



MEETING NOTICE & AGENDA

DATE: Thursday, May 17, 2018

TIME: 4:00 P.M.

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

I. Call to Order & Roll Call

Cardoza (Chair), Cleveland, Fletcher, Leahy (Vice-Chair), Pedigo, 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 April 19, 2018. (Attachment)
- B. Disbursement List for April 2018. (Attachment)
- C. Monthly Performance Report for April 2018. (Attachment)

IV. Reports

- A. **Yuba-Sutter Transit Operating and Capital Budget for FY 2018/2019.** Review and approval consideration of the final draft budget for the next fiscal year. (Attachment)

RECOMMENDATION: Adopt Resolution No. 5-18 approving the FY 2018/2019 budget as proposed or amended.

- B. **Local Transportation Fund (LTF) Apportionment for FY 2018/2019.** (Attachment)

RECOMMENDATION: Adopt Resolution No. 6-18 establishing the LTF contributions for each member jurisdiction for FY 2018/2019 as proposed or amended.

- C. **Set a Public Hearing on Yuba-Sutter Transit's FY 2018/2019 Federal Funding Applications.**

RECOMMENDATION: Set a public hearing for 4:00 p.m. on Thursday, July 19, 2018 to receive comments on Yuba-Sutter Transit's FY 2018/2019 federal funding applications.

- D. Federal Transit Administration (FTA) Low or No (Low-No) Emission Vehicle Funding Program.** Discussion and authorization consideration to apply for funding under the Section 5339(c) competitive grant program toward the purchase of two battery electric buses and related facility improvements. (Attachment)

RECOMMENDATION: Authorize staff to submit a Low-No grant application as proposed or amended.

- E. Third Quarter Performance Report.** (Attachment)

RECOMMENDATION: Information only.

- F. Project & Program Updates.**

1. Connect Card Implementation (No Paper Monthly Passes & No Fixed Route Transfers Issued or Accepted After June 30, 2018)
2. July 1, 2018 Fare Structure (Handout)
3. SACOG Transportation Demand Management (TDM) Mini-Grant Program Application
4. Rideout Way Route Change Request
5. Marysville Street Repair Funding Request
6. Delivery of Replacement Commuter Buses

RECOMMENDATION: Information only.

V. Correspondence/Information

VI. Other Business

VII. Adjournment

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, JUNE 21, 2018
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

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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 APRIL 19, 2018

I. Call to Order & Roll Call

Present: Cardoza (Chair), Fletcher, Leahy (Vice-Chair), Simmons (for Pedigo), Sullenger, and Whiteaker

Absent: Pedigo & Whitmore

II. Public Business from the Floor

Gary Rico, a resident of 1132 Rideout Way in Marysville, expressed his concern regarding the bus that operates on Rideout Way between Hall and Hansen Streets in east Marysville. Mr. Rico stated that this is a narrow road and that a better alternative would be to use the much wider Harris Street. Martin directed Mr. Rico to Adam Hansen to get his contact information for further discussion.

III. Consent Calendar

Director Whiteaker made a motion to approve the consent calendar. Director Leahy seconded the motion and it carried unanimously.

IV. Reports

A. Revised Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2019.

Martin stated that the revised draft budget includes detailed descriptions of each revenue and expense item. He gave a brief overview of the revised current year projections noting that expenses are now expected to be a bit higher than budgeted. Martin mentioned that revenue is currently running behind budget due primarily to reduced farebox income resulting from declining ridership. This short-fall will be made up through the use of deferred revenue.

Martin then discussed the revised draft budget for FY 2019 stating that it is basically a status quo budget with no proposed expansions or changes. He highlighted the detailed expense and revenue descriptions in the report and invited Board questions and input. Director Simmons inquired as to the expenditure projections for street repairs at bus stops in Marysville. Martin responded that the budget does not include any funding for street renovations as those have always been the responsibility of each jurisdiction. Discussion continued regarding past history on this subject including a similar request that was ultimately rejected by the member jurisdictions. After much discussion, the consensus was to have staff organize a conversation with the member jurisdiction administrators on the issue of transit agency funding for local street repairs at bus stops.

B. One Year Indexed Extension of the Transdev Services, Inc. Transit Operations Agreement.

Martin stated this item is to consider exercising the second of two one year extension options that are part of the existing operating contract with Transdev Services, Inc. The initial three year term that began in October 2014 expired in September 2017 and the first one year extension option will run through September 2018. The option years are at the sole discretion of Yuba-Sutter Transit with a maximum five year term that would run through September 2019. Each option is based on a CPI adjustment with of a minimum increase of 2 percent and a maximum increase of 4 percent. Based on the designated CPI, the second one year extension would result in a cost increase of 2.21 percent effective October 2018. This would result in a projected cost increase of \$136,207 for the year based on the current fleet size and service level.

Director Whiteaker made a motion to authorize a one year indexed extension of the existing Transdev Services, Inc. agreement. Director Leahy seconded the motion and it carried unanimously.

C. Information Technology (IT) Support Services Contract Award.

Martin described the ongoing process to select an IT support contractor including the December release of an RFP which resulted in the receipt of four proposals. After interviewing two firms, based upon the information available and reference checks, the selection committee is now recommending Alliant Networking Services, Inc. of Yuba City for this contract.

Director Leahy made a motion to authorize the execution of a contract with Alliant Networking Services, Inc. for IT support services. Director Whiteaker seconded the motion and it carried unanimously.

D. Back-Up Emergency Generator Contract Award.

Martin stated that the Board had authorized an RFP for this project in January and that three proposals were received in response. Staff is now recommending Day's Generator Service for this project at a total cost of \$129,558. Martin added this project is being funded with an allocation of \$107,428 from the California Transit Assistance Fund (CTAF) bond program and that any short-fall will be made up through the anticipated transfer of excess prior year CTAF funding.

Director Fletcher made a motion to award the project and authorize the execution of a contract with Day's Generator Service as proposed. Director Leahy seconded the motion and it carried unanimously.

E. Administrative Staff Salary and Benefit Adjustments.

Martin stated that employee compensation and benefits are periodically reviewed for possible changes and the attached staff report details recommendations for a 2.0 percent cost of living adjustment (COLA) for the five administrative employees including the Transit Manager. It also recommends adjustments to the car allowance for the Transit Manager; a new step to the annual leave schedule after 25 years of service; and, an increase to the deferred compensation contributions by Yuba-Sutter Transit on behalf of the employees. Martin added that the combined first year cost of these changes would be approximately \$14,300.

Director Leahy made a motion to approve the proposed staff salary and benefit adjustments effective July 1, 2018. Director Whiteaker seconded the motion and it carried unanimously.

F. **Project & Program Updates.**

1. Connect Card Implementation.

Martin stated that full implementation of the Connect Card has been set for July 1, 2018 and staff has been communicating this in various ways to passengers. The primary change on that date will be that local fixed route transfers will no longer be issued and that monthly passes will only be available on a Connect Card.

2. North Beale Road and Olivehurst Bus Stop Improvements

Martin stated that the concrete work is complete on North Beale Road at Lowe Avenue and at Woodland Drive in Linda and at Johnson Park in Olivehurst. The new bus stop shelters for these locations have been ordered and are expected to be installed by the end of June.

3. California Air Resources Board Innovative Clean Transit (Zero-Emission Bus) Proposal

Martin stated that the California Air Resources Board (CARB) is looking to take action on their proposal in July or August, but that they are considering backing-off or delaying some components in response to the input that they have already received. These include possibly eliminating cut-away buses from the proposal as well as delaying the initial implementation date. Staff is watching this issue closely and will report on any new developments.

4. Replacement Commuter Buses

Martin stated that the seven replacement commuter buses are now on the assembly line and are expected to be delivered in June.

V. **Correspondence/Information**

None

VI. **Other Business**

Director Cardoza asked if anyone had contacted staff about providing a shuttle service to Beale Air Force Base for the upcoming open house. Martin responded that he had not been contacted.

VII. **Adjournment**

The meeting was adjourned at 4:35 p.m.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, MAY 17, 2018
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

**YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF APRIL 2018**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 7,380.04	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 1,566.68	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 273.41	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 34.48	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 791.80	PG&E	ELECTRIC
EFT	\$ 2,636.06	PG&E	ELECTRIC #2
EFT	\$ 552.32	PG&E	GAS
EFT	\$ 212.10	ATT - SECURITY LINE	SECURITY LINE - APRIL
EFT	\$ 75.00	AT&T - UVERSE	INTERNET APRIL
EFT	\$ 823.25	TPX COMMUNICATIONS	TELEPHONE APRIL
EFT	\$ 112.70	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 300.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 29.98	CARDMEMBER SERVICES	RABOBANK CREDIT CARD
EFT	\$ 400.00	FRANCOYTP-POSTALIA, INC.	POSTAGE RESET
EFT	\$ 105.94	ELAVON	MERCHANT SERVICE FEE - APRIL
EFT	\$ 151.15	PRIMEPAY	PAYROLL FEE
EFT	\$ 34,470.20	PAYROLL	PAYROLL
15966	\$ 209.02	ADAM HANSEN	3RD QTR REIMBURSEMENTS
15967	\$ 710.00	ALL SEASON TREE & TURF CARE	LANDSCAPING MAINTENANCE & SPRAYED PEAR TREES
15968	\$ 18,095.01	BOYETT PETROLEUM	BUS FUEL
15969	\$ 495.00	CALACT	SPRING CONFERENCE REGISTRATION FEE
15970	\$ 4,111.83	CONNECT CARD REGIONAL SERVICE CENTER	CONNECT CARD SALES
15971	\$ 600.00	DICKSON MECHANICAL	SERVICE AGREEMENT
15972	\$ 19,279.65	FLYERS ENERGY	BUS FUEL
15973	\$ 355.50	KEITH MARTIN	3RD QTR REIMBURSEMENTS
15974	\$ 411.45	QUILL CORPORATION	JANITORIAL SUPPLIES
15975	\$ 1,100.00	R.C. JANITORIAL SERVICE	JANITORIAL SERVICES
15976	\$ 2,182.80	RICH,FUIDGE, LANE & BORDSEN, INC.	LEGAL SERVICES
15977	\$ 72.93	SANDRA ANDERSON	3RD QTR REIMBURSEMENTS
15978	\$ 25.41	SIMONE REED	3RD QTR REIMBURSEMENTS
15979	\$ 216.50	STAPLES CREDIT PLAN	OFFICE SUPPLIES
15980	\$ 609.00	STATE COMP INSURANCE FUND	WORKERS COMP INSURANCE PREMIUM
15981	\$ 132.72	SUTTER COUNTY LIBRARY COMMISSION	CONNECT CARD/TICKET SHEET COMMISSION
15982	\$ 83.55	TEHAMA TIRE SERVICE, INC.	BUS TIRES
15983	\$ 36.77	AT&T	FIRE LINE
15984	\$ 186.89	ADVANCED DOCUMENT CONCEPTS	COPY MACHINE - MARCH
15985	\$ 50.00	BILL SIMMONS	BOARD MEETING 4/19
15986	\$ 18,918.79	BOYETT PETROLEUM	BUS FUEL
15987	\$ 679.12	CALIFORNIA DEPT OF TAX & FEE ADMIN	BUS FUEL TAX
15988	\$ 450.00	DIGITAL DEPLOYMENT	WEB SERVICES - APRIL
15989	\$ 19,838.45	FLYERS ENERGY	BUS FUEL
15990	\$ 50.00	JIM WHITEAKER	BOARD MEETING 4/19
15991	\$ 50.00	MANNY CARDOZA	BOARD MEETING 4/19
15992	\$ 50.00	MICHAEL LEAHY	BOARD MEETING 4/19
15993	\$ 1,059.77	QU.EST	MAINTENANCE OF BUS STOPS/SHELTERS
15994	\$ 50.00	RANDY FLETCHER	BOARD MEETING 4/19
15995	\$ 50.00	RON SULLENGER	BOARD MEETING 4/19
15996	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL
15997	\$ 465.99	STANLEY SECURITY SOLUTIONS, INC.	SECURITY SERVICES
15998	\$ 150.00	SWRCB FEES	ANNUAL PERMIT FEE
15999	\$ 107.58	TEHAMA TIRE SERVICE, INC.	TIRES/TUBES
16000	\$ 499,955.27	TRANSDEV SERVICES, INC.	CONTRACT SERVICES - MARCH
16001	\$ 384.29	U.S. BANK EQUIPMENT FINANCE	COPIER LEASE
16002	\$ 174.49	VERIZON	CONNECT CARD WIRELESS
	\$ 641,362.89		

**LAIF
TRANSFERS**

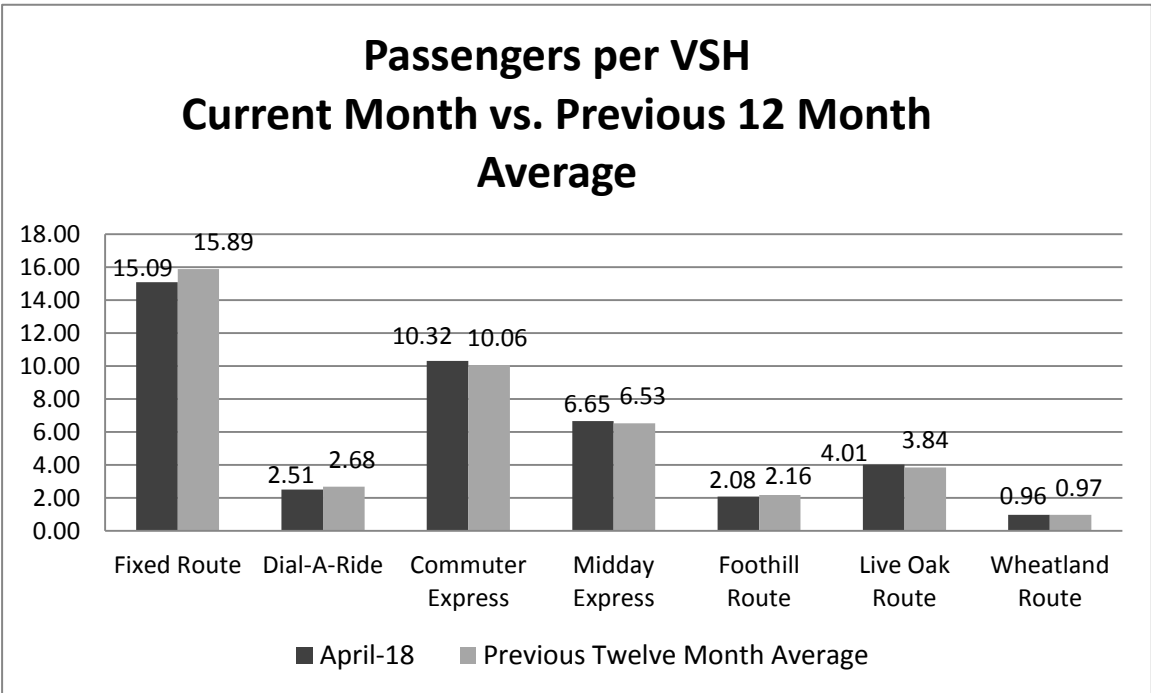
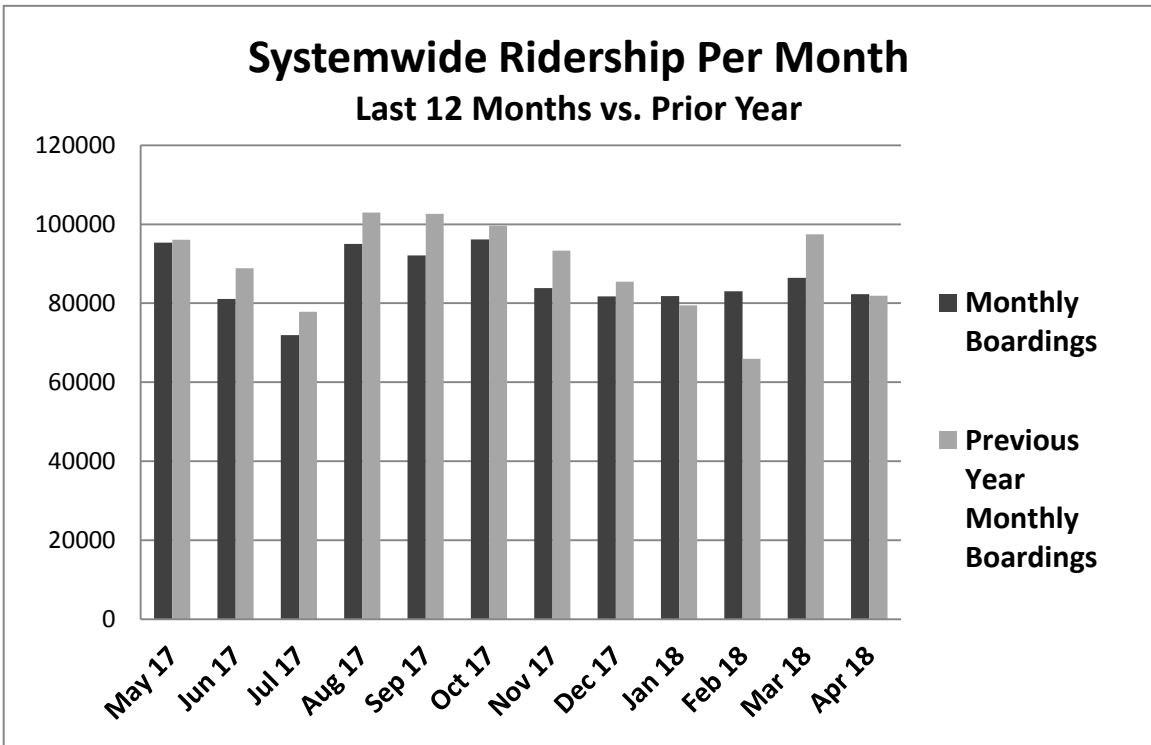
NO LAIF TRANSFERS

AGENDA ITEM III - C

APRIL 2018 PERFORMANCE REPORT

Ridership:	April-18	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Fixed Route	65,128	68,713	684,973	718,836
Dial-A-Ride	5,320	5,651	55,307	55,707
Commuter Express	10,253	9,970	98,800	97,001
Midday Express	1,066	1,029	10,329	10,207
Foothill Route	164	176	1,628	1,607
Live Oak Route	317	285	2,887	2,967
Wheatland Route	35	37	378	472
Total Ridership:	82,283	85,861	854,302	886,797
Vehicle Service Hours:				
Fixed Route	4,315.38	4,325.22	43,181.80	42,284.04
Dial-A-Ride	2,123.16	2,110.73	21,126.06	20,146.21
Commuter Express	993.90	991.32	9,834.22	9,568.12
Midday Express	160.38	157.73	1,580.51	1,490.17
Foothill Route	79.03	81.33	804.91	812.62
Live Oak Route	78.97	74.25	750.20	715.97
Wheatland Route	36.48	38.07	379.76	385.25
Total VSH's:	7,787.30	7,778.66	77,657.46	75,402.38
Passengers Per Hour:				
Fixed Route	15.09	15.89	15.86	17.00
Dial-A-Ride	2.51	2.68	2.62	2.77
Commuter Express	10.32	10.06	10.05	10.14
Midday Express	6.65	6.53	6.54	6.85
Foothill Route	2.08	2.16	2.02	1.98
Live Oak Route	4.01	3.84	3.85	4.14
Wheatland Route	0.96	0.97	1.00	1.23
Total Passengers Per VSH:	10.57	11.04	11.00	11.76

APRIL 2018 PERFORMANCE REPORT



AGENDA ITEM IV – A
STAFF REPORT

**YUBA-SUTTER TRANSIT
OPERATING AND CAPITAL BUDGET FOR FY 2018/2019**

Background

Attached for Board review and approval consideration is the final draft Yuba-Sutter Transit operating and capital budget for FY 2019 which has been updated from the version that was presented at the April meeting. This process resulted in budgeted operating expenses of \$7,423,800 for FY 2019 (down just \$5,000 from the April version) and budgeted capital expenses of \$11,429,097 which is down substantially (\$796,096) from the April version due primarily to changes in two vehicle replacement projects.

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 Budget Projections

Projected year-end operating expenses of \$7,243,500 for FY 2018 (up \$15,800 from the April version) are now expected to be \$62,200 more than the amount budgeted. While there are variances in a number of major line items, most of the negative impact is due to higher than expected bus engine and transmission repairs/replacements activity (Accounts #010.50300 & #010.50499); tire prices; and, contract operating expenses. While year-end fuel expenses are still expected to be below the amount budgeted, the recent price trend remains a factor in next year's budget. Representing nearly 10 percent of the operating budget, fuel is the most volatile line item over the years and this situation can change quickly so any projected year-end savings could erode quickly if prices suddenly spike even higher. The most significant revenue figures are still the projected drop in passenger fare receipts due to decreased ridership. As a result, a significant contribution from Yuba-Sutter Transit's deferred Local Transportation Fund (LTF) revenue (approximately \$286,000) is now expected to be needed to balance the year-end budget.

FY 2019 Budget Projections

The proposed operating budget is essentially a status quo document as it assumes no service or fare changes for FY 2019 due to the operational and financial uncertainty surrounding the now three year negative ridership trend; the effort to repeal Senate Bill (SB) 1 and the resulting uncertainty of State Transit Assistance (STA) funding; and, the still unknown ridership and fare revenue impact of full implementation of the Connect Card system. Even with this conservative approach, the revised draft operating budget of

\$7,423,800 for FY 2019 still represents an increase of 3.4 percent (\$242,500) over the adopted FY 2018 budget and an increase of 2.5 percent (\$180,300) over the now projected year end figure for FY 2018.

The largest piece of the operating budget is the service contract with Transdev Services, Inc. The initial three year contract expired on September 30, 2017 and is now in the first of two possible indexed one year extension options. The final draft budget includes the second extension term through September 2019 which was approved at the April meeting. For some perspective, all of the expenses related to the service contract combine to represent 73 percent of the proposed FY 2019 operating budget. Diesel fuel, which represents the next largest expense at 10 percent of the budget, will still be the largest risk factor in FY 2019, but the delivery of new commuter and demand response buses in 2018 and 2019 respectively should result in decreased tire and component repair/replacement expenses with the retirement of 17 increasingly unreliable vehicles.

The most significant revenue assumptions in the revised draft operating budget include the hoped for stabilization of ridership and the resulting impact on fare revenue; and, the relative distribution between operating and capital uses for the available STA and Federal funding. The uncertainty that was noted in the preliminary draft budget regarding Yuba-Sutter Transit's use of STA funds for FY 2019 operating expenditures has been resolved satisfactorily. Based on these and other preliminary draft assumptions, the amount of the Local Transportation Fund (LTF) contributions from the member jurisdictions is expected to increase by 12 percent (\$289,800) in FY 2019 over the budgeted amount for FY 2018.

The proposed capital budget includes two previously programmed vehicle replacement projects (commuter and demand response buses) that are now expected to be completed in FY 2019 along with the programming of a major fixed route bus replacement project that will not be completed until FY 2020. The capital budget is down almost \$800,000 from the April version due to changes in scope for both FY 2019 bus replacement projects. Other major capital projects include an emergency back-up generator and facility security enhancements funded by the State Transit Safety and Security Grant program; and, bus stop enhancements and a computer assisted dispatch / automatic vehicle location passenger information system (CAD/AVL) being funded by the State Low Carbon Transit Operations Program and the State Transit Safety and Security Grant Program.

Other Considerations

In addition to the above, the proposed FY 2019 budget includes several other significant expense and revenue assumptions for consideration:

- Due to reduced ridership since FY 2015, the major service enhancement recommendations from the 2015 Yuba-Sutter Short Range Transit Plan (SRTP) have been delayed indefinitely. Other SRTP recommendations for specific technology improvements, bus stop enhancements, planning studies and fleet replacements are included in the revised draft budget.

- Continuation of the staff consulting agreement with the Regional Waste Management Authority for FY 2019.
- No fare increases or service reductions are included in the preliminary draft budget, but such consideration during FY 2019 for possible implementation at the beginning of FY 2020 is likely to be necessary given the budgeted FY 2019 farebox recovery ratio of just 15.9 percent compared to a 20 percent goal and a minimum requirement of 14.6 percent.
- Full implementation of the Connect Card regional fare card system takes effect July 1, 2018. Even though the system has been operational since January 2017, the net operational and financial impacts will not be fully known until well after July 1st when paper monthly passes and fixed route transfers will no longer be issued or accepted so this will continue to be an unavoidable budget risk.
- The budget includes the new managed IT support services contract that was approved at the April meeting as well as an allowance for potential consultant services for the development and release of a new Request for Proposals for the systemwide operating and maintenance service contract in 2019.
- 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 2018. The current program will expire on March 31, 2019 and higher out of pocket costs would likely have a significant impact on both ridership and fare revenue.

Staff will be prepared at the meeting to discuss the above issues and all of the budget assumptions in as much detail as desired.

RECOMMENDATION: Adopt Resolution No. 5-18 approving the FY 2018/2019 budget as proposed or amended.

Attachment: Final Draft FY 2019 Operating and Capital Budget
Final Draft FY 2019 Budget Assumptions

**YUBA-SUTTER TRANSIT AUTHORITY
FINAL DRAFT FY 2018/2019 OPERATING BUDGET**

REVISED MAY 7, 2018

	FY 2015/2016 Budget	FY 2015/2016 Audited	FY 2016/2017 Budget	FY 2016/2017 Audited	FY 2017/2018 Budget	FY 2017/2018 Projected	FY 2018/2019 Final Draft Draft
Operations Expenditures							
010.50300 Services - Other Maintenance	100,000	127,934	120,000	158,284	190,000	200,000	220,000
010.50401 Fuel and Lubricants	828,000	513,681	651,000	540,844	699,000	680,000	717,000
010.50402 Tires and Tubes	64,400	71,218	70,000	62,040	70,000	95,000	92,500
010.50499 Other Materials and Supplies Consumed	70,000	121,744	120,000	185,514	60,000	135,000	90,000
010.50500 Utilities - Electric and Gas	48,000	43,929	48,000	46,067	50,000	52,000	53,000
010.50501 Utilities - Water and Sewer	5,500	4,752	5,500	4,711	5,500	5,500	5,500
010.50600 Casualty and Liability Costs - Operations	268,600	269,037	277,300	276,788	284,500	284,500	292,000
010.50800 Services - Contract Operations	4,647,000	4,697,981	4,856,000	4,795,226	4,960,000	4,980,000	5,093,000
010.50801 Services - Out of Contract	12,500	9,782	12,000	16,050	12,000	15,000	15,000
Subtotal - Operations	\$6,044,000	\$5,860,058	\$6,159,800	\$6,085,524	\$6,331,000	\$6,447,000	\$6,578,000
Administration Expenditures							
160.50102 Salaries and Wages - Admin. Staff	278,000	312,600	355,000	348,031	383,700	389,000	404,000
160.50200 Fringe Benefits - Admin. Staff	150,000	123,423	165,000	137,056	186,300	180,000	189,500
160.50301 Services - Accounting	2,000	2,067	2,300	2,031	2,500	2,500	2,500
160.50302 Services - Legal	12,000	9,266	12,000	4,389	12,000	10,000	12,000
160.50303 Services - Printing and Copying	35,000	36,119	40,000	29,020	40,000	32,000	32,000
160.50309 Services - Miscellaneous Professional	20,000	1,301	20,000	35,716	114,000	95,000	103,000
160.50499 Materials and Supplies - Office & Postage	15,000	9,123	15,000	10,472	15,000	15,000	15,000
160.50502 Utilities - Telephone & Internet	9,000	11,169	13,000	12,526	15,000	15,000	20,000
160.50900 Miscellaneous Expense - Insurance and Bond	33,000	22,552	33,000	28,225	33,000	33,000	33,000
160.50901 Miscellaneous Expense - Dues & Subscriptions	4,800	3,507	6,000	4,505	6,000	5,000	5,000
160.50902 Miscellaneous Expense - Travel and Meetings	6,000	4,675	7,000	3,504	7,000	5,000	5,000
160.50903 Miscellaneous Expense - Board of Directors	4,800	3,650	4,800	3,900	4,800	4,000	4,800
160.50904 Miscellaneous Expense - Media Adv. and Promo.	20,000	5,481	20,000	5,450	20,000	5,000	10,000
160.50909 Miscellaneous Expense - Other	3,500	2,840	5,000	8,919	11,000	6,000	10,000
Subtotal - Administration	\$593,100	\$547,773	\$698,100	\$633,744	\$850,300	\$796,500	\$845,800
Total Expenditures	\$6,637,100	\$6,407,831	\$6,857,900	\$6,719,268	\$7,181,300	\$7,243,500	\$7,423,800

		FY 2015/2016 Budget	FY 2015/2016 Audited	FY 2016/2017 Budget	FY 2016/2017 Audited	FY 2017/2018 Budget	FY 2017/2018 Projected	FY 2018/2019 Final Draft Draft
Operating Revenue								
40100	Passenger Fares	1,430,000	1,310,781	1,375,000	1,255,421	1,275,000	1,156,000	1,160,000
40200	Special Transit Fares	20,000	24,027	21,500	23,227	21,000	21,000	21,000
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	25,000	27,414	28,000	37,872	50,000	37,000	45,000
40700	Non-Transportation Revenue (Interest)	1,000	1,152	1,000	5,353	2,000	5,000	2,500
40709	Non-Transportation Revenue (RWMA, Misc.)	17,000	68,018	65,000	63,255	67,000	57,500	60,000
40900	Local Transportation Funds (LTF)	2,336,100	2,125,725	2,491,500	2,391,378	2,500,000	2,785,695	2,789,800
40901	Local Cash Grants/Reimbursements	0	20,333	23,400	27,738	34,500	33,000	34,500
41100	State Transit Assistance Funds (STA)	480,000	487,720	488,900	496,694	755,000	755,000	950,000
41109	State Cash Grants/Reimbursements	0	14,405	13,600	151,000	93,600	22,000	47,800
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,000,000	2,000,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	228,000	229,256	250,000	139,617	200,000	201,000	200,000
41309	Job Access Grant - FTA Sect. 5316 (JARC)	100,000	99,000	0	0	0	0	0
41310	Rural/Small Urban Planning Grant - FTA Sect. 5304 (Planning)	0	0	0	23,058	83,200	70,000	13,200
41399	Other Federal Financial Assistance	0	0	0	4,655	0	305	0
	Total Operating Revenue	\$6,637,100	\$6,407,831	\$6,857,900	\$6,719,268	\$7,181,300	\$7,243,500	\$7,423,800

		FY 2015/2016 Budget	FY 2015/2016 Audited	FY 2016/2017 Budget	FY 2016/2017 Audited	FY 2017/2018 Budget	FY 2017/2018 Projected	FY 2018/2019 Final Draft Draft
	Deferred TDA Revenues, July 1	\$1,383,042	\$1,358,293	\$1,761,843	\$2,013,110	\$2,003,900	\$2,093,011	\$2,101,735
	LTF Revenues Received	2,336,100	2,336,100	2,491,500	2,491,500	2,500,000	2,500,000	2,789,800
	STA Revenues Received	932,162	932,162	760,000	476,373	1,000,000	1,099,419	1,281,568
	LTF Revenues Allocated - Operating	(2,336,100)	(2,125,725)	(2,491,500)	(2,391,378)	(2,500,000)	(2,785,695)	(2,789,800)
	STA Revenues Allocated - Operating	(480,000)	(487,720)	(488,900)	(496,694)	(755,000)	(755,000)	(950,000)
	LTF Revenues Allocated For Local Capital Outlays	0	0	0	0	0	0	0
	STA Revenues Allocated For Local Capital Outlays	(100,000)	0	(100,000)	0	(467,747)	(50,000)	(861,432)
	Proceeds from Sale of Vehicles	0	0	0	100	0	0	0
	Deferred TDA Revenues, June 30*	\$1,735,204	\$2,013,110	\$1,932,943	\$2,093,011	\$1,781,153	\$2,101,735	\$1,571,871
	Local Transportation Funds (LTF)	1,164,777	1,326,003	1,319,778	1,426,125	1,347,093	1,140,430	1,140,430
	State Transit Assistance Funds (STA)	570,427	687,107	613,165	666,886	434,060	961,305	431,441

Deferred STA Detail								
	Yuba-Sutter Transit Portion		\$584,730	\$569,070	\$618,793	\$365,760	\$918,607	\$390,608
	City of Live Oak Portion		89,353	44,095	50,117	56,200	39,188	32,657
	City of Wheatland Portion		13,024	0	(2,024)	12,100	3,510	8,176
	Total Deferred STA Revenue		\$687,107	\$613,165	\$666,886	\$434,060	\$961,305	\$431,441

*Carryover revenues available and required for cash flow, contingencies and local capital match

**YUBA-SUTTER TRANSIT AUTHORITY
FINAL DRAFT CAPITAL BUDGET
FY 2018/2019
REVISED APRIL 30, 2018**

	FY 2016/2017 BUDGET	FY 2016/2017 AUDITED	FY 2017/2018 BUDGET	FY 2017/2018 PROJECTED	FY 2018/2019 DRAFT BUDGET
<u>EXPENDITURES</u>					
Maintenance and Operations Facility (1)	\$ -	\$ 38,810	\$ 162,500	\$ 2,000	\$ 129,538
Vehicle Purchase/Replacement (2)	\$ 4,425,000	\$ -	\$ 5,875,000	\$ -	\$ 10,825,000
Miscellaneous Capital (3)	\$ 785,000	\$ 47,767	\$ 758,700	\$ 440,900	\$ 474,559
	<u>\$ 5,210,000</u>	<u>\$ 86,577</u>	<u>\$ 6,796,200</u>	<u>\$ 442,900</u>	<u>\$ 11,429,097</u>
<u>REVENUES</u>					
Federal (5307,5310,5311,5317,5339)	\$ 1,271,513	\$ -	\$ 2,106,513	\$ 286,000	\$ 5,936,398
Transportation Development Act (Local)	\$ 100,000	\$ -	\$ 467,747	\$ 50,000	\$ 861,432
State of Good Repair (SGR)	\$ -	\$ -	\$ -	\$ -	\$ 489,107
Low Carbon Transit Operation Program	\$ 180,400	\$ 47,767	\$ 180,400	\$ 55,500	\$ 124,917
Other Local	\$ -	\$ -	\$ -	\$ 30,000	\$ -
Proposition 1B (PTMISEA/Safety)	\$ 3,658,087	\$ 38,810	\$ 4,041,540	\$ 21,400	\$ 4,017,243
	<u>\$ 5,210,000</u>	<u>\$ 86,577</u>	<u>\$ 6,796,200</u>	<u>\$ 442,900</u>	<u>\$ 11,429,097</u>

Notes:

- Facility security projects include the FY 2019 emergency generator system (\$129,538) and the FY 2018 access control project (\$2,000). These projects are funded by a State Proposition 1B Transit Safety and Security Grants. Other than the FY 2017 parking lot lighting project, the last major facility project was the remodel and expansion of the facility that was completed in FY 2012.
- The FY 2019 vehicle projects include the replacement of the seven 2006/2007 model Blue Bird commuter buses (\$4,375,000: \$985,512 Federal / \$3,389,488 state & local), the replacement of ten 2010 model Starcraft demand response/rural route buses (\$950,000: \$701,424 Federal / \$248,576 state), and the programmed replacement of eleven 2008 model NABI/Opus fixed route buses (\$5,500,000: \$4,249,462 Federal / \$489,107 state / \$761,431 local). The commuter bus and demand response bus projects are carried over from the FY 2017 and FY 2018 budgets for completion in 2019. The fixed route bus project is being identified in the FY 2019 budget for funding purposes, but it will be completed in 2020. 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.
- Planned miscellaneous capital expenditures for FY 2019 include an allowance for facility and office equipment & furnishings (\$100,000 local); the completion of bus stop enhancements (\$124,917 state); and the following State Proposition 1B Transit Safety and Security Grant funded technology projects: CAD/AVL Phase I (\$71,382) and Phase II (\$134,302); and, completion of the mobile video surveillance and mobile video retrofit projects (combined \$43,958). Projected FY 2018 expenses include the completion of the North Beale Road accessibility improvements (\$286,000 Federal); bus stop enhancements (\$55,500 state); continuation of the mobile video surveillance project (\$19,400 state); the Evelyn Drive bus stop enhancements funded through the Sacramento Metropolitan Air Quality Management District (\$30,000); and, an allowance for office equipment & furnishings (\$50,000 local).

YUBA-SUTTER TRANSIT AUTHORITY

RESOLUTION NO. 5-18

FISCAL YEAR 2018/2019 BUDGET ADOPTION

WHEREAS, The Yuba-Sutter Transit Authority was formed in 1975 for the purpose of providing public transit services to the residents of the Bi-County Area; and,

WHEREAS, Pursuant to Paragraph 4 of the Yuba-Sutter Transit Authority Joint Powers Agreement, as amended, the Board of Directors shall adopt a final budget on or before May 31 of each year for the fiscal year commencing July 1; and

WHEREAS, The proposed budget for the fiscal year ending June 30, 2019 reflects operating expenditures of \$7,423,800 and capital expenditures of \$11,429,097.

NOW, THEREFORE, BE IT RESOLVED that the Yuba-Sutter Transit Authority Board of Directors does hereby adopt the Fiscal Year 2018/2019 budget by the following vote:

Ayes:

Noes:

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT A REGULAR MEETING HELD ON MAY 17, 2018.

Manny Cardoza, Chairman of the Board

ATTEST:

*Sandra Anderson
Secretary to the Board*

**YUBA-SUTTER TRANSIT
FY 2018/2019 OPERATING & CAPITAL BUDGET ASSUMPTIONS
REVISED MAY 7, 2018**

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 estimated \$48,000 for Yuba-Sutter Transit's share of operating expenses for the regional Connect Card electronic fare card system which is expected to be covered with state funds from the Low Carbon Transit Operations Program (LCTOP). Though not included in the budget or year-end projections, the audited amounts may include the labor portion of state grant funded project expenditures below the capitalization threshold.

Fuel & Lubricants (Acct. #010.50401)

This account is based on the operation of 92,500 vehicle service hours (VSH) in FY 2019 with consumption of approximately 280,000 gallons of off-road (red-dye) diesel fuel at a net average base price of about \$2.75 per gallon including diesel emission additives and applicable taxes. Because fuel expenses are volatile and represent almost 10 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 the projected year-end expenditures for FY 2018. In addition to changes in tire prices which have increased significantly over the past few years, this figure can vary from year to year depending on if and when vehicles are replaced. The last new buses were delivered in early 2014 and the next new buses are now expected by July 2018.

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. Of particular concern are the repair and replacement costs for major components (engines, transmissions and differentials) on Yuba-Sutter Transit's older buses that are nearing the end of their life cycle. Though not included in the budget or year-end projections, the audited amounts may include non-labor state grant funded project expenditures below the capitalization threshold.

Utilities – Electric & Gas (Acct. #010.50500)

Based on the projected year-end expenditures for FY 2018 which includes the new employee parking lot lights at the Allyn Scott Youth and Community Center (ASYCC) adjacent to Yuba-Sutter Transit’s maintenance, operating and administration facility in Marysville that were placed in service in June 2017.

Utilities – Water & Sewer (Acct. #010.50501)

Based on the projected year-end expenditures for FY 2018.

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. with a 2.21 percent indexed price adjustment for the second of two option years effective October 1, 2018.

Services – Contract Operations (Acct. #010.50800)

This figure is based on the current operating contract assuming the operation of 92,500 annual VSH for FY 2019 with a 2.21 percent indexed price adjustment for the second of two option years effective October 1, 2018.

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. 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 a projected total salary figure for the five administrative staff positions. This account includes the two percent cost of living adjustment (COLA) for FY 2019 that was approved at the April meeting; any available step increases and longevity adjustments; and, an allowance for the pay out of a portion of accrued annual leave.

This line item has increased over the last four years due to the FY 2016 consultant agreement with the Regional Waste Management Authority that was offset by an increase in miscellaneous Non-Transportation Revenue; an FY 2017 salary increase of 7.53% that was offset by a decrease

in Fringe Benefits due to the elimination of Employer Paid Member Contributions to CalPERS; the addition of a fifth staff member in FY 2018; and, required accounting adjustments for accrued compensated absences.

Fringe Benefits – Administrative Staff (Acct. #160.50200)

Fringe benefit expenses, which have been adjusted to account for known increases in health and retirement expenses, represent an estimated 47 percent of salary expenditures based on the above salary assumptions.

Recent fluctuations in this account are due to an one-time retirement credit from CalPERS in FY 2016; reclassification of Worker’s Compensation insurance into this account; the new RWMA consultant agreement; and, annual GASB 68 year-end adjustments.

Services – Accounting (Acct. #160.50301)

Based on past expenditures including payroll and miscellaneous accounting services.

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.

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 expenses for FY 2018 with an increase for a new copier lease, which is due for renewal in June 2018, and an allowance for all new passenger information materials related to the implementation of the new Connect Card electronic fare system. These later expenses, which had been budgeted for FY 2018 were slightly offset by the reduction in the printing of paper monthly passes and paper fixed route transfers as their use has been reduced over the year leading up to their elimination effective July 1, 2018.

Services – Miscellaneous Professional (Acct. #160.50309)

This account is for miscellaneous professional services such as computer/internet/website support services, graphic design work and other administrative support services. It also includes grant funded professional service projects such the continuation and completion of the Route 1 Corridor Enhancement Plan (\$14,000). For FY 2019, this account also includes allowances for anticipated transit contracting and fleet inspection consultants (estimated at a combined \$50,000) and a first year allowance for the new IT consultant contract including projected first year projects (\$30,000).

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 2019 assuming some increase for a long-needed Internet upgrade by the end of FY 2018. The FY 2018 amount includes temporary modem to modem expenditures associated with the Connect Card which is offset by state funds from LCTOP.

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

This account is based on the existing facility damage and liability insurance policy coverage limits.

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

This account is based on past expenditures. Current memberships include the California Transit Association, the California Association for Coordinated Transportation (CalACT) and the Association of Government Accountants (AGA). This account also includes biennial CPA renewal fees. Paid subscriptions include the weekly publication from the American Public Transportation Association (APTA) and 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 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 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 2018 is experiencing lower than budgeted marketing expenses due in part to conservative and delayed promotion of the new Connect Card system that is now projected for full implementation in FY 2019. Yuba-Sutter Transit's marketing activities have always been

modest compared to similarly sized systems where such activities are typically 1 – 2 percent of the operating budget which would represent an annual marketing budget figure of at least \$75,000 for Yuba-Sutter Transit. With declining ridership, Yuba-Sutter Transit may soon need to revisit this historic approach.

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 increasing in recent years due to credit/debit card merchant account fees, commissions paid to pass and ticket sales outlets and new annual CalPERS report expenses to comply with new accounting requirements.

OPERATING REVENUES

Passenger Fares (Acct. #40100)

With no major service or fare changes, the budget assumes stabilization of ridership and fare revenue in FY 2019. This assumption is being made despite a now three year decline in ridership and full implementation of the Connect Card Transition Plan effective July 1, 2018. The budget also assumes the continuation of the Feather River Air Quality Management District (FRAQMD) sponsored discount monthly pass program for all of FY 2019.

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.

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 2018 with an allowance for additional revenue resulting from the recent expansion of the bus exterior program. A total of 30 advertising bus stop shelters and 69 advertising bus stop benches are located throughout the service area and exterior ads will now be available on all 51 buses.

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

This account represents the estimated interest earnings on available cash for FY 2019 which can vary significantly from year to year for a variety of reasons. Interest income 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 and miscellaneous income from photo I.D. fees, bike locker rentals, special grants and surplus property sales. It also contains miscellaneous revenues allocated from the Connect Card consortium. For FY 2019, this account assumes the waiver of all initial Connect Card 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. Despite just a 3.4 percent (\$242,500) increase in budgeted operating costs over FY 2018, the draft budget assumes a \$289,800 increase (12 percent) in the annual LTF allocation for FY 2019 due to no increase in the use of Federal funding for operating support and the lack of significant growth of other revenue sources. This figure is only slightly higher than the projected current year (FY 2018) short-fall between the budgeted LTF figure and the amount that is now expected to be needed to balance the year-end budget. For reference, SACOG's adopted FY 2019 LTF apportionment is up by 32.6 percent (\$1,371,371) across the four member jurisdictions compared to the FY 2018 apportionment.

The current year LTF short-fall (the first since FY 2011), due primarily to higher than anticipated operating costs and lower than expected passenger fare receipts, will be covered from deferred LTF revenues that are retained in a contingency fund for such a purpose. These reserves are shown at the bottom of the operating budget as deferred TDA revenue (LTF and STA) with the STA further broken out to include the amounts that are restricted 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 FY 2019 LTF reserve is being budgeted at 18.8 percent of total operating expenditures which is identical to the budgeted percentage for FY 2018. 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 being used for operations (31.3 percent of all budgeted revenue) since most of these funds are not received until 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 through FY 2019, this account includes grants from the Feather River Air Quality Management District (FRAQMD) to partially off-set the cost to expand the Live Oak Route from three to five days a week effective July 2015 and reimbursements from Mercy Housing that are received from the City of Wheatland to off-set the cost to expand the Wheatland Route from three to five days a week effective December 2015. This account increased in FY 2018 due to an increase in the Mercy Housing share of the Wheatland Route.

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

State Transit Assistance (STA) revenue is the often threatened single source of on-going State transit funding that has historically been used as the primary source of local matching funds for Federal capital grants. In just the last decade, STA funding has been eliminated once, restored once and significantly reworked three times – most recently in Senate Bill (SB) 1 in 2017. STA funding is now tied to a sales tax on diesel fuel and is generally available with only minimal restrictions exclusively for transit operating or capital purposes.

While this funding source still faces some uncertainty because of the on-going effort to repeal SB 1, SACOG's adopted FY 2019 STA apportionment includes a total of \$1,281,568 in STA funds for Yuba-Sutter Transit. This figure is up 16.6 percent (\$182,000) over the amount that is expected for FY 2018. The draft budget assumes the use of \$950,000 in STA funding for operations with the balance to be used for capital expenditures through FY 2020 and beyond. It should be noted that a portion of the STA funding 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. While the SB 1 related increase in STA funding did provide immediate security for both of these services, the current effort to repeal SB 1 does put these services at risk in the future.

State Cash Grants/Reimbursements (Acct. #41109)

This account is available for the receipt or accrual of miscellaneous grant related reimbursements for state grant funded project expenditures such as the regional Connect Card electronic fare card system operating expenses reimbursed through the Low Carbon Transit Operations Program (LCTOP) and the year-end posting of state funding for capital 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 the Fixing America's Surface Transportation (FAST) Act that was signed on December 4, 2015. After annual increases of 1.9 and 9.6 percent in the first two years of this reauthorization measure, Yuba-Sutter Transit's FY 2018 allocation is down a total of 5.1 percent (\$130,814) due to a 50 percent reduction (\$202,003) in funding under the Small Transit Intensive Cities program. This significant reduction for FY 2018 resulted in staff assuming no increase in this funding source at least for FY 2019. FY 2020 will be the last year of the FAST Act funding authorization though continuing resolutions to extend such authorizations are typical. Historically used primarily for capital projects, a greater percentage of these flexible Federal funds have been used for operations over the last 12 years due to the availability of various one-time/discretionary and limited term State and Federal capital funding sources.

Consistent with Yuba-Sutter Transit's current five year Federal funding plan, the draft budget assumes that \$2.1 million of the \$2.451 million now being projected from this source for FY 2019 will be programmed for operating support. The remainder and the prior year carryover

balance was previously programmed for capital expenses most notably the critical upcoming replacement of eleven 2008 model local fixed route buses in 2020. This project is budgeted at \$5.5 million including \$3.94 million in Section 5307 funds to complete this critical purchase.

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

This account is for Federal operating assistance that is provided specifically to rural transit systems including Cal Act Scholarships for conference attendance. 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 2018 and three demand response buses in FY 2019.

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

This funding source was eliminated in MAP-21 (the Federal funding reauthorization measure prior to the current FAST Act measure), 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 Federal grant for the Route 1 Corridor Enhancement Plan which first incurred expenditures in FY 2017 and will now be fully expended in FY 2019.

Other Federal Financial Assistance (Acct. #41399)

This account is for the receipt or accrual of Federal government payments to help cover the costs of operating transit service not included above. For FY 2017 and again in FY 2018 this account was used for Federal evacuation relief.

DEFERRED REVENUE DETAIL

1. Deferred TDA Revenues (July 1) – Carried forward from projected year-end figures for FY 2018 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. Proceeds from Sale of Vehicles (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 draft capital budget of approximately \$11.4 million includes two bus replacement projects (seven commuter and ten demand response buses) that were programmed in prior years and are now expected to be completed in FY 2019. It also includes the programming for funding purposes of a fixed route bus replacement project that is now expected to be completed in FY 2020.

Other major capital projects include an emergency back-up generator and facility security enhancements funded by the State Transit Safety and Security Grant program; and, bus stop enhancements and a computer assisted dispatch / automatic vehicle location (CAD/AVL) passenger information system funded by the State Low Carbon Transit Operation Program. The remainder of the capital program is an allowance for miscellaneous office and shop equipment (such as a fall prevention system) or for unforeseen facility repairs.

AGENDA ITEM IV – B
STAFF REPORT

LOCAL TRANSPORTATION FUND (LTF) APPORTIONMENT FOR FY 2018/2019

Pursuant to the adopted Yuba-Sutter Transit Joint Powers Agreement (JPA), staff has prepared the Annual Apportionment of Local Transportation Fund (LTF) contributions for Board review and approval consideration. Based on the draft budget that is being submitted for review and approval consideration earlier on this same agenda, the annual LTF contribution to Yuba-Sutter Transit for FY 2019 would be \$2,789,800.

The allocation of Local Transportation Fund (LTF) revenues is based on the amount required to balance the budget after all other revenues are calculated. Despite just a 3.4 percent (\$242,500) increase in budgeted operating costs over FY 2018, the draft budget assumes a \$289,800 increase (12 percent) in the annual LTF allocation for FY 2019 due to no increase in the use of Federal funding for operating support, no increase in passenger fare revenue and the lack of significant growth of other revenue sources. For reference, SACOG’s adopted FY 2019 LTF apportionment is up by 32.6 percent (\$1,371,371) across the four member jurisdictions compared to the FY 2018 apportionment. As a result, the proposed LTF apportionment for FY 2019 represents 50.9 percent of the total apportionment of \$5,577,310 compared to 59.4 percent of the FY 2018 total of \$4,205,939 or 74.6 percent of \$2,617,943 apportionment for FY 2009 ten years earlier.

The JPA specifies a two part process to be followed in the apportionment of the annual LTF contribution among the member jurisdictions. First, a funding formula with four equally weighted factors is applied to determine the relative shares of the total LTF contribution necessary to balance the budget. These factors are: (1) service area population; (2) amount of LTF available to each jurisdiction; (3) fixed route miles; and, (4) demand response boardings.

Second, if this formula results in a calculated contribution from one or more jurisdictions exceeding the amount of LTF available to such jurisdictions for the following fiscal year, the shortfall is then allocated to the remaining jurisdictions using the relative values of each funding formula component for the remaining jurisdictions. This second step in the LTF apportionment process was added to the JPA in 2002. It was first used for the FY 2005 apportionment and it will be necessary for an eleventh time for this apportionment.

Applying the two step JPA funding formula to the budgeted LTF figure of \$2,789,800, the member contributions for FY 2019 have been calculated as follows:

City of Marysville	\$ 244,139
City of Yuba City	1,560,174
County of Yuba	809,067
County of Sutter	<u>176,420</u>
	\$ 2,789,800

The following table summarizes the calculations for each of the four funding formula factors for FY 2019. The column labeled “Base Formula Share of LTF” is the relative share (derived by averaging the four equally weighted factors) of the total amount of LTF required without regard to the amount of LTF actually available to any one or more jurisdictions. Based on this calculation, the base share for the City of Marysville would be \$334,233 which is \$90,094 more than the \$244,139 available to Marysville for FY 2019. The reallocation of that shortfall among the remaining three jurisdictions is reflected in the final column which is the actual proposed LTF apportionment for FY 2019.

**YUBA-SUTTER TRANSIT
FUNDING FORMULA CALCULATIONS FOR FY 2018/2019**

	DIAL-A-RIDE TRIP ORIGINS	FIXED ROUTE MILES	SERVICE AREA POPULATION	LTF AVAILABLE	BASE FORMULA SHARE OF LTF	REALLOCATED FY 2019 LTF SHORTFALL	PROPOSED FY 2019 LTF APPORTIONMENT
Marysville	20.6694%	12.6994%	10.1761%	4.3774%	11.9805%	(\$90,094)	\$244,139
Yuba City	55.2525%	46.3614%	57.6155%	56.5228%	53.9381%	\$55,409	\$1,560,174
Yuba County	23.3654%	39.8051%	27.1002%	21.6053%	27.9690%	\$28,788	\$809,067
Sutter County	0.7127%	1.1341%	5.1082%	17.4945%	6.1124%	\$5,897	\$176,420
Total*	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	\$0	\$2,789,800

*Any variance in percentages is due to rounding and has no effect on the dollar amounts calculated.

Staff will be prepared at the meeting to discuss the funding formula process in detail as desired. The detailed documentation for the funding formula calculation is available in the Yuba-Sutter Transit office and will be made a part of the permanent apportionment file.

RECOMMENDATION: Adopt Resolution No. 6-18 establishing the LTF contributions for each member jurisdiction for FY 2018/2019 as proposed or amended.

**YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 6-18**

FISCAL YEAR 2019 LOCAL TRANSPORTATION FUND (LTF) APPORTIONMENT

- WHEREAS,** *The member jurisdictions of the Yuba-Sutter Transit Authority Joint Powers Agreement receive Local Transportation Fund (PUC 99230) monies for the provision of public transit services in the Marysville, Yuba City, Sutter County and Yuba County Area; and,*
- WHEREAS,** *Pursuant to Paragraph 5 of the Yuba-Sutter Transit Authority Joint Powers Agreement, the Board of Directors must adopt an Annual Apportionment of those Local Transportation Fund monies for the operation of the Yuba-Sutter Transit Authority; and,*
- WHEREAS,** *The total amount of Local Transportation Fund monies required by the Yuba-Sutter Transit Authority for fiscal year 2018/2019 is \$2,789,800; and,*
- WHEREAS,** *The net apportionment of Local Transportation Fund monies for fiscal year 2018/2019 shall be as follows: City of Marysville, \$244,139; Yuba City, \$1,560,174; Yuba County, \$809,067 and, Sutter County, \$176,420.*

NOW, THEREFORE, BE IT RESOLVED *that the Yuba-Sutter Transit Authority Board of Directors approve the Fiscal Year 2018/2019 Apportionment of Local Transportation Fund (PUC 99230) monies by the following vote:*

Ayes:

Noes:

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT A REGULAR MEETING HELD ON MAY 17, 2018.

Manny Cardoza, Chairman of the Board

ATTEST:

*Sandra Anderson
Secretary to the Board*

AGENDA ITEM IV – D
STAFF REPORT

**FEDERAL TRANSIT ADMINISTRATION (FTA) LOW OR NO (LOW-NO)
EMISSION VEHICLE FUNDING PROGRAM**

Background

The Federal Transit Administration (FTA) recently announced the availability of \$84.45 million of FY 2018 funds for competitive grants for the purchase or lease of low or no emission vehicles as well as related equipment or facilities. This funding provides a cost-effective opportunity for Yuba-Sutter Transit to introduce battery-electric buses (BEBs) into our system in advance of pending state mandates for zero-emission transit buses. While these funds can be requested for the full federal share (85 percent) of an eligible bus, Yuba-Sutter is likely to be very competitive since these funds can be combined with funding that has already been set aside for the planned 2020 replacement of eleven 30' and 35' 2008 model fixed route diesel buses.

When combined with the \$226,068 in Low Carbon Transit Operations Program (LCTOP) funding that the Board designated in March for the potential purchase of two BEBs as part of the larger bus replacement project and the California Air Resources Board (CARB) Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program (HVIP) that provides vouchers of up to \$145,000 per bus directly to the manufacturer for qualifying vehicles, Low-No funding would be requested only for the incremental cost difference (including charging infrastructure) for up to four BEBs. A Yuba-Sutter Transit application would be expected to also score well as a first-time funding recipient operating the buses in or within ½ mile of a disadvantaged/low-income community and the Low-No program is specifically looking to fund rural and small urban transit systems to assist in the transition to zero emission buses.

Discussion & Recommendations

Should the Board authorize a Low-No funding application, staff is working to get up to speed on BEBs for the purpose of developing a competitive grant application by the June 18th submission deadline. Staff is requesting information from bus manufactures on BEB performance and costs to determine the feasibility for use in our transit system as well as coordinating with bus charging manufactures to determine options, costs, and space needed for the installation of chargers. Because of space limitations, the charger installation plan for the first buses must be scalable to accommodate additional BEBs in the future. In addition, as part of this plan, staff will be in contact with PG&E about the cost and availability of power at the current maintenance and operations facility. It is anticipated that overnight charging will be used as buses take two to nine hours to charge depending on the size of onboard batteries and the type of charger used.

Despite funding from the LCTOP Program (\$226,068) and up to \$145,000 in HVIP funds per bus, additional funding will be needed to offset the incremental increase in the cost of BEBs and the required charging infrastructure compared to a standard diesel bus. While the Low-No program can fund up to 85 percent of the entire bus purchase including charging infrastructure, more competitive applications tend to have a substantial local match. Based on informal quotes that have been received from several manufacturers, BEBs now cost up to \$950,000 including an allowance for any options, warranties and taxes compared to the budgeted 2020 cost of \$500,000 to replace a standard 35' diesel urban fixed route bus with all options, warranties and taxes. After an allowance for the available LCTOP and HVIP funding, staff is estimating that approximately \$300,000 per bus is needed from the Low-No program to cover the remaining incremental cost for four BEBs.

Including an allowance of \$150,000 for the design, purchase and installation of charging infrastructure, staff is recommending a Low-No grant request of \$1,350,000 for four BEBs. This recommendation is based on the results of the 2017 Low-No program award of 51 projects that ranged from \$500,000 to \$1,750,000 for similar projects. Because the Low-No application also asks if the project is scalable as to the minimum award that the agency could accept and still deliver a project, staff would still recommend a minimum project of two buses which would require approximately \$650,000 in Low-No funding. For redundancy, the cost of installing charging infrastructure is the same regardless of whether two or four buses are purchased, but adjustments to other expenses and off-setting revenues make up for the difference in per unit costs between two and four buses.

Due to the many unknowns and our lack of experience with BEBs and the requisite charging infrastructure, staff has reached out to CALSTART to assist in this process in support of both the application and, if successful, project implementation. CALSTART is a private non-profit organization that works with manufacturers, suppliers, fleet owners, public agencies and policy makers to bring clean, efficient technologies to market. The services that CALSTART offers include:

- Corridor Analysis / Range and Performance
- Energy Analysis Including Utility Rates and Demand Charges
- Infrastructure Planning
- Acquisition Assistance
- Heating Load Evaluations
- Micro Grid and Renewable Fuels Planning/Implementation
- General Program Management and Tech Report Writing
- Vehicle Performance Evaluations
- Assistance with Credits and Incentives/Subsidies
- Voice of the Customer

CALSTART will assist us with grant writing and be available to assist throughout the project until the buses are fully operational. The cost for any CALSTART services provided can be incorporated into the grant and funded through the Low-No program. Staff is working with CALTRART to determine the cost of the anticipated scope of

services needed. If CALSTART were to provide all of the above listed services, the cost would be \$100,000 - \$150,000 depending on the number of buses purchased. If the grant is unsuccessful, Yuba-Sutter Transit will not be charged for any of the pre-grant award expenses. Staff is recommending that CALSTART be engaged to support this grant application.

If authorized to proceed with this grant application, staff will be soliciting letters of support from the Feather River Air Quality Management District (FRAQMD) and other potential local and regional agencies and organizations as well as drafting a letter from the Board of Directors because local support also plays a role in determining which projects are awarded.

Staff will be prepared to discuss this funding source and the proposed application in detail at the meeting.

RECOMMENDATION: Authorize staff to submit a Low-No grant application as proposed or amended.

AGENDA ITEM IV – E
STAFF REPORT

THIRD QUARTER PERFORMANCE REPORT

Attached is the systemwide performance report for the services operated by Yuba-Sutter Transit for the first three quarters of FY 2019 (July 2017 through March 2018) presented in comparison with the performance for the same period in the previous fiscal year. Third quarter ridership for FY 2018 increased by 3.4 percent over the third quarter of FY 2017 to end an 11 quarter string of same quarter year-to-year ridership decreases after an almost unbelievable 25 year run of annual ridership records that ended in FY 2015. Most of the quarterly increase was due to a 26 percent jump in February ridership over the 34 percent drop that was experienced in February 2017 due to the spillway-related mass evacuation event. Monthly ridership in January 2018 was also up (2.9 percent) over January 2017 possibly due to better weather compared to the historic rainfall totals of last year.

While systemwide ridership was still down 4.1 percent through the first three quarters of FY 2018, this is certainly an improvement over the 16 percent reduction experienced through the same period last year. While similar or worse (sometimes much worse) ridership declines have been experienced by most transit agencies in the greater Sacramento area and beyond in recent years, local contributing factors likely include the restructuring of Routes 1 and 4; the elimination of the “transfer-for-a-transfer” policy; and, a change in the age policy for cash youth fares that all became effective in 2015. Other potential on-going factors may include continuing on-time performance challenges; chronic reliability problems of our older local fixed route and commuter buses; low and relatively stable fuel prices (at least until recently); and, the general lack of population and employment growth in the region.

Individually, the greatest year-to-date ridership drop in terms of passenger trips was on the local fixed route system which was down 5.2 percent for all of the reasons noted above. By comparison, the other two major services have been rather stable through three quarters with Sacramento ridership up 1.4 percent (the first increase since December 2014) while Dial-A-Ride ridership was down just 0.4 percent. The recent jump in fuel prices likely contributed to the positive Sacramento figure which is especially significant due to the disproportionate fare revenue impact of this premium service. Dial-A-Ride ridership has held rather steady since FY 2014 especially compared to the two other major services. Rural route ridership continues to vary widely due to the limited nature of these services while the total number of vehicle service hours operated for all services during the quarter was essentially unchanged.

Systemwide fare revenue is down by 12.6 percent through the first three quarters of the year, but much of this decrease is due to a single large institutional purchase of discount ticket books in the first quarter of FY 2017 that was not repeated this year. While this atypical purchase greatly improved the fiscal picture last year, it continues to impact the comparisons for FY 2018 which will be gradually absorbed into the financial report through the end of the fiscal year just as the positive impact of the purchase was absorbed over all of FY 2017. The net result is that the estimated mid-year systemwide farebox recovery ratio is down 17.3 percent over the first half of last year.

Looking forward, the negative trend in year-to-year ridership is expected to return in the fourth quarter of the fiscal year as many of the underlying issues noted above are likely to continue for the indefinite future. The most significant near-term risk factor is the still uncertain short and long term ridership and financial impacts of the Connect Card electronic fare system as we approach the July 1, 2018 date when paper monthly passes and local fixed route transfers will no longer be issued or accepted. As a result,

while the Connect Card system is certainly gaining significant traction, the full impact is not likely to be realized until FY 2019.

Staff will be prepared to discuss the performance summary in detail at the meeting.

RECOMMENDATION: Information only.

**THIRD QUARTER PERFORMANCE REPORT
FISCAL YEAR 2017-2018**

	Passenger Trips	Vehicle Serv. Hours	Pass. Trips Per VSH	Est. Fare Revenue	Fare Rev. Per VSH	Est. Farebox Ratio
Fixed Route:						
July 2017 - March 2018	619,845	38,866.42	15.95	\$369,665	\$9.51	12.5%
July 2016 - March 2017	653,672	38,089.37	17.16	\$461,151	\$12.11	16.4%
Percent Change	-5.2%	2.0%	-7.1%	-19.8%	-21.4%	-23.5%
Dial-A-Ride:						
July 2017 - March 2018	49,987	19,002.90	2.63	\$90,572	\$4.77	6.3%
July 2016 - March 2017	50,198	18,149.91	2.77	\$108,171	\$5.96	8.1%
Percent Change	-0.4%	4.7%	-4.9%	-16.3%	-20.0%	-22.1%
Sacramento Services (Commuter & Midday):						
July 2017 - March 2018	97,810	10,260.45	9.53	\$421,386	\$41.07	54.0%
July 2016 - March 2017	96,445	9,976.44	9.67	\$439,804	\$44.08	59.6%
Percent Change	1.4%	2.8%	-1.4%	-4.2%	-6.8%	-9.3%
Foothill Route:						
July 2017 - March 2018	1,464	725.88	2.02	\$1,262	\$1.74	2.3%
July 2016 - March 2017	1,404	737.34	1.90	\$1,574	\$2.13	2.9%
Percent Change	4.3%	-1.6%	5.9%	-19.8%	-18.6%	-20.7%
Live Oak Route:						
July 2017 - March 2018	2,570	671.23	3.83	\$2,523	\$3.76	4.9%
July 2016 - March 2017	2,703	643.55	4.20	\$2,734	\$4.25	5.7%
Percent Change	-4.9%	4.3%	-8.8%	-7.7%	-11.5%	-13.9%
Wheatland Route:						
July 2017 - March 2018	343	343.28	1.00	\$465	\$1.35	1.8%
July 2016 - March 2017	472	350.04	1.35	\$381	\$1.09	1.5%
Percent Change	-27.3%	-1.9%	-26.0%	22.0%	24.5%	21.2%
Systemwide Summary:						
July 2017 - March 2018	772,019	69,870.16	11.05	\$885,873	\$12.68	16.7%
July 2016 - March 2017	804,899	67,946.65	11.85	\$1,013,815	\$14.92	20.2%
Percent Change	-4.1%	2.8%	-6.7%	-12.6%	-15.0%	-17.3%

Notes:

1. All financial calculations are estimates pending final fiscal audits.
2. Prior year estimated fare revenue calculations were corrected through the third quarter.