file an application for Federal assistance on behalf of the Yuba-Sutter Transit Authority with the Federal Transit Administration for Federal Assistance authorized by 49 U.S.C. chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the Federal Transit Administration. The Yuba-Sutter Transit Authority has received authority from the State of California, Department of Transportation, the Designated Recipient, to apply for Urbanized and Non-Urbanized Area Formula and Non-Formula Program assistance pursuant to Sections 5307, 5309, 5310, 5311, 5317, 5339, and the Better Utilizing Investments to Leverage Development (BUILD) Grant Program.*
2. *That the Executive Director, or their designee, is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a federal assistance grant or cooperative agreement.*
3. *That the Executive Director, or their designee, is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of the Yuba-Sutter Transit Authority.*

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT THE REGULAR MEETING THEREOF HELD ON MARCH 20, 2025, BY THE FOLLOWING VOTE:

Ayes:

Noes:

Chair, Board of Directors

Attest:

Lisa O'Leary
Secretary to the Board of Directors

AGENDA ITEM V – C
STAFF REPORT

PRELIMINARY DRAFT OPERATING AND CAPITAL BUDGETS FOR FY 2026

RECOMMENDATION: Receive the Preliminary Draft Operating and Capital Budgets for FY 2026 and direct staff as desired.

Background

Attached for Board review and discussion is the preliminary draft Yuba-Sutter Transit operating and capital budgets for FY 2026 including the detailed assumptions being used for each revenue and expense line item. 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 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. While this submittal meets the JPA requirement, the budget remains a work in progress that will be further refined for the final draft budget that is scheduled for Board review and adoption consideration at the regular May meeting.

Discussion

This report initiates the formal Yuba-Sutter Transit budget adoption process each year and Board questions and input are invited as both the current and future year expense and revenue assumptions will be continually refined over the next two months. Should budget conditions or assumptions change significantly for any reason in the next few weeks, staff may place a revised draft budget on the agenda for discussion at the regular April 17th meeting. If more detailed discussions are desired, a special meeting could be scheduled for late April or early May in advance of the final budget presentation planned for the Board's regular meeting on May 15th.

Current Year-End Budget Estimates

Year-end operating expenses for FY 2025 are now projected to be \$350,500 (4%) lower than the adopted budget of \$8,338,000. The lower than anticipated expenses are due primarily to the provision of a projected 6,000 less vehicle service hours than originally budgeted. As a result, direct contract operating expenses (vehicle insurance, contract services, and out-of-contract service) are expected to come in under budget by approx. \$146,000. Fuel expenses are currently projected to end the year 15% less than budgeted. Of the administration expenditures, the notable fluctuations are a projected \$11,000 (1.8 percent) increase in salaries and benefits due to leave cash outs. Additional savings are anticipated in a number of administrative budget categories including supplies, insurance, travel, and media/advertising expenses. Staff expects higher insurance premium costs for FY 2026.

FY 2025 operating revenues include a projected 10% percent increase in fares, a \$20,000 (50%) increase in advertising revenue, and a \$7,000 increase in Non-Transportation Revenue which includes RWMA contract personnel revenue. A line item has been added for an expected \$36,000 in revenue in FY 2025 from a permanent access easement to Caltrans under consideration elsewhere on this meeting agenda. Any savings resulting from the combination of lower than budgeted expenses and higher than budgeted revenues will allow more State Transit Assistance (STA) Funds from FY 2025 to be carried over to FY 2026, assuming current trends hold.

Capital expenditures through the end of the current fiscal year include final project expenses for the six demand-response buses purchased in FY 2023 and allowances for facility (\$50,000 STA) and bus stop (\$50,000 STA) repairs and improvements. Although the adopted FY 2025 budget assumed over \$4mil. in project costs for the NextGen Transit Facility, actual expenditures are now projected to be just over \$1mil. in the current fiscal year as environmental/preliminary design work progresses.

Preliminary Draft FY 2026 Operating Budget

The preliminary draft FY 2026 operating budget of \$10,566,000 represents an increase of \$919,000 (10%) over the budgeted amount for FY 2025 and an increase of \$1,345,100 (15%) over the projected year-end figure for the current fiscal year. The preliminary draft budget was prepared assuming an estimated 92,500 vehicle service hours (VSH) which is 13,500 (17%) more than the projected year-end figure of 79,000 VSH for FY 2025 and 10,500 (12%) more than the 82,000 VSH that was budgeted for FY 2025. This figure is comparable to the 92,571 VSH that was operated in the last full pre-pandemic fiscal year (FY 2019). The budgeted VSH figure assumes service changes as we continue to meet returning ridership demand, implement elements of the NextGen Transit Plan, and commence offsite parking due to the Caltrans Binney Junction construction project.

Revenue assumptions in the preliminary draft operating budget are based on steady fare revenue through FY 2026 and dedicated grant funding of fare subsidies and service projects continued from FY 2025. Also assumed are on-going federal funding at the authorized levels in the Infrastructure Investments and Jobs Act (IIJA) that was signed into law on November 14, 2021, and some semblance of state and local economic stability. Due in part to the remaining balance of \$595,000 in federal section 5311 American Rescue Plan Act (ARPA) pandemic funds, which does not require a local match, the projected combined Local Transportation Fund (LTF) contribution from the member jurisdictions is being budgeted at \$4.2 million for FY 2026.

In addition to the above, the preliminary draft FY 2026 operating budget makes other significant expense and revenue assumptions including:

- Extension of the expiring Storer Transit Systems contract. The initial four-year contract with Storer Transit Systems was extended through September 30, 2025, with the exercising of the first of two available two-year options. The Caltrans approved contract provides for cost adjustments during each extension year based on changes in the Consumer Price Index with a minimum of 2% and a maximum of 4% each year. To exercise the second of these options, to the maximum of eight years, Yuba-Sutter Transit must provide a notice of intent to the contractor by May 1st. Staff is currently in discussions with the contractor regarding the option.
- Continued implementation of the Yuba-Sutter NextGen Transit Plan (Plan) adopted in May 2023. Previously approved service recommendations under the Plan included launch of a microtransit pilot program and extension of weekday, local fixed route service hours. These changes, along with the anticipated launch of a Hwy 65 express service to Lincoln/Roseville, represent the bulk of the net operations cost impacts in FY 2026.
- Professional services: Continued consultant support to develop and implement a transit marketing program and a project manager to assist in the procurement and project management for the design and construction of the replacement transit facility.
- Caltrans Binney Junction project relocation expenses offset by revenues from the proposed Temporary Construction Easement agreement, projected at \$299,000 for FY 2026.

- End of the shared staffing relationship with the Regional Waste Management Authority (RWMA).
- Continued funding from the Feather River Air Quality Management District (FRAQMD) for the discounted monthly pass program for youth, seniors, and persons with disabilities through December 31, 2025, and continued funding from the Low Carbon Transit Operations Program (LCTOP) for pass subsidies through June 30, 2026. Without these funding sources, a higher out-of-pocket cost for passengers would likely have a significant impact on both ridership and fare revenue.
- LCTOP funding to fully support the operation of the Lincoln/Roseville service, as recommended in the NextGen Transit Plan.
- Increased accounting expenses due to the change in policy of the Sacramento Area Council of Governments (SACOG) to start collecting reimbursement for the financial and single audits of the operators. These audits will be performed in conjunction with SACOG's audit and the FY 2026 estimate for these services is \$32,390.

Beyond the items listed above, the preliminary draft budget should be viewed at this early date as a starting point for further analysis and discussion.

Preliminary Draft FY 2026 Capital Budget

The primary components of the \$13,015,000 preliminary draft capital budget for FY 2026 are fleet vehicle replacement purchases of four commuter buses (\$5.6m) and 15 cutaway on-demand buses (\$6m) included for funding allocation purposes but planned for execution in 2028. Pursuant to the California Innovative Clean Transit (ICT) regulation, 25% of buses ordered after 12/31/25 and 100% of buses ordered after 12/31/28 must be zero-emission buses (ZEBs). In addition, a \$1 million allowance is budgeted for the continuation of the environmental and design phases of the NextGen Transit Facility project. Other FY 2026 capital projects include allowances for facility repairs and improvements (\$50,000), bus stop repairs and improvements (\$50,000), the replacement of a non-revenue vehicle (\$45,000), and the Cal-ITP fare payment technology acquisition and implementation (\$220,000).

The highest priority capital issue continues to be the replacement of Yuba-Sutter Transit's existing maintenance and operations facility to comply with the state's zero-emission bus mandate. The most immediate task is to obtain environmental clearances, after which the design/build phase of the project can begin in earnest. Continued progress on the project is necessary to both stay on schedule and maintain availability of funding secured earlier in the process, as well as to avoid jeopardizing future fleet replacement plans.

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

Attachments:

- 1) Preliminary Draft Operating and Capital Budget for FY 2026
- 2) Preliminary Budget Assumptions for FY 2026

YUBA-SUTTER TRANSIT AUTHORITY
FY 2026 PRELIMINARY DRAFT OPERATING AND CAPITAL BUDGET

Prepared March 14, 2025

OPERATING BUDGET		FY 2024	FY 2024	FY 2025	FY 2025	FY 2026
		Budget	Audited	Budget	Projected	Preliminary Draft
Operations Expenditures						
010.50300	Services - Other Maintenance	\$ 236,000	\$ 218,924	\$ 263,000	\$ 235,000	\$ 268,000
010.50401	Fuel and Lubricants	1,005,000	871,264	1,066,000	900,000	1,082,000
010.50402	Tires and Tubes	90,000	59,939	75,000	82,000	98,000
010.50499	Other Materials and Supplies Consumed	112,000	94,210	123,000	100,000	103,000
010.50500	Utilities - Electric and Gas	67,000	69,293	75,000	80,000	82,000
010.50501	Utilities - Water and Sewer	9,000	7,246	9,000	8,500	9,000
010.50502	Utilities - Telephone & Internet <i>(formerly in Administration Expenditures)</i>	9,000	9,165	11,000	12,000	13,000
010.50600	Casualty and Liability Costs - Operations	293,000	301,219	323,000	321,000	326,000
010.50800	Services - Contract Operations	5,805,000	5,846,235	6,373,000	6,230,000	6,960,000
010.50801	Services - Out of Contract	43,000	17,824	20,000	19,000	20,000
	Caltrans Binney Junction SR 70 Improvements & Offsite Location					299,000
	Subtotal - Operations	<u>\$ 7,669,000</u>	<u>\$ 7,495,319</u>	<u>\$ 8,338,000</u>	<u>\$ 7,987,500</u>	<u>\$ 9,260,000</u>
Administration Expenditures						
160.50102	Salaries and Wages - Admin. Staff	\$ 670,000	\$ 564,642	\$ 618,000	\$ 629,000	\$ 660,000
160.50200	Fringe Benefits - Admin. Staff	250,000	210,416	277,000	246,000	265,000
160.50201	Fringe Benefits - Unfunded CalPERS Liability Payments	5,000	-	7,000	6,400	14,000
160.50301	Services - Accounting	6,000	4,452	8,000	5,000	38,000
160.50302	Services - Legal	12,000	9,625	12,000	12,000	12,000
160.50303	Services - Printing and Copying	24,000	17,057	24,000	22,000	22,000
160.50309	Services - Miscellaneous Professional	200,000	103,283	110,000	110,000	110,000
160.50499	Materials and Supplies - Office & Postage	12,000	21,390	14,000	10,000	14,000
160.50900	Miscellaneous Expense - Insurance and Bond	45,000	60,216	75,000	69,000	75,000
160.50901	Miscellaneous Expense - Dues & Subscriptions	7,000	6,485	8,000	7,000	8,000
160.50902	Miscellaneous Expense - Travel, Meetings and Training	6,000	10,359	10,000	8,000	10,000
160.50903	Miscellaneous Expense - Board of Directors	11,000	7,800	11,000	8,000	11,000
160.50904	Miscellaneous Expense - Media Adv. and Promo.	15,000	23,430	130,000	90,000	62,000
160.50909	Miscellaneous Expense - Other	5,000	2,663	5,000	11,000	5,000
	Subtotal - Administration	<u>\$ 1,268,000</u>	<u>\$ 1,041,818</u>	<u>\$ 1,309,000</u>	<u>\$ 1,233,400</u>	<u>\$ 1,306,000</u>
	Total Expenditures	<u><u>\$ 8,937,000</u></u>	<u><u>\$ 8,537,137</u></u>	<u><u>\$ 9,647,000</u></u>	<u><u>\$ 9,220,900</u></u>	<u><u>\$ 10,566,000</u></u>

	FY 2024 Budget	FY 2024 Audited	FY 2025 Budget	FY 2025 Projected	FY 2026 Preliminary Draft	
Operating Revenues						
40100	Passenger Fares	\$ 790,000	\$ 886,713	\$ 919,000	\$ 1,008,000	\$ 1,008,000
40200	Special Transit Fares	30,000	30,429	31,000	27,000	27,000
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	40,000	59,358	40,000	60,000	40,000
40700	Non-Transportation Revenue (Interest)	55,000	107,759	60,000	57,000	48,000
40709	Non-Transportation Revenue (RWMA, Misc.)	125,000	142,735	2,000	9,000	3,000
40900	TDA-Local Transportation Funds (LTF)	4,000,000	4,000,000	4,000,000	4,000,000	4,200,000
40901	Local Cash Grants/Reimbursements	43,000	44,285	42,000	50,000	50,000
41100	TDA-State Transit Assistance Funds (STA)	1,454,000	861,133	1,390,000	1,009,900	1,472,000
41109	State Cash Grants/Reimbursements	-	4,725	163,000	-	324,000
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,200,000	2,200,000	2,500,000	2,500,000	2,600,000
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	200,000	200,000	250,000	250,000	200,000
41301	General Operating Assistance - FTA Sect. 5311 ARP Act (Rural)	-	-	250,000	250,000	295,000
	Caltrans Binney Junction SR 70 Improvements & Offsite Location				36,000	299,000
	Total Operating Revenue	<u>\$ 8,937,000</u>	<u>\$ 8,537,137</u>	<u>\$ 9,647,000</u>	<u>\$ 9,256,900</u>	<u>\$ 10,566,000</u>

CAPITAL BUDGET

	FY 2024 Budget	FY 2024 Audited	FY 2025 Budget	FY 2025 Projected	FY 2026 Preliminary Draft	
Capital Expenditures						
	Maintenance and Operations Facility	\$ 2,500,000	\$ -	\$ 4,017,000	\$ 1,023,000	\$ 1,050,000
	Facility Repairs and Improvements <i>(formerly in Miscellaneous Capital)</i>	50,000	-	50,000	50,000	50,000
	Bus Stop Repairs and Improvements	-	-	50,000	50,000	50,000
	Vehicle Purchase/Replacement	730,000	671,344	45,000	80,400	11,645,000
	Miscellaneous Capital	30,000	-	310,000	197,000	220,000
	Total Capital Expenditures	<u>\$ 3,310,000</u>	<u>\$ 671,344</u>	<u>\$ 4,472,000</u>	<u>\$ 1,400,400</u>	<u>\$ 13,015,000</u>

Capital Revenues

	Federal (5307, 5310, 5311, 5317, 5339)	\$ 2,037,569	\$ 671,344	\$ 1,328,120	\$ 38,105	\$ 8,002,376
	SACOG - Maintenance & Mobilization		-	475,000	300,000	
	State TIRCP / SB 125			1,072,648	723,000	4,104,475
	TDA-State Transit Assistance (STA)	303,629	-	482,352	339,295	756,468
	TDA-State Transit Assistance (SGR)	968,802	-	1,113,880	-	151,681
	Capital Contribution Revenue					
	Total Capital Revenues	<u>\$ 3,310,000</u>	<u>\$ 671,344</u>	<u>\$ 4,472,000</u>	<u>\$ 1,400,400</u>	<u>\$ 13,015,000</u>

**YUBA-SUTTER TRANSIT
FY 2026 OPERATING & CAPITAL BUDGET ASSUMPTIONS
PREPARED MARCH 14, 2025**

OPERATIONS EXPENDITURES

Services – Other Maintenance (Acct. #010.50300)

This account is available for a variety of outside maintenance and operations related services. These include radio maintenance and repeater contracts; on-bus Wi-Fi service; dispatching software subscriptions, AVL license fees; CHP inspection certificates; FRAQMD permit fees; Reclamation District levee assessments; minor facility repairs and services; landscape maintenance; janitorial expenses; routine bus stop shelter and sign maintenance, repairs, and relocations; mechanical warranties; storm water/pollution prevention related planning, permitting, monitoring, and reporting expenditures; and Yuba-Sutter Transit's share of operating expenses for the regional Connect Card electronic fare card system. The audited amounts for prior years may include the labor portion of capital project expenditures below the capitalization threshold.

Fuel & Lubricants (Acct. #010.50401)

This account is based on the budgeted operation of 92,500 vehicle service hours (VSH) in FY 2026 at a combined average price of \$11.70 per VSH for diesel, diesel emission fluid, gasoline, and any applicable taxes. This hourly allowance is similar to the projected year-end figure for the current year. Because fuel expenses are so volatile and represent such a significant share of the budget, this account will always be among the greatest expenditure risks each year. Once executed, any additional fuel costs resulting from the Temporary Construction Easement (TCE) off-site parking arrangement coordinated with Caltrans will have offsetting revenue for consumables related to the TCE reflected in account 40709 Non-Transportation Revenue.

Tires & Tubes (Acct. #010.50402)

This account is based on the projected year-end expenditures for FY 2025, the budgeted operation of 92,500 VSH in FY 2026 and projected tire replacement needs. Tire expenditures can vary significantly from year-to-year depending on when vehicles are replaced.

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. The amount budgeted is based on recent expenditure levels with an allowance for major unforeseen expenses during the fiscal year. Most significant are the repair and replacement costs for major components (engines, transmissions, and differentials) on older Yuba-Sutter Transit buses. The audited amounts may include non-labor capital project expenditures below the capitalization threshold.

Utilities – Electric & Gas (Acct. #010.50500)

Based on the projected year-end expenditures and consideration of the CPI of February over February.

Utilities – Water & Sewer (Acct. #010.50501)

Based on the projected year-end expenditures and consideration of the CPI of February over February.

Utilities – Telephone & Internet (Acct. #010.50502) *(Formerly #160.50502 in Administrative Expenditures)*

Based on the projected year-end expenditures and consideration of the CPI of February over February.

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

This account is based on a projected fleet of 54 revenue vehicles and the vehicle insurance rates that are provided in the extended operating contract with Storer Transit Systems.

Services – Contract Operations (Acct. #010.50800)

This figure is based on the rates in the existing Storer Transit Systems service contract assuming the operation of 92,500 VSH. This figure considers NextGen Transit Plan service changes to the existing operation including the launch of microtransit and commuter service to Roseville, both anticipated in early FY 2026. The initial four-year contract with Storer Transit Systems which expired on September 30, 2023, was extended through September 30, 2025, and is anticipated extending through September 30, 2027, with the exercising of the second of two available two-year options and is currently projected and budgeted at the maximum four percent increase.

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 organizations consistent with the applicable service procedures. This figure can vary from year to year depending on community demand.

ADMINISTRATIVE EXPENDITURES

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

The budgeted amount is based on the projected total salary figure for six administrative staff positions including any available step increases, longevity and cost of living (COLA) adjustments (when applicable), and an allowance for payouts of accrued annual leave.

Fringe Benefits – Administrative Staff (Acct. #160.50200)

Fringe benefit expenses have been adjusted to account for known or anticipated changes in benefit rates based on the above salary assumptions and current employee demographics. This amount includes insurance for health, dental, long-term disability, life, health waiver, vision, and worker's compensation (\$164k). Also included are employer CalPERS retirement (\$66.3k), 457 contributions (\$10.2k), Medicare and Medicare reimbursements (\$18.8k), vehicle allowance (\$3.6k), and retiree health benefits (\$2.1k). As most benefits are not salary based, the ratio of salary to benefits may vary from year to year based on the mix of staff.

Fringe Benefits – Unfunded CalPERS Liability Payments (Acct. #160.50201)

Employer contributions to the CalPERS retirement program are made up of two components – the normal annual costs of benefits earned by employees currently working which are included in the fringe benefits account above and an amortized payment toward the employer's Unfunded Accrued Liability (UAL). The UAL is the amortized dollar amount needed to fund past service credit earned (or accrued) for members (both Classic PERS and PEPRA) who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date. The projected UAL payment for FY 2026 is \$14,000.

Services – Accounting (Acct. #160.50301)

Based on past expenditures including payroll, miscellaneous accounting services, and electronic tax filing fees. Beginning FY 2026, this account also includes expenditures for the financial and single audits (\$33k). This account varies from year to year due to the need for Other Post-Employment Benefits (OPEB) actuarial services for which more in-depth services are required every other year or for additional professional services such as those that are required every ten years to audit financial reporting to the National Transit Database (NTD) (next due 2029).

Services – Legal (Acct. #160.50302)

An allowance for contract legal services and notices based on recent expenditures with an allowance for unforeseen future legal services especially entering the facility project.

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 ticket sheets, brochures and other miscellaneous materials based on projected current year expenses with an allowance for new passenger information materials.

Services – Miscellaneous Professional (Acct. #160.50309)

This account is for miscellaneous professional services such as computer/internet/website support and subscription services; graphic design work; and other administrative support services or consultants. Beginning in FY 2025, this account also includes amounts for procurement assistance, and information technology related professional services. Note that as of FY 2025, amounts for NextGen Transit Plan branding and advertising have been moved to account 50904: Miscellaneous Expense – Media Advertising & Promotion.

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

This account is for supplies and postage based on past expenditures which includes furnishings and equipment below the capitalization threshold.

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

This account is based on the recommended Authority damage and liability insurance policies.

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

This account is for memberships and subscriptions for civic service, professional, and trade organizations and is based on past expenditures. Current memberships include the California Transit Association, the California Association for Coordinated Transportation (CalACT), the nationwide Bus Coalition, the Chamber of Commerce, the Government Finance Officers Association, and the AGA. This account also includes biennial CPA renewal fees. Paid subscriptions include the Transit Access Report, a digest related to compliance with the Americans with Disabilities Act (ADA), the Appeal-Democrat and the domain name annual fee.

Miscellaneous Expense – Travel, Meetings and Training (Acct. #160.50902)

This account is available to fund travel, lodging and meeting expenses on an as needed basis for staff and board. The budgeted amount is based on past expenditures and an allowance for expected future staff travel and training expenses.

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

This account is based on an average of 12 regular Board meetings a year and up to four ad hoc committee meetings of two to four members each at a rate of \$100 per meeting. Current policy limits compensation to a maximum of 15 regular, special, or ad hoc committee 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 presentation materials and supplies, specialized point of use passenger informational materials for bus stop shelters and information panels; special event promotional items; and other marketing opportunities. When applicable, promotional expenses for grant funded services are reimbursed. Previously, Yuba-Sutter Transit's marketing activities have always been modest compared to similarly sized systems. Beginning with FY 2024, this account also includes outside consultant services and increased significantly with implementation of the NextGen Transit Plan.

Miscellaneous Expense – Other (Acct. #160.50909)

This account is an allowance for miscellaneous expenses such as banking and merchant account fees; NSF check charges; annual CalPERS report expenses; and other undesignated expenses such as intergovernmental contributions for joint projects such as the installation of concrete bus pads at bus stops.

OPERATING REVENUES

Passenger Fares (Acct. #40100)

This account assumes stability in systemwide ridership over the year. The budgeted increase in vehicle service hours is due primarily to the impact of NextGen Transit Plan service changes and an off-setting increase in Dial-A-Ride service due to an anticipated increase in Dial-A-Ride ridership.

Special Transit Fares (Acct. #40200)

This account is used for direct fare payments by FREED Center for Independent Living, and other miscellaneous special transit services.

Auxiliary Transportation Revenue – Advertising (Acct. #40600)

This account is for revenue received through the contract with Lamar Advertising for the placement of advertisements on bus exteriors, bus stop shelters and bus stop benches which includes a guaranteed minimum payment of \$3,000 per month (\$36,000 annually). This figure is based on the projected current year revenue which is expected to slightly exceed the guaranteed minimum annual payments of \$36,000. A total of 28 advertising bus stop shelters and 69 advertising bus stop benches are located throughout the service area and exterior ads are available on 51 buses.

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

This account represents the estimated interest earnings on available cash for FY 2026. Interest income is derived from the investment of operating and capital reserves (which varies from year to year) that are available for cash flow, contingencies, and future capital expenditures.

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

This account includes receipts from photo I.D. fees and bike locker rentals. For FY 2025 this amount included the consulting agreement with the Regional Waste Management Authority (RWMA), which is expected to decrease in FY 2026.

Local Transportation Funds (Acct. #40900)

The Local Transportation Fund (LTF) is a 0.25 percent portion of the state sales tax that is returned to the county of origin and distributed therein by population to meet “unmet transit needs that are reasonable to meet” after which the remainder, if any, can be used to maintain local streets and roads. Until FY 2021, the Yuba-Sutter Transit allocation of LTF revenue was historically based on the amount required to balance the budget after all other revenues are calculated. Since that time, available pandemic related federal stimulus funds have been used to off-set losses of passenger fare revenue allowing a strategic shift of State Transit Assistance (STA) funding to capital reserves. The CARES Act funding that was used for operating purposes was exhausted in FY 2022 and a significant amount from the American Rescue Plan Act (ARPA) allocation was expended in FY 2022 and FY 2023. A portion of the remaining rural ARPA funds have been carried over into the FY 2026 operating budget.

For FY 2026, the annual LTF contribution to Yuba-Sutter Transit is being budgeted at \$4.2 million. This amount is \$200,000 (5%) higher than the FY 2025 allocation. For reference purposes, SACOG’s draft LTF apportionments for FY 2026 project a total of just over \$8.7 million in the combined amount available to the four member jurisdictions. As a result, the budgeted \$4.2 million LTF allocation for Yuba-Sutter Transit in FY 2026 represents just 48 percent of the amount available (still down from 50 percent in FY 2024, and much lower than the peak of 60 percent in FY 2018). A greater percentage of LTF revenue for Yuba-Sutter Transit will likely be necessary going forward to back-fill for federal and state funds that may be needed at least in part for the facility project and to comply with the state’s zero-emission bus purchase mandate.

Local Cash Grants/Reimbursements (Acct. #40901)

This account is available for local contract service payments and other contributions for services or programs including reimbursements from Mercy Housing that are received from the City of Wheatland to off-set the cost of the December 2015 expansion of the Wheatland Route from three to five days a week.

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

Now derived from a tax on diesel fuel, the State Transit Assistance (STA) program is the only on-going state funding source for public transportation. Available with minimal restrictions for operating and capital purposes, STA funds have historically been the primary source of local matching funds for federal capital grants though more was being committed to the operating budget in recent years especially since Senate Bill 1 (2017) provided more certainty to this funding source. After wildly fluctuating allocations from FY 2020 to FY 2023 due to the anticipated and actual impact of the pandemic on diesel fuel sales, SACOG's apportionments for FY 2026 includes a total of \$1,962,366 in STA for Yuba-Sutter Transit. This figure is down 14 percent (\$319,397) from the FY 2025 apportionment. The preliminary draft budget assumes the use of \$1,472,000 in STA funding for operations and \$756,468 for capital expenditures. A portion of these expenditures may be funded with deferred STA amounts claimed in prior years. It should be noted that a portion of the STA apportionment and funding being budgeted for operating expenses is derived from specific allocations to Live Oak and Wheatland for the operation of the contract services that Yuba-Sutter Transit provides to these non-member jurisdictions.

State Cash Grants/Reimbursements (Acct. #41109)

This account is available for the receipt or accrual of state grant related reimbursement payments. For FY 2026, this account is for the receipt or accrual of miscellaneous state grant related reimbursements for Low Carbon Transit Operations Program (LCTOP) grant funded operating expenditures for the Roseville Commuter Service. Although budgeted in FY 2024, the project was delayed until FY 2026.

Federal Urban 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. For FY 2026, these funds come through the five-year federal Infrastructure Investments and Jobs Act (IIJA) of 2021. Section 5307 funds can typically be used for up to 50 percent of eligible operating expenses and up to 80 percent of eligible capital expenses, but COVID-19 stimulus funds (CARES Act and ARP funds) were available without restriction with no match requirement. As COVID-19 stimulus funds neared exhaustion in FY 2022, the federal share of the budget began being reduced to pre-pandemic federal funding levels especially as some portion of these funds will likely be needed to meet the needs of the transit facility project and to comply with the state zero-emission bus purchase mandate.

The FY 2025 budget assumes \$2.6 million being allocated from this source for operating purposes. The FY 2025 budget assumed a total of \$2,500,000 million from this source.

Federal Rural General Operating Assistance / CARES Act / CRRSAA / ARP – 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. It is also projected that some amount of these funds will be available for use towards the planned Roseville Commuter service. These funds can be used for both operating and capital assistance subject to a 55.33 percent federal funding limitation for operations and 88.53 percent for capital expenditures though COVID-19 stimulus funding (CARES Act, CRRSAA, ARP Act) did not require any match. The FY 2026 budget includes \$200,000 in Section 5311 and \$295,000 in Section 5311 ARP Act funds.

Caltrans Binney Junction SR 70 Improvements & Offsite Location

This account is for revenue from Caltrans for a Permanent and Temporary Construction Easement and a reimbursement allowance for consumables such as fuel (account #010.50300), additional labor costs (account #010.50801), and an offsite operations facility due to relocating a portion of our vehicle fleet off-site.

CAPITAL PROGRAM SUMMARY

The projected year-end capital budget for FY 2025 includes the environmental phase of the facility project (\$1,023,000); the completion of the purchase of six small profile low-floor buses (\$44,700), a non-revenue vehicle purchase (\$35,700k), installation costs related to the planned on-demand service (\$10,000), and an allowance for facility repairs and improvements (\$50,000), bus stop repairs and improvements (\$50,000), and bus (\$187,000).

The primary components of the \$13,015,000 preliminary draft capital budget for FY 2026 are fleet vehicle replacement purchases of four commuter buses (\$5,600,000) and 15 cutaway on-demand buses (\$6,000,000) included for funding allocation purposes but planned for execution in 2028. FY 2026 also includes \$1,050,000 for the environmental and design phases of the facility project, \$220,000 for the Cal-ITP Implementation project, and allowances for facility repairs and improvements (\$50,000), bus stop repairs and improvements (\$50,000), and a non-revenue vehicle purchase (\$45,000).

(See capital program funding detail next page)

CAPITAL PROGRAM FUNDING DETAIL

	<u>FY 2025 Projected</u>	<u>FY 2026 Budget</u>
<u>Maintenance & Operations Facility</u>		
Federal 5311		\$ 364,492
Federal 5311 CRRSAA		327,000
TIRCP	\$658,000	83,827
SACOG Maintenance & Mobilization	\$300,000	
SACOG SB 125	\$ 65,000	123,000
TDA-State Transit Assistance (SGR)		151,681
TDA-State Transit Assistance (STA)		
Total Facility	<u>\$1,023,000</u>	<u>\$1,050,000</u>
<u>Facility Repairs and Improvements</u>		
TDA-STA (allowance)	\$ 50,000	\$ 50,000
<u>Bus Stop Repairs and Improvements</u>		
TDA-STA (allowance)	\$ 50,000	\$ 50,000
<u>Vehicle Purchase/Replacement</u>		
Federal 5307		\$3,992,574
Federal 5339	\$ 38,105	1,521,028
Federal 5311		1,091,860
Federal 5311 CARES		705,422
TIRCP		3,725,000
TDA-STA	<u>42,295</u>	<u>609,116</u>
Total Vehicles	\$ 80,400	\$11,645,000
<u>Miscellaneous Capital</u>		
Cal-ITP Implementation Project		
TIRCP		\$ 172,648
TDA-STA		<u>47,352</u>
		\$ 220,000
On-Demand Start-up Costs		
TDA-STA	<u>\$ 10,000</u>	
Bus Wraps/Branding		
TDA-STA	<u>\$187,000</u>	
Total Miscellaneous Capital	\$197,000	\$ 220,000
Total Capital	<u>\$1,400,400</u>	<u>\$13,015,000</u>

AGENDA ITEM V – D
STAFF REPORT

SPECIAL SERVICE FOR THE 2025 SIKH PARADE

RECOMMENDATION: Appointment of an ad hoc committee to address the potential operation of a special service for the 2025 Sikh Parade.

Background

Yuba-Sutter Transit provided a free parking shuttle for the 2007 and 2008 Sikh festival parades for which the sponsor reimbursed Yuba-Sutter Transit for the cost of each vehicle service hour operated. In February 2009, following changes in Federal Transit Administration (FTA) charter regulations, Yuba-Sutter Transit adopted a Charter & Special Services Policy effectively eliminating such service unless it is operated consistently with the related Federal regulations. The policy (last updated in August 2015) requires that the service must be open to the public; the route, schedule and scope of work are set by Yuba-Sutter Transit; the customary fixed route fare is charged; and no third-party payment is made for the service provided. The Board declined a request to operate the service in 2009 at no cost to either the passengers or the sponsor.

Annually since 2010 (except for 2020 when the parade was cancelled due to the pandemic), the Board has authorized a shuttle service based on the assumed operation of a certain number of vehicle service hours and the pre-purchase of a certain number of round-trip fares. The service has grown significantly over the years from 164 vehicle service hours and 16 buses carrying 11,876 recorded passenger boardings in 2010 to as much as 270 vehicle service hours providing an estimated 30,000 to 35,000 boardings for this one-day event.

Discussion

FTA's Charter Service Regulations (49 CFR Part 604), protect private charter operators from unauthorized competition from FTA grant recipients. In essence, the charter regulations were implemented to ensure that transit agencies, subsidized with federal money, do not unfairly compete with privately owned bus companies. Under the charter rules, with limited exceptions, local transit agencies are restricted from operating chartered services.

In anticipation of a request from either event organizers, or one or more member jurisdictions, to operate dedicated services for the 2025 Sikh Parade, staff is now requesting formation of an ad hoc committee of the Board to assist staff in addressing potential costs, compliance, safety, and/or liability concerns. Staff will be prepared at the meeting to discuss this issue in detail.

Fiscal Impact

None.

AGENDA ITEM V – E
STAFF REPORT

TRANSIT OPERATIONS AGREEMENT OPTION

RECOMMENDATION: Authorize the Executive Director to issue a conditional notice to Storer Transit Systems exercising the final two-year option on the existing Transit Operations Agreement, for the performance period October 1, 2025, through September 30, 2027.

Background

The initial four-year term of Yuba-Sutter Transit's current operating agreement with Storer Transit Systems commenced on October 1, 2019, and expired on September 30, 2023. The agreement provides for two optional extension terms of two years each to be exercised at the sole discretion of Yuba-Sutter Transit for a maximum eight-year term. The first two-year option was exercised in 2023 and is currently in effect until September 30, 2025. Pursuant to the terms and conditions of the agreement, the price formulas for direct payments to the contractor for fixed and variable costs during any option year shall be adjusted by applying the percentage year-to-year change (February to February rounded to two decimal places) in a specified consumer price index (CPI), provided that the adjustment shall not be less than 2% or greater than 4% in any one year.

Discussion

The CPI for All-Urban Consumers U.S. City Average All Items (Series ID CUUR0000SA0) increased 2.8% over the applicable 12-month period ending February 2025. As noted above, the existing contract terms limit the annual cost adjustment during any option years to this CPI calculation, provided it is within the acceptable 2%-4% range. The rate for the eighth and final option year of the contract will be similarly calculated using the 12-month period ending February 2026.

Storer Transit Systems has remained an exceptional partner as the agency navigated the pandemic and the resulting fluctuations in ridership and service hours. Due to their recruitment and training efforts, Yuba-Sutter Transit has not experienced driver and general workforce shortages as acutely as many other transit agencies. In addition, if the operations contract was rebid in the current business environment, the annual cost would be expected to increase by a substantially higher percentage than the maximum 4% cap in the current agreement.

Based on the satisfactory past performance of Storer Transit Systems and the reasonable escalation in the contract price, staff is recommending that the Board authorize a conditional notification to the contractor that Yuba-Sutter Transit is exercising the final two-year option. Such action will be subject to Federal Transit Administration compliance review as required by current funding agreements. Alternatively, the Board could choose not to exercise the two-year option and proceed immediately with the procurement of a new contractor. Staff will be prepared at the meeting to discuss this issue in detail.

Fiscal Impact

Based on the terms of the existing contract which assumes the operation of up to 95,000 annual vehicle service hours (VSH), the maximum obligation to the contractor would increase in Year 7 of the contract by \$203,025.92 (2.8%) to \$7,458,375.40. The actual year-to-year change, however, will likely be lower based on the preliminary draft budget assumption of 92,500 VSH operated in FY 2026. These cost increases, which would be effective October 1, 2025, have been included in the preliminary draft budget.

AGENDA ITEM V – F
STAFF REPORT

**STATE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
PROJECT SELECTION**

- RECOMMENDATION:
- 1) Authorize the submittal of specified projects for LCTOP funding as proposed or amended; and,
 - 2) Adopt Resolution No. 2-25 authorizing execution of the related LCTOP Certifications and Assurances including the designation of the Executive Director as the Authorized Agent.

Background

The Low Carbon Transit Operations Program (LCTOP) is one of several under the Transit, Affordable Housing, and Sustainable Communities Program that was established by the California Legislature in 2014 by Senate Bill (SB) 862. LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility with a priority on serving State identified disadvantaged and low-income communities (DAC's).

Agencies such as Yuba-Sutter Transit whose service area includes one or more disadvantaged communities must expend at least 50 percent of the money received on projects that will benefit those communities. Assembly Bill (AB) 1550 (2016) additionally requires that 10 percent of the funds must benefit low-income households that are within disadvantaged/low-income communities or within ½ mile of a disadvantaged or low-income community. SB 1119 (2018) increased project flexibility by allowing transit agencies to waive the requirement of expending 50 percent of the total allocation within and benefiting a DAC for the following:

- a) New or expanded transit service that connects with transit service serving disadvantaged communities, as identified in Section 39711 of, or in low-income communities, as defined in paragraph (2) of subdivision (d) of Section 39713, of the Health and Safety Code.
- b) Transit fare subsidies and network and fare integration technology improvements, including, but not limited to, discounted or free student transit passes.
- c) The purchase of zero-emission transit buses and supporting infrastructure.

Within the above parameters, LCTOP projects are primarily intended to support new or expanded bus or rail services; expand intermodal transit facilities; and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities with each project required to reduce greenhouse gas emissions. They can also be used to purchase zero-emission replacement vehicles and the provision of charging/fueling infrastructure for zero-emission vehicles. Recipients are encouraged to select those projects that maximize public benefits for transit ridership, greenhouse gas reductions, disadvantaged community benefits and other co-benefits.

LCTOP funding is distributed under the same formula that is used for the State Transit Assistance (STA) program and is available only to STA eligible recipients. As a result, Yuba-Sutter Transit is the only eligible claimant for LCTOP funding in the bi-county area. Caltrans, in coordination with the California Air Resources Board (CARB), is responsible for ensuring that the statutory requirements of the program are met in terms of

project eligibility, greenhouse gas reductions, DAC benefits and other requirements of law. Statewide LCTOP funding levels have fluctuated wildly over the years as funding is provided through a continuous appropriation of five percent of the annual auction proceeds for the Greenhouse Gas (GHG) Reduction Fund.

FY 2025 LCTOP Funding Level

The FY 2025 bi-county allocation of LCTOP funds for Yuba-Sutter Transit is projected to be \$499,003. Yuba-Sutter Transit’s approved LCTOP projects by cycle are shown below along with three proposed projects for FY 2025.

FY 2020	\$194,456	Next Generation Transit Facility Construction
FY 2021	\$618,225	Next Generation Transit Facility Construction
FY 2022	\$168,001 \$300,000	Targeted Fare Subsidies Next Generation Transit Facility Construction
FY 2023	\$127,420 \$218,000 \$160,000	Next Generation Transit Facility Construction Commuter Service (Roseville) Targeted Fare Subsidies
FY 2024	\$127,420 \$218,000 \$160,000	Next Generation Transit Facility Construction Commuter Service (Roseville- Transferring to Targeted Fare Subsidies) Targeted Fare Subsidies
FY 2025	\$499,003	Commuter Service to Lincoln/Roseville

Priority Projects

Staff has been in coordination with Placer County to implement service to the Lincoln/Roseville area that does not duplicate existing services but instead connects to existing services. As such, the recently adopted (September 2024) Placer County Comprehensive Operational Analysis recommends an express service from Lincoln to the Roseville Galleria. To avoid the duplication of the service, it has been determined that connecting to the express service in Lincoln is the most efficient way to provide access to the area. The express service is planned to operate every 30 minutes and provides access to job and medical centers. The FY 2025 LCTOP funds in the amount of \$499,003 will operate this service for 18 months.

The previous FY 2024 funds allocated to the Roseville Commuter service will be redirected to extend the Targeted Fare Subsidy program, which reduces the cost of the monthly pass from \$40 for the general public and \$20 for 65+ and those with a qualifying disability to \$20 and \$10 respectively.

For this cycle of funding, LCTOP allocation requests are due to Caltrans by April 24th. Staff will be prepared to discuss the LCTOP program and the proposed project in detail at the meeting.

YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 2-25

**AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND
AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)
FOR THE FOLLOWING PROJECT:**

COMMUTER SERVICE TO LINCOLN/ ROSEVILLE

- WHEREAS,** the Yuba-Sutter Transit Authority is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and
- WHEREAS,** the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and
- WHEREAS,** Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and
- WHEREAS,** the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and
- WHEREAS,** the Yuba-Sutter Transit Authority wishes to delegate authorization to execute the Certifications and Assurances, Authorized Agent form and any amendments thereto to the agency Executive Director;
- WHEREAS,** the Yuba-Sutter Transit Authority wishes to implement the LCTOP projects listed above that will provide at least 50% of the funding to benefit disadvantaged communities and comply with Assembly Bill 1550 which requires 5% of the funds be allocated to a project that benefit low-income communities and 5% of the funds are allocated to a project that benefit these living within ½ mile of a low-income or disadvantaged community within Yuba and Sutter Counties;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yuba-Sutter Transit Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that the agency Executive Director is authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the Yuba-Sutter Transit Authority that it hereby authorizes the submittal of the following project nomination and allocation requests to the Department for FY 2024-25 funds:

PROJECT NAME: Commuter Service to Lincoln/Roseville

Amount of LCTOP funds requested: \$499,003 (\$475,151 in regional funds and \$23,852 in local funds).

Contributing Sponsor: Sacramento Area Council of Governments (SACOG)

Project description:

Provide funding for the launch and operation of the Lincoln/Roseville Commuter Service.

Disadvantaged Communities (DAC): This project will provide systemwide benefits that consequently benefit disadvantaged communities in Yuba City, Marysville, Linda and Olivehurst.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT A REGULAR MEETING HELD ON MARCH 20, 2025, BY THE FOLLOWING VOTE.

Ayes:

Nos:

Chair, Board of Directors

ATTEST:

*Lisa O'Leary
Secretary to the Board*