



MEETING NOTICE & AGENDA

DATE: Thursday, April 21, 2022

TIME: 4:00 P.M.

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

A remote option for audience participation is being provided only as a courtesy. Members of the Yuba-Sutter Transit Board of Directors must attend in person. If the remote connection fails for any reason, the meeting will continue as noticed so the public must attend in person to assure access to the meeting.

To join the meeting from your computer, tablet, or smartphone, please use the Zoom Meeting link below.

<https://us02web.zoom.us/j/81787532944?pwd=aHRzVTZCVWZuL2JrTkJxMkFHR2htUT09>

To join by telephone conference call: 1-669-900-6833
Meeting ID: 817 8753 2944
Password: 535371

The public will be muted by default. The following options are available to speak during the public comment portions of the meeting:

Online: Raise your hand or use the Q&A panel to submit your comments.
Phone: Press *9 to raise your hand or press *6 to send a request to be unmuted to submit comments.

I. Call to Order & Roll Call

Bains, Blaser, Buttacavoli, Fuhrer, Hudson (Chair), Kirchner (Vice-Chair), Micheli and Shaw

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 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 March 17, 2022. (Attachment)
- B. Disbursement List for March 2022. (Attachment)
- C. Monthly Performance Report for March 2022. (Attachment)

IV. Reports

- A. **Comprehensive Operational Analysis / Short-Range Transit Plan Contract Award.** (Attachment)

RECOMMENDATION: Authorize the Executive Director to execute a contract agreement with the recommended consultant team as proposed.

- B. Federal Transit Administration (FTA) Section 5339(b) Buses and Bus Facilities Program and/or Section 5339(c) Low or No Emission Grant Application Authorization.** Consider authorization of one or more grant applications for design and construction funds for the Next Generation Zero-Emission Operations, Maintenance, and Administration Facility. (Attachment)

RECOMMENDATION: Adopt Resolution No. 6-22 authorizing the submittal of one or more federal grant applications as proposed.

- C. Revised Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2022-23.** Review and possible direction regarding development of the final draft budget. (Attachment)

RECOMMENDATION: Direct staff as desired.

D. Project & Program Updates.

1. COVID-19 Impact, Response & Recovery
2. Regional Waste Management Authority (RWMA) Staffing Transition
3. Next Generation Transit Facility Project (Grant Submissions)
4. June 16, 2022 Board Meeting Cancellation Reminder

RECOMMENDATION: Information only.

V. Correspondence / Information

VI. Closed Session

- A. Public Employee Performance Evaluation Pursuant to Government Code Section 54957.
Position Title: Executive Director**

VII. Other Business

VIII. Adjournment

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, MAY 19, 2022
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

P:\YST Agenda Items\AGENDA April 21, 2022.doc

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

AGENDA ITEM III – A

**YUBA-SUTTER TRANSIT AUTHORITY
MEETING MINUTES
MARCH 17, 2022**

I. Call to Order & Roll Call (4:00 P.M.)

Present: Bains, Blaser, Buttacavoli, Fuhrer, Hudson (Chair), Kirchner (Vice-Chair), and Shaw
Absent: Micheli

Keith Martin introduced the newest Yuba-Sutter Transit staff member, Administrative Assistant Lisa O’Leary who would also be assuming the role of Board Secretary. She will be replacing Janet Frye in this position as she was recently promoted to the position of Program Analyst following the January departure of Amy White.

II. Public Business from the Floor

None.

III. Consent Calendar

Director Bains made a motion to approve the consent calendar. Director Shaw seconded the motion and it carried unanimously.

IV. Reports

A. Preliminary Draft Yuba-Sutter Transit Operating and Capital Budgets for FY 2022-23.

Martin introduced the preliminary draft of the Yuba-Sutter Transit Operating and Capital Budget for FY 2022-23. The agency joint powers agreement requires a preliminary draft to be submitted to the Board by the end of March each fiscal year with the final budget to be adopted by the end of May. Martin noted that the projected year-end operating expenses for FY 2022 are now expected to be less than what had been budgeted due to a decrease in COVID related expenses, but this savings will partially be offset by significantly higher than anticipated fuel expenses. The primary feature of the current year capital budget is the July 2021 closing of the property purchase for the new transit facility.

Martin highlighted the preliminary draft operating expenses of nearly \$8.8 for FY 2023 which assumes an increase in vehicle service hours over the current year along with contractual cost increases and assumed higher fuel prices. Operating revenue assumptions for FY 2023 include modest systemwide ridership growth and an increase in Local Transportation Fund (LTF) contributions from the member jurisdictions. Martin did note that the preliminary draft LTF figure would likely increase as more State Transit Assistance (STA) funds will need to be set aside for capital uses. The new facility will continue to be the highest priority capital issue with environmental, engineering and design work being budgeted for FY 2023. Martin stated that a budget update may be on the agenda for the April meeting and, if necessary, a special budget workshop could still be scheduled for late-April or early-May prior to consideration of the final draft budget at the May 19th meeting.

Director Shaw asked how we are going to brace for fuel cost noting that we should be more conservative by overestimating that cost in the budget. Martin responded that fuel expenses in the preliminary draft budget is

based on the last purchase price which was 50 percent higher than what was budgeted for FY 2022 and these assumptions would be revisited for the final draft budget.

Director Shaw inquired as to when the funding from the Regional Housing Authority grant would be available for the facility project. Martin responded that that he has been told that it may take up to a year to receive the final grant agreement, but that this should not be a problem as these funds can only be used for construction expenses.

Director Blaser asked about inflation on capital expenditures. Martin responded that the only capital expenditures other than for facility design and engineering work is for the six replacement buses for which we already have price quotes, but any unforeseen cost increases would be covered from deferred revenues.

Director Hudson asked if we will be discussing the budget again. Martin responded that the final draft budget would be presented for adoption consideration at the May meeting, but a budget update would also be provided at the April meeting.

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

Director Shaw made a motion to adopt Resolution No. 2-22 authorizing the Executive Director, or their designee, to execute all federal grants and contract documents under Sections 5307, 5309, 5310, 5311, 5317, 5339 and RAISE as proposed. Director Bains seconded the motion and it carried unanimously.

C. Annual Authorization for the Executive Director to Certify as counsel for Federal Transit Administration (FTA) Grants.

Director Shaw made a motion to adopt Resolution No. 3-22 authorizing the Executive Director to certify as counsel for FTA grants as proposed. Director Bains seconded the motion and it carried unanimously.

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

Director Shaw made a motion to authorize the submittal of specified projects for LCTOP funding and to adopt Resolution No. 4-22 authorizing execution of the related LCTOP Certifications and Assurance including designation of the Executive Director as the Authorized Agent as proposed. Director Bains seconded the motion and it carried unanimously.

E. State of Good Repair (SGR) Project Designation.

Director Bains made a motion to adopt Resolution No. 5-22 approving the submittal of Yuba-Sutter Transit's SGR Project List as proposed. Director Buttacavoli seconded the motion and it carried unanimously.

F. Federal Transit Administration (FTA) Section 5311 FFY 2022 and FFY 2023 Two-Year Cycle Consolidated Grant Application Program of Projects.

Director Bains made a motion to authorize the submittal of a consolidated two-year application and Program of Projects for the available FFY 2022 and FFY 2023 FTA Section 5311 funding as proposed. Director Kirchner seconded the motion and it carried unanimously.

G. Amended Yuba-Sutter Transit / Regional Waste Management Authority (RWMA) Consulting Agreement.

Director Kirchner made a motion to authorize the execution of the amended Yuba-Sutter Transit / RWMA Consulting Agreement as proposed. Director Shaw seconded the motion and it carried unanimously.

H. June Board of Directors Meeting Date Change.

Director Hudson made a motion to cancel the regular Board meeting on Thursday, June 16, 2022 as proposed. Director Kirchner seconded the motion and it carried unanimously.

I. Project & Program Updates

1. COVID-19 Impact & Response

Martin reported that January continued the positive year-over-year systemwide monthly ridership growth trend that started in July 2021. On the major services in February, average weekday ridership was up 30 percent on the local fixed route service, 66 percent on the local Dial-A-Ride service, and 51 percent on the Sacramento Commuter service over February 2021. Systemwide, average weekday ridership in February was up 46 percent compared to February 2020. Martin added that the recent spike in fuel prices appears to be contributing to a significant increase in Sacramento ridership through the first two weeks of March, but the average daily ridership figure is still just 25 percent of what it was in March 2019.

2. Next Generation Transit Facility Project (Grant Awards & Submissions)

Martin noted that a state TIRCP grant application for \$14.5 million was submitted on March 3, 2022 which includes \$12,325,000 for the facility project and \$2,175,000 for the incremental cost of three zero-emission replacement commuter buses over the cost of diesel-powered buses. TIRCP grant awards are expected to be announced in June 2022.

Staff is currently working on a second federal RAISE grant application that is due April 14, 2022. Our 2021 application for \$20 million was unsuccessful, but just 90 of 763 applications (12%) were selected. A debrief on the 2021 application is scheduled for March 30th.

Staff learned Monday morning that Yuba-Sutter Transit's 2021 grant application for \$14 million from the Federal Transit Administration (FTA) Buses & Bus Facilities Program was unsuccessful. The 2022 round of funding from this same program recently opened with applications due on May 31st. An authorizing resolution for the 2022 cycle is expected to be presented for Board consideration at the April meeting. As noted in the past, a Zero-Emission Fleet Transition Plan is now required to remain eligible for future awards from this program and staff is already working to develop this new plan for board consideration in May.

3. Yuba-Sutter Comprehensive Operational Analysis & Short-Range Transit Plan

The compressed schedule to award a consultant contract for this project at the March board meeting proved to be unrealistic given the current workload and reduced staff capacity. As a result, this work was paused until late March and staff will be working with ad hoc committee to set interviews of the four consulting teams that have submitted proposals. An award recommendation is now expected at the April meeting.

4. Federal Transit Administration (FTA) Triennial Review

The after months of data and information collecting, the four-day virtual on-site review meeting concluded at 1:00 p.m. today (March 17, 2022). Staff expects to provide the Board with the final report along with a schedule for all required responses at the April meeting.

5. Regional Waste Management Authority (RWMA) Staff Transition

A special meeting of the Regional Waste Management Authority (RWMA) Board of Directors has been set for March 23, 2022 to interview a candidate for the Executive Director position. Depending on when an appointment is made, the new Executive Director could be on-board by May 1st. Applications for the RWMA Management Analyst I/II position are due on March 29th. Staff will be reviewing those applications, but an appointment decision is expected to be delayed until the new Executive Director is on-board.

These hires will change Yuba-Sutter Transit's 34-year relationship with the RWMA, but we will continue providing administrative support services for the foreseeable future on a month-to month-basis (phone number, mailing address, basic financial services and support, consulting staff support, etc.) consistent with the amended consulting agreement.

6. Transit Appreciation Day

Noting that Friday, March 18th was Transit Appreciation Day, Martin presented each of the Board members with a branded stainless steel insulated bottle. This same gift will be presented to all our transit and contract staff tomorrow in appreciation for their service to our community.

V. Correspondence/Information

None

VI. Other Business

None.

VII. Adjournment

Director Buttacavoli moved to adjourn. Director Bains seconded the motion and it carried unanimously.

The meeting was adjourned at 4:39 pm.

THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, APRIL 21, 2022 AT 4:00 PM IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS UNLESS OTHERWISE NOTICED.

**AGENDA ITEM III-B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF MARCH 2022**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 6,467.45	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 2,994.78	PERS RETIREMENT	RETIREMENT PAYMENT (EMPLOYER SHARE)
EFT	\$ 500.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 32,265.26	PAYROLL	PAYROLL
EFT	\$ 1,049.99	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 39.88	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION - MARCH 2022
EFT	\$ 307.67	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 400.00	FRANCOTYP-POSTALIA INC	POSTAGE RESET - 3/10/22
EFT	\$ 100.00	BRAD HUDSON	BOARD MEETING 3/17/2022
EFT	\$ 100.00	DON BLASER	BOARD MEETING 3/17/2022
EFT	\$ 100.00	KARM BAINS	BOARD MEETING 3/17/2022
EFT	\$ 100.00	SETH FUHRER	BOARD MEETING 3/17/2022
EFT	\$ 100.00	WADE KIRCHNER	BOARD MEETING 3/17/2022
EFT	\$ 100.00	DAVE SHAW	BOARD MEETING 3/17/2022
EFT	\$ 3,325.30	PG&E	ELECTRIC 2/10/2022 - 3/13/2022
EFT	\$ 43.63	PG&E	ELECTRIC #2 MARCH 2022
EFT	\$ 970.04	PG&E	GAS FEBRUARY 2022
EFT	\$ 470.23	CARDMEMBER SERVICES	CREDIT CARD -SUBSCRIPTIONS, PRINTER RIBBON, WATER FILTER & LANYARDS
EFT	\$ 272.72	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 277.91	PRIMEPAY	PAYROLL FEES - FEBRUARY 2022
EFT	\$ 192.89	ELAVON	MERCHANT SERVICE FEE - MARCH
17784	\$ (780.00)	VOIDED CHECK TO CALACT	CHECK NEVER RECEIVED - REISSUED
17901	\$ 320.00	ACTION FENCING	REPAIR CUT FENCE AT 2100 B ST MARYSVILLE
17902	\$ 221.54	ADVANCED DOCUMENTS CONCEPTS	COPY MACHINE CHARGES - FEBRUARY 2022
17903	\$ 780.00	CAL ACT	2022 MEMBERSHIP RENEWAL - KEITH MARTIN
17904	\$ 3,500.00	FRANK M BOOTH	WORK ON FACILITY AC COMPUTER SYSTEM
17905	\$ 171.88	HANCOCK PETROLEUM ENGINEERING	REPAIR ON PUMP #3
17906	\$ 27,801.64	HUNT & SONS INC	BUS FUEL - DYED DIESEL
17907	\$ 355.75	QUILL CORPORATION	JANITORIAL & OFFICE SUPPLIES
17908	\$ 1,100.00	RC JANITORIAL	JANITORIAL SERVICES - FEBRUARY 2022
17909	\$ 1,612.97	RAMOS OIL COMPANY	BUS FUEL - GAS
17910	\$ 467,402.57	STORER TRANSIT SYSTEMS	CONTRACT SERVICES & VEHICLES INSURANCE 1/22
17911	\$ 450.00	STREAMLINE	WEBSITE SERVICES - MARCH 2022
17912	\$ 2,548.55	TEHAMA TIRE SERVICES INC	TUBES/TIRES
17913	\$ 2,062.91	TELELINK BUSINESS TELEPHONE SYSTEMS	SERVICE ON PHONES AND CAMERAS
17914	\$ 272.79	TIAA COMMERCIAL FINANCE INC	COPIER LEASE - FEBRUARY 2022
17915	\$ 1,750.00	ALLIANT NETWORKING SERVICES INC	IT SERVICES - APRIL 2022
17916	\$ 261.25	APPEAL DEMOCRAT	SPOTLIGHT AD FOR DISCOUNT PASS PROGRAM
17917	\$ 100.00	BRUCE BUTTACAVOLI	BOARD MEETING 3/17/2022
17918	\$ 200.00	CALIFORNIA TRANSIT ASSOCIATION	2022 SPRING LEGISLATIVE CONFERENCE - KM
17919	\$ 369.47	COMCAST BUSINESS	TELEPHONE SERVICE - MARCH 2022
17920	\$ 318.89	COMCAST BUSINESS	INTERNET SERVICES - MARCH 2022
17921	\$ 219.38	HANCOCK PETROLEUM ENGINEERING	REPLACE LEAKING SWIVEL ON DISPENSER #1
17922	\$ 33,160.53	HUNT & SONS INC	BUS FUEL - DYED DIESEL
17923	\$ 953.23	LANDA & SONS GLASS INC	REPAIRS AT BOGUE, JOHNSON PARK & WALTON
17924	\$ 1,726.77	PREMIER PRINT & MAIL	NEWSLETTER, ENVELOPES & BUSINESS CARDS - JF
17925	\$ 1,059.77	QuEST	MAINTENANCE OF BUS STOPS/SHELTERS
17926	\$ 77.70	QUILL CORPORATION	OFFICE SUPPLIES: ENVELOPES & CALENDAR
17927	\$ 3,703.81	RAMOS OIL COMPANY	BUS FUEL - GAS
17928	\$ 330.00	RICH, FUIDGE, BORDSEN & GALYEAN INC	LEGAL SERVICES - 2/16/2022 - 3/15/2022
17929	\$ 1,432.73	SC FUELS	DEF FLUID
17930	\$ 50.00	SHELBY'S PEST CONTROL	PEST CONTROL SERVICES - MARCH 2022
17931	\$ 100.00	SIMONE REED	VISION REIMBURSEMENT
17932	\$ 565.47	STANLEY SECURITY SOLUTIONS	SECURITY SERVICES - APRIL 2022
17933	\$ 915.00	STEVE & SONS CUSTOM CUTS TREE SERVICE	TREE TRIMING AT 2100 B ST
17934	\$ 2,032.68	STORER TRANSIT SYSTEMS	REIMBURSEMENT FOR DISINFECTANT SOLUTION
17935	\$ 7,483.50	SUTTER BUTTES COMMUNICATION INC	SERVICE CHARGES & REPEATER FEE 4/22 - 6/22
17936	\$ 10,241.51	TEHAMA TIRE SERVICES INC	TUBES/TIRES

\$ 625,050.04

**LAIF
TRANSFERS**

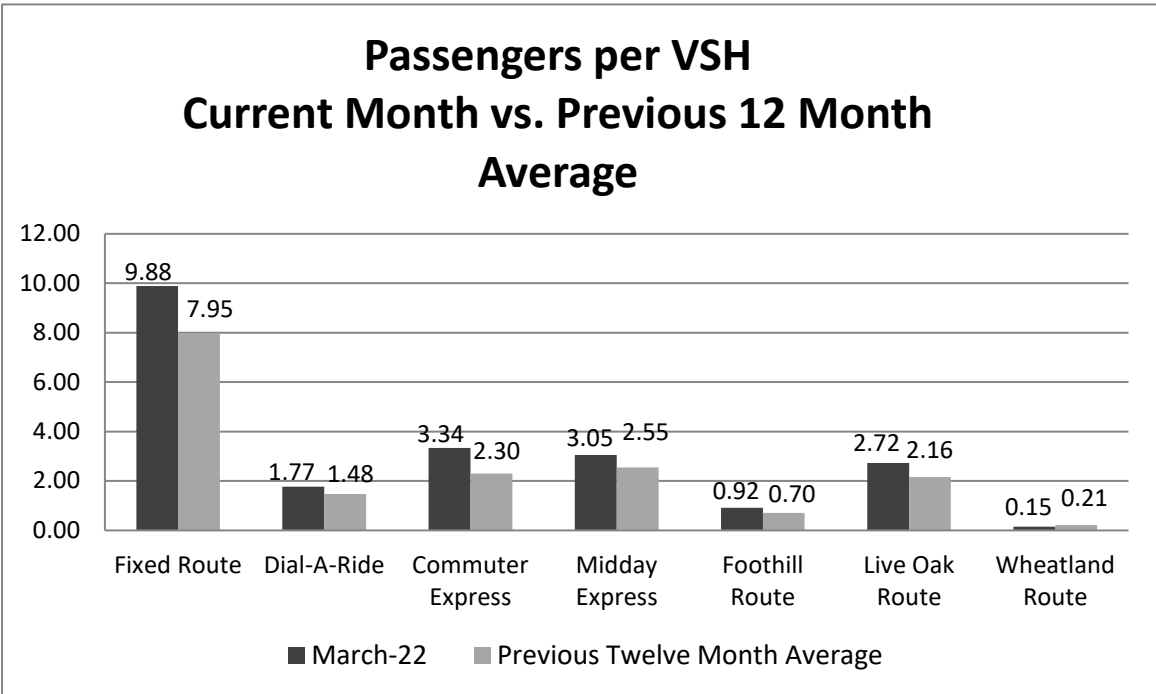
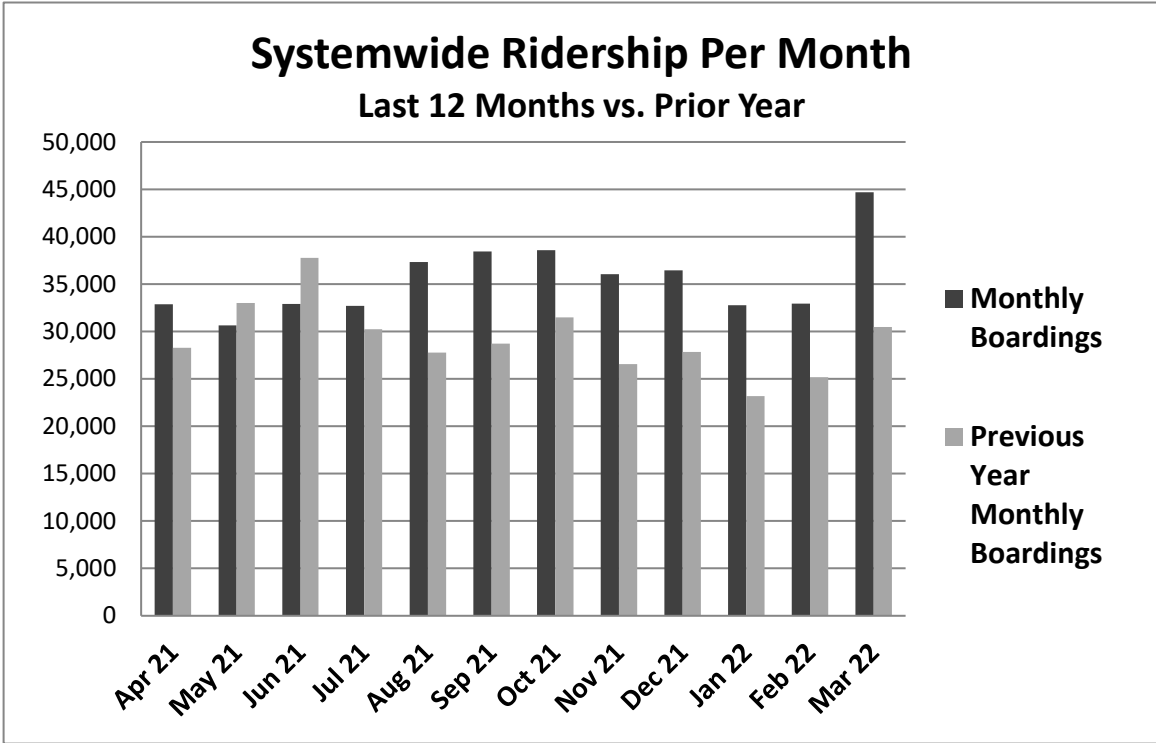
3/7/2022 \$ 400,000.00 FROM LAIF TO CHECKING

AGENDA ITEM III- C

MARCH 2022 PERFORMANCE REPORT

	March-22	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Ridership:				
Fixed Route	38,392	29,875	284,199	221,919
Dial-A-Ride	2,914	2,035	21,267	13,014
Commuter Express	2,555	1,657	16,621	11,419
Midday Express	496	391	3,669	2,894
Foothill Route	95	59	637	717
Live Oak Route	224	159	1,495	1,444
Wheatland Route	7	9	95	53
Oroville Route	0	0	1,975	0
Total Ridership:	44,683	34,185	329,958	251,460
Vehicle Service Hours:				
Fixed Route	3,884.98	3,756.74	32,727.07	35,563.10
Dial-A-Ride	1,645.96	1,376.06	13,126.75	13,120.91
Commuter Express	764.38	719.42	6,499.10	6,249.12
Midday Express	162.59	153.54	1,389.85	1,325.56
Foothill Route	103.36	84.35	773.65	707.15
Live Oak Route	82.23	73.56	660.21	661.09
Wheatland Route	46.13	43.23	397.18	370.02
Oroville Route	0.00	0.00	427.39	0.00
Total VSH's:	6,689.63	6,206.91	56,001.20	57,996.95
Passengers Per Hour:				
Fixed Route	9.88	7.95	8.68	6.24
Dial-A-Ride	1.77	1.48	1.62	0.99
Commuter Express	3.34	2.30	2.56	1.83
Midday Express	3.05	2.55	2.64	2.18
Foothill Route	0.92	0.70	0.82	1.01
Live Oak Route	2.72	2.16	2.26	2.18
Wheatland Route	0.15	0.21	0.24	0.14
Oroville Route	0.00	0.00	4.62	0.00
Total Passengers Per VSH:	6.68	5.51	5.89	4.34

MARCH 2022 PERFORMANCE REPORT



AGENDA ITEM IV – A
STAFF REPORT

**YUBA-SUTTER TRANSIT COMPREHENSIVE OPERATIONAL ANALYSIS /
SHORT RANGE TRANSIT PLAN CONTRACT AWARD**

Background

Yuba-Sutter Transit received a Fiscal Year 2021/22 Sustainable Communities Planning Grant from the California Department of Transportation (Caltrans) to develop a Comprehensive Operational Analysis (COA)/Short Range Transit Plan (SRTP). Transit plans are normally conducted every three to five years as a guide for future transit improvements and system modifications. A current transit plan is required to remain eligible for federal funding and the new COA/SRTP will supersede the last Yuba-Sutter Transit SRTP that was adopted in April 2015.

In close collaboration with the Board, member jurisdictions, community stakeholders, and the public at large, the plan that results from this process is expected to shape the Yuba-Sutter Transit system for the next 5 to 10 years through recovery from the pandemic; construction of a new transit operating, maintenance, and administration facility; and transition to the large-scale operation of zero-emission buses. The plan will include a top-to-bottom examination of the entire system (local, rural and commuter routes along with the Dial-A-Ride service) and present recommendations that could potentially include modifications to existing routes, new service areas, alternative service models, and more modern technology-based transportation delivery tools.

The total project budget is \$225,000 using the state grant of \$199,192 and the required local match of \$25,808 (11.47 percent) which will be provided by Yuba-Sutter Transit from available State Transit Assistance (STA) revenues. Caltrans issued a Notice to Proceed for this project on January 3, 2022. On January 20th, the Board of Directors authorized the release of a Request for Proposals (RFP) for transit consultants who specialize in this work. The RFP was released on January 24th and proposals were due on February 25th. The state funding will expire on March 30, 2024, but this project is expected to be completed by mid-2023.

Discussion

Four proposals were received in response to the RFP, and all were initially deemed by staff to be responsive. The analysis of the prospective consultant teams began with a comprehensive review of their written proposals by staff and the ad hoc committee of the Board of Directors composed of Directors Blaser and Kirchner and Chairman Hudson. Based on this initial review, all four firms were invited to make presentations to the proposal review panel on March 29th. The proposals were evaluated using four primary criteria including: Firm Capability and Experience; Experience and Expertise of Project Team; Project Approach; and Schedule and Cost.

The proposing consultant teams are shown below in the alphabetical order of the prime contractor followed by their proposed sub-contractors with their proposed project cost in parenthesis.

AECOM Technical Services, Inc. (AECOM) with AIM Consulting, Inc. (\$217,480.64)
Innovate Mobility, LLC with Accessible Avenue and AIM Consulting, Inc. (\$215,456.54)
LSC Transportation Consultants, Inc. (LSC) with Transportation Management and Design, Inc.
(TMD) and AIM Consulting, Inc. (\$219,282.00)
Stantec Consulting Services, Inc. (Stantec) with AIM Consulting, Inc. (\$224,931.77)

Recommendation

After analyzing the submitted proposals, participating in the interviews, and conducting reference checks on the top ranked firm; the ad hoc committee is unanimously recommending that this project be awarded to the Innovate Mobility team. The ad hoc committee believes that the unique combination of the team's knowledge and experience; project understanding, approach, schedule, and price; and their modern analytical tools offers the best overall value for Yuba-Sutter Transit.

Staff and members of the ad hoc committee will be prepared at the meeting to discuss the proposal review process and the resulting award recommendation in detail.

RECOMMENDATION: Authorize the Executive Director to execute a contract agreement with the selected consultant as proposed.

AGENDA ITEM IV – B
STAFF REPORT

**FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5339(b) BUSES AND BUS FACILITY PROGRAM
AND/OR SECTION 5339(c) LOW OR NO EMISSION GRANT APPLICATION AUTHORIZATION**

On March 7, 2022, FTA released the Notice of Funding Opportunity (NOFO) for the annual Department of Transportation Nation Infrastructure Investments called the Grants for Buses and Bus Facility Program and the Low or No Emission (Low-No) Grant Program. These competitive grant programs will award a total of \$1.5 billion as part of the federal Infrastructure Investments & Jobs Act (also known as the Bipartisan Infrastructure Law) to modernize bus fleet and facilities. The Low-No Program will award \$1.12 billion while the Buses and Bus Facilities Program will award \$372 million in federal funds for eligible capital investments in public transportation buses and bus facilities. This is a highly competitive program which in recent years has awarded projects to approximately 30 percent of all applicants and most projects will require a minimum 20 percent non-federal local match. Grant applications are due May 31st with awards expected to be announced by no later than August 15th.

The Buses and Bus Facilities Program was identified as a potential major source of funding in the Next Generation Zero-Emission Maintenance, Operations and Administration Facility financial plan and an unsuccessful application was submitted in the 2021 grant cycle. Despite the highly competitive nature of the program, Yuba-Sutter Transit's near-term need to relocate due to the State Route 70 Binney Junction Project and the need for a new facility to incorporate zero emission buses into the fleet continues to be a compelling story that should increase the chance for a successful application. In addition, the clean-transit nature of the Next Generation Zero Emission Transit Facility Project and the site location within the service area also address many of the greenhouse gas reduction and disadvantaged population benefit goals of the grant program to further enhance the quality of the proposed application.

Staff is recommending that a grant application for the facility project be submitted in response to the new NOFO, but applicants can for the first time submit a project under both grant programs using the same application and the greenhouse gas reduction aspects of the facility project likely make it eligible for both. Because of this new streamlined approach, additional research is needed to determine the tradeoffs of submitting to both grant programs. Staff will be meeting on April 15th with the FTA for a debrief on the 2021 Buses and Bus Facilities grant application at which time more information will be sought on the technical and strategic aspects of each option.

Based on an evaluation of past grant awards and the need for significant funding to complete this critical project, staff expects to request between \$10 and \$15 million in federal funding from this program to fund a major portion of the design and construction of the Next Generation Transit Facility (\$14 million was requested in the 2021 application). Due to the short application window and the immediate need for major funding, staff intends to again contract with AECOM to assist with this important project. This is the same firm that assisted in the preparation of the 2021 Buses and Bus Facilities grant, the last two federal RAISE grant applications, and the recent state TIRCP grant application. Work from these applications will be heavily leveraged for this new application to limit the time and cost of this effort.

Staff will be prepared to discuss this grant program and the grant application in more detail at the meeting.

RECOMMENDATION: Adopt Resolution No. 6-22 authorizing the submittal of one or more federal grant applications as proposed.

YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 6-22

FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5339(b) BUSES AND BUS FACILITIES
PROGRAM AND/OR SECTION 5339(c) LOW OR NO EMISSION PROGRAM GRANT AUTHORIZATION

- 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, *It has long been Yuba-Sutter Transit's mission to provide safe and cost-effective public transportation services that increase mobility and improve the quality of life for Yuba and Sutter County residents; and,*
- WHEREAS, *Yuba-Sutter Transit strives to meet or exceed community expectations by adhering to the guiding principles of operating a safe, reliable and comfortable quality of service; providing an effective and efficient level of service in response to demonstrated community needs; and, enhancing quality of life through improved mobility; and,*
- WHEREAS, *Yuba-Sutter Transit has consistently improved and expanded the quality and scope of the services provided through the development and introduction of new and enhanced facilities, vehicles, equipment, and technology; and,*
- WHEREAS, *Yuba-Sutter Transit is currently operating out of a 60-year old converted Seven-Up Company bottling plant that was not designed for transit use and is now undersized, obsolete and unsuitable for the operation of a zero-emission bus fleet; and,*
- WHEREAS, *Yuba-Sutter Transit's existing maintenance, operations and administration facility at 2100 B Street, Marysville, California, is expected to be displaced as the result of the State Route 70 Binney Junction Roadway and Complete Streets Project by 2025; and,*
- WHEREAS, *A new facility is needed to comply with the December 2018 California Air Resources Board (CARB) Innovative Clean Transit (ICT) regulation requiring all public transit agencies to transition to a 100 percent zero-emission bus (ZEB) fleet with a statewide goal for full transition by 2040; and,*
- WHEREAS, *A replacement facility is essential to assure continued operation and future expansion of Yuba-Sutter Transit's regionally significant services with the added benefit of enabling an early transition to an all zero-emission bus fleet; and,*
- WHEREAS, *The US. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital projects under the Section 5339 (b) Buses and Bus Facilities Program and the Section 5339(c) Low or No Emission Grant Program to fund the design and construction of a facility; and,*
- WHEREAS, *A combination of local, state and federal funding sources will be necessary to fund the Next Generation Zero Emission Maintenance, Operations & Administration Facility.*

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

1. That the Yuba-Sutter Transit Executive Director or their designated representative is authorized to submit a grant application and provide additional information as may be required under the Federal Transit Administration (FTA) Section 5339(b) Buses and Bus Facilities Program and/or the Section 5339(c) Low or No Emission Grant Program for the design and construction of the Next Generation Zero-Emission Transit Maintenance, Operations and Administration Facility; and,
2. That the necessary non-federal matching funds for the grant, if awarded, will be appropriated; and,
3. That the obligations, deadlines, and requirements of the subsequent grant agreement will be met, and the Next Generation Zero-Emission Transit Maintenance, Operations and Administration Facility will be designed and constructed in a timely manner; and,
4. That upon completion of the facility, adequate funding will be allocated on an annual basis to operate and maintain the facility in a State of Good Repair thereafter 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 APRIL 21, 2022.

Chairman of the Board

ATTEST:

*Lisa O'Leary
Secretary to the Board*

AGENDA ITEM IV – C
STAFF REPORT

**REVISED DRAFT YUBA-SUTTER TRANSIT
OPERATING AND CAPITAL BUDGET FOR FY 2022/2023**

Background & Summary

The preliminary draft Yuba-Sutter Transit Operating and Capital Budget for FY 2023 was presented at the March meeting. Attached for Board review and discussion is a revised version of that budget which includes the detailed assumptions that are now being used for each revenue and expense line item. The Yuba-Sutter Transit 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.

Due primarily to the recent increase in fuel expenses, despite a decrease in the projected number of vehicle services hours to be operated both years, the revised draft budget for FY 2023 as well as the year-end projections for FY 2022 have both been revised upward from the preliminary draft versions that were presented at the March meeting. The revised draft budget now includes proposed operating expenses of \$8,831,000 for FY 2023 which is \$61,000 more (0.7 percent) than what was presented in March. Year-end projections for FY 2022 now estimate total operating expenditures of \$8,015,000 which is \$82,000 (1 percent) more than in March. The preliminary draft capital budget for FY 2023 and the projected year-end capital budget for FY 2022 are both unchanged from what was presented in March. To correct for an overallocation of State Transit Assistance (STA) funds for operating use in the preliminary draft budget as well as to off-set the modest budget increase, the allocation of Local Transportation Fund (LTF) revenue has been increased to \$4 million for FY 2023 which is \$500,000 (14 percent) more than the preliminary draft figure from March.

Revised Current Year (FY 2022) Budget Projections

Year-end operating expenses for FY 2022 are now projected to be \$296,200 (3.6 percent) lower than the adopted budget of \$8,311,200 and \$82,000 higher than the preliminary draft projection that was presented in March. The most significant expense variance is the \$64,000 increase in fuel costs since March even though the projected number of hours being operated has since been reduced by 1,000 to just 75,000 vehicle service hours (VSH). Out of Contract expenses have been increased by \$10,000 over the March estimate due to additional COVID-19 related expenditures and tire expenditures have been increased by \$8,000 due to continued high cost of tires through the first three quarters of the year. The \$82,000 increase in projected FY 2022 expenditures will be funded with deferred STA revenue from prior year claims. There were no revisions to the projected FY 2022 capital expenditures from the March meeting.

Revised FY 2023 Operating & Capital Budget Estimates

The revised draft FY 2023 operating budget of \$8,831,000 represents an increase of \$61,000 (0.7 percent) over the preliminary draft figure from March. Despite soaring fuel prices, this relatively small

increase in the revised draft budget is due to a reduction in the presumed level of service in FY 2023 from 85,000 to 80,300 VSH which has the effect of reducing service-related expenses such as contract labor, fuel, and tires. While the 80,300 VSH figure presumes continued slow growth in systemwide ridership, it still allows for a modest increase (5,300 VSH or 7.1 percent) over the projected year-end figure for FY 2022 with most of this expected to occur in the Dial-A-Ride service.

Significant expense variances from the preliminary draft budget include an increase of \$182,000 (18 percent) in fuel expenses to reflect escalating fuel prices now estimated at \$14.85 per VSH which is up 86 percent from the current year budget of \$8 per VSH and 29 percent from the current year projection of \$11.47 per VSH. Tire expenses have also been adjusted upwards by \$10,000 (15 percent) over the preliminary draft budget to reflect the 57 percent increase in the cost per VSH. As noted above, fuel and tire increases have been partially offset by the reduction in the budget number of service hours. Contract operations expenses have been reduced by \$138,000 (2 percent) from the preliminary draft budget due to the reduction in VSH, even after a slight increase in out of contract services due to estimated COVID-19 reimbursements. The budget for administrative staff salaries was also increased by \$7,000 to reflect the anticipated cost of living adjustment for FY 2023.

Significant revenue adjustments were made in the revised draft FY 2023 budget to increase the annual allocation of LTF revenue by \$500,000 and to decrease the allocation of STA for operating assistance by \$439,000. These changes were made to off-set the \$61,000 budget increase as well as to correct for an overallocation of STA funds for operating use in the preliminary draft budget. Even with the increase in LTF, the combined allocation of \$4 million represents just 41 percent of the amount available for FY 2023 (down from 47 percent in FY 2022). After peaking at nearly 60 percent in FY 2018, this 41 percent figure would be the lowest percentage allocation since the 36.2 percent figure of FY 2014. The increase is believed to be necessary to preserve more STA funds for major upcoming projects such as the Next Generation Transit Facility and meeting the state zero-emission bus purchase requirements.

Recommendation

Board questions and input on the revised draft budget submittal are invited and welcome as both the current and future budget year expense and revenue assumptions will continue to be refined over the next month. The final draft budget will be presented for Board review and adoption consideration at the regular monthly meeting on May 19th.

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

RECOMMENDATION: Direct staff as desired.

Attachments: Revised Draft FY 2022/2023 Operating and Capital Budget
Revised Draft FY 2022/2023 Operating and Capital Budget Assumptions

**YUBA-SUTTER TRANSIT AUTHORITY
REVISED FY 2022/2023 DRAFT OPERATING BUDGET**

Prepared April 14, 2022

	FY 2019/2020 Budget	FY 2019/2020 Audited	FY 2020/2021 Budget	FY 2020/2021 Audited	FY 2021/2022 Budget	FY 2021/2022 Projected	FY 2022/2023 Revised Draft
Operations Expenditures							
010.50300 Services - Other Maintenance	\$ 230,000	\$ 193,074	\$ 200,000	\$ 169,776	\$ 200,000	\$ 210,000	220,000
010.50401 Fuel and Lubricants	875,000	615,092	596,000	499,026	680,000	860,000	1,193,000
010.50402 Tires and Tubes	70,500	48,586	57,000	42,043	51,000	70,000	75,000
010.50499 Other Materials and Supplies Consumed	90,000	62,111	90,000	94,826	100,000	75,000	75,000
010.50500 Utilities - Electric and Gas	53,000	42,290	52,000	45,439	52,000	52,000	53,000
010.50501 Utilities - Water and Sewer	5,500	6,299	6,500	7,296	9,000	9,000	9,000
010.50600 Casualty and Liability Costs - Operations	304,000	277,224	270,500	270,402	280,100	280,000	287,000
010.50800 Services - Contract Operations	5,400,000	5,474,033	5,780,000	5,435,685	5,883,000	5,500,000	5,850,000
010.50801 Services - Out of Contract	15,000	50,675	17,000	106,663	120,000	80,000	45,000
Subtotal - Operations	<u>\$ 7,043,000</u>	<u>\$ 6,769,384</u>	<u>\$ 7,069,000</u>	<u>\$ 6,671,156</u>	<u>\$ 7,375,100</u>	<u>\$ 7,136,000</u>	<u>\$ 7,807,000</u>
Administration Expenditures							
160.50102 Salaries and Wages - Admin. Staff	\$ 400,000	\$ 398,226	\$ 411,000	\$ 413,008	\$ 433,500	\$ 430,000	455,000
160.50200 Fringe Benefits - Admin. Staff	160,000	142,389	155,000	148,556	160,000	160,000	175,000
160.50201 Fringe Benefits - Unfunded CalPERS Liability Payments	425,000	390,541	-	-	2,300	2,300	3,800
160.50301 Services - Accounting	3,000	2,307	3,000	4,300	4,500	4,000	4,800
160.50302 Services - Legal	12,000	4,928	12,000	8,573	12,000	9,000	12,000
160.50303 Services - Printing and Copying	30,000	7,968	20,000	11,929	20,000	19,000	20,000
160.50309 Services - Miscellaneous Professional	130,000	157,629	170,000	131,108	200,000	170,000	260,000
160.50499 Materials and Supplies - Office & Postage	15,000	14,338	16,000	7,732	15,000	10,000	10,000
160.50502 Utilities - Telephone & Internet	20,000	7,168	10,000	8,104	9,000	8,300	9,000
160.50900 Miscellaneous Expense - Insurance and Bond	36,000	30,872	36,000	31,546	37,000	36,100	37,000
160.50901 Miscellaneous Expense - Dues & Subscriptions	5,000	5,106	5,000	5,843	6,000	6,000	6,000
160.50902 Miscellaneous Expense - Travel, Meetings and Training	5,000	2,529	5,000	2,398	5,000	3,500	5,000
160.50903 Miscellaneous Expense - Board of Directors	4,800	3,700	5,000	4,400	10,800	6,800	10,400
160.50904 Miscellaneous Expense - Media Adv. and Promo.	10,000	6,686	10,000	10,330	15,000	10,000	10,000
160.50909 Miscellaneous Expense - Other	6,000	19,838	6,000	2,329	6,000	4,000	6,000
Subtotal - Administration	<u>\$ 1,261,800</u>	<u>\$ 1,194,225</u>	<u>\$ 864,000</u>	<u>\$ 790,156</u>	<u>\$ 936,100</u>	<u>\$ 879,000</u>	<u>\$ 1,024,000</u>
Total Expenditures	<u><u>\$ 8,304,800</u></u>	<u><u>\$ 7,963,609</u></u>	<u><u>\$ 7,933,000</u></u>	<u><u>\$ 7,461,312</u></u>	<u><u>\$ 8,311,200</u></u>	<u><u>\$ 8,015,000</u></u>	<u><u>\$ 8,831,000</u></u>

		FY 2019/2020 Budget	FY 2019/2020 Audited	FY 2020/2021 Budget	FY 2020/2021 Audited	FY 2021/2022 Budget	FY 2021/2022 Projected	FY 2022/2023 Revised Draft
Operating Revenue								
40100	Passenger Fares	\$ 1,250,000	\$ 1,045,646	\$ 120,000	\$ 513,940	\$ 550,000	\$ 670,000	737,000
40200	Special Transit Fares	21,000	25,811	17,000	22,032	21,000	63,400	25,000
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	49,000	43,039	42,000	38,773	36,000	52,500	36,000
40700	Non-Transportation Revenue (Interest)	4,000	15,464	15,000	15,392	8,000	8,900	8,000
40709	Non-Transportation Revenue (RWMA, Misc.)	45,000	44,737	36,000	49,513	40,000	59,000	32,000
40900	Local Transportation Funds (LTF)	2,800,000	2,760,991	2,800,000	2,651,032	3,100,000	3,100,000	4,000,000
40901	Local Cash Grants/Reimbursements	41,000	40,529	35,000	35,538	28,000	35,300	39,000
41100	State Transit Assistance Funds (STA)	1,428,500	244,421	-	-	-	82,000	1,334,000
41109	State Cash Grants/Reimbursements	266,300	297,211	289,000	215,292	288,000	207,800	220,000
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,200,000	2,200,000	-	-	-	-	1,419,683
41300	General Operating Assistance - FTA Sect. 5307 CARES Act (Urban)	-	1,000,000	4,284,000	3,673,115	2,693,010	2,693,010	-
41300	General Operating Assistance - FTA Sect. 5307 ARP (Urban)	-	-	-	-	1,297,190	793,090	780,317
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	200,000	115,760	-	84,240	-	-	200,000
41301	General Operating Assistance - FTA Sect. 5311 CARES Act (Rural)	-	130,000	295,000	162,445	250,000	250,000	-
	Total Operating Revenue	<u>\$ 8,304,800</u>	<u>\$ 7,963,609</u>	<u>\$ 7,933,000</u>	<u>\$ 7,461,312</u>	<u>\$ 8,311,200</u>	<u>\$ 8,015,000</u>	<u>\$ 8,831,000</u>

		FY 2019/2020 Budget	FY 2019/2020 Audited	FY 2020/2021 Budget	FY 2020/2021 Audited	FY 2021/2022 Budget	FY 2021/2022 Projected	FY 2022/2023 Revised Draft
	Deferred TDA Revenues, July 1	\$ 2,859,383	\$ 2,864,475	\$ 3,979,359	\$ 4,048,639	\$ 4,014,005	\$ 5,145,965	4,122,813
	LTF Revenues Received	2,800,000	2,800,000	2,800,000	2,800,000	3,100,000	3,100,000	4,000,000
	STA Revenues Received	1,770,356	1,599,196	1,602,620	966,676	1,216,354	-	-
	LTF Revenues Allocated - Operating	(2,800,000)	(2,760,991)	(2,800,000)	(2,651,032)	(3,100,000)	(3,100,000)	(4,000,000)
	STA Revenues Allocated - Operating	(1,428,500)	(244,421)	-	-	-	(82,000)	(1,334,000)
	LTF Revenues Allocated For Local Capital Outlays	-	-	-	-	-	-	-
	STA Revenues Allocated For Local Capital Outlays	(415,018)	(253,570)	(40,000)	(18,318)	(1,346,477)	(941,152)	(351,948)
	Proceeds from Sale of Vehicles	-	43,950	-	-	-	-	-
	Deferred TDA Revenues, June 30*	<u>\$ 2,786,221</u>	<u>\$ 4,048,639</u>	<u>\$ 5,541,979</u>	<u>\$ 5,145,965</u>	<u>\$ 3,883,882</u>	<u>\$ 4,122,813</u>	<u>\$ 2,436,865</u>
	Local Transportation Funds (LTF)	\$ 1,043,184	\$ 1,367,384	\$ 1,323,283	\$ 1,516,352	\$ 1,367,384	\$ 1,516,352	\$ 1,516,352
	State Transit Assistance Funds (STA)	\$ 1,169,711	\$ 2,681,255	\$ 4,218,696	\$ 3,629,613	\$ 2,516,498	\$ 2,606,461	\$ 920,513

Deferred STA Detail (Carryover revenues available and required for cash flow, contingencies, and local capital match)

Yuba-Sutter Transit Portion	\$ 1,093,032	\$ 2,571,759	\$ 4,000,466	\$ 3,454,480	\$ 2,341,365	\$ 2,431,328	\$ 871,380
City of Live Oak Portion	51,561	76,104	152,737	122,363	122,363	122,363	22,363
City of Wheatland Portion	25,118	33,392	65,493	52,770	52,770	52,770	26,770
Total Deferred STA Revenue	<u>\$ 1,169,711</u>	<u>\$ 2,681,255</u>	<u>\$ 4,218,696</u>	<u>\$ 3,629,613</u>	<u>\$ 2,516,498</u>	<u>\$ 2,606,461</u>	<u>\$ 920,513</u>

Additional STA Cumulative Balances at SACOG Available for Claim

Yuba-Sutter Transit Portion					\$ 1,216,354	\$ 2,851,824
City of Live Oak Portion					\$ 63,518	\$ 147,274
City of Wheatland Portion					\$ 25,138	\$ 59,281

**YUBA-SUTTER TRANSIT AUTHORITY
PRELIMINARY DRAFT CAPITAL BUDGET (NO REVISIONS)
FY 2022/2023
PREPARED MARCH 10, 2022**

	FY 2020/2021 BUDGET	FY 2020/2021 AUDITED	FY 2021/2022 BUDGET	FY 2021/2022 PROJECTED	FY 2022/2023 PRELIMINARY DRAFT
<u>EXPENDITURES</u>					
Maintenance and Operations Facility (1)	\$ -	\$ 17,008	\$ 1,217,000	\$ 941,152	\$ 2,500,000
Vehicle Purchase/Replacement (2)	665,000		570,000	-	960,000
Miscellaneous Capital (3)	100,000	31,310	100,000	125,000	50,000
	<u>\$ 765,000</u>	<u>\$ 48,318</u>	<u>\$ 1,887,000</u>	<u>\$ 1,066,152</u>	<u>\$ 3,510,000</u>
<u>REVENUES</u>					
Federal (5307, 5310, 5311, 5317, 5339)	\$ 574,630	\$ -	\$ 490,523	\$ -	\$ 2,037,569
State Transit Assistance (STA)	40,000	18,318	1,346,477	991,152	351,948
State Transit Assistance (SGR)	150,370	30,000	50,000	75,000	1,120,483
Low Carbon Transit Operation Program	-	-	-	-	-
Other Local	-	-	-	-	-
	<u>\$ 765,000</u>	<u>\$ 48,318</u>	<u>\$ 1,887,000</u>	<u>\$ 1,066,152</u>	<u>\$ 3,510,000</u>

- Notes:
- Assumes the commencement of the design phase of the facility project in FY 2023 (\$1,328,120 Federal / \$968,802 State SGR / \$203,078 STA). FY 2022 expenditures include \$941,152 (STA) for the completion of the land purchase including capitalized survey and land clearing expenses.
 - The FY 2023 vehicle project, which was first budgeted in FY 2021, is for the programmed replacement of six 2014 model demand response/rural route buses with six similarly sized low-floor buses for delivery in FY 2023 (now budgeted at \$960,000: \$709,499 Federal / \$151,681 State SGR / \$98,870 STA).
 - FY 2023 Miscellaneous capital expenditures includes an allowance for facility and office equipment and furnishings (\$50,000 STA). FY 2022 projects include surveillance system repairs and enhancements (\$75,000 State SGR) and an allowance for facility and office equipment & furnishings (\$50,000 STA).

**YUBA-SUTTER TRANSIT
REVISED FY 2022/2023 OPERATING & CAPITAL BUDGET ASSUMPTIONS
PREPARED APRIL 14, 2022**

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; AVL license fees; CHP inspection certificates; FRAQMD permit fees; minor facility repairs and services; landscape maintenance; janitorial expenses; 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 state grant funded project expenditures below the capitalization threshold.

Fuel & Lubricants (Acct. #010.50401)

This account is based on the budgeted operation of 80,300 vehicle service hours (VSH) in FY 2023 at a combined average price of \$14.86 per VSH for diesel, diesel emission fluid, gasoline, and any applicable taxes. While this hourly allowance is higher than the current year projected figure of about \$11.47 per VSH, fuel costs continue to rise after a period of extremely low fuel prices. 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.

Tires & Tubes (Acct. #010.50402)

This account is based on the projected year-end expenditures for FY 2022, the budgeted operation of 80,300 VSH 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. 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 2022.

Utilities – Water & Sewer (Acct. #010.50501)

Based on the projected year-end expenditures for FY 2022.

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 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 80,300 VSH. This figure is around 7 percent higher than the approximately 75,000 VSH now being projected for FY 2022 due to an assumed increase in service demand especially for Dial-A-Ride service as programs resume post-pandemic. The current Storer contract will expire September 30, 2023, though it does contain options for a pair of two-year extensions with indexed cost increases.

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. More significantly, beginning with the audited figures for FY 2020, this account now includes an allowance for expected COVID-19 related costs resulting from Amendment #1 to the Storer contract.

ADMINISTRATIVE EXPENDITURES

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

The budgeted amount is based on the projected total salary figure for the five administrative staff positions including any available step increases and longevity adjustments. This amount also includes allowances for the pay out of a portion of accrued annual leave consistent with previous years and any general staff salary scale adjustment to be considered at the May Board meeting.

Fringe Benefits – Administrative Staff (Acct. #160.50200)

Fringe benefit expenses have been adjusted to account for known changes in benefit rates based on the above salary assumptions and current employee demographics.

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 PEPRAs) who are currently receiving benefits, active members, and for members entitled to deferred benefits, as of the valuation date.

For FY 2020, rather than monthly or annual payments, the Board approved a single payment to eliminate the projected combined UAL fund balance of approximately \$425,000 which was subsequently reduced to an actual balance of nearly \$391,000. By paying the annual payment and the UAL balance in full, the authority saved over \$320,000 in interest over 25 years. The required UAL payment for FY 2023 is \$3,800.

Services – Accounting (Acct. #160.50301)

Based on past expenditures including payroll and miscellaneous accounting services. 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).

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. For FY 2023, this account includes a projected \$150,000 for consultant expenses related to the state grant funded Comprehensive Operational Analysis (COA) and a \$75,000 allowance for grant related professional services. For FY 2022, this account includes a projected \$37,500 for the first-year consultant expenses related to the (COA) and a projected \$90,000 for grant related professional services.

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.

Utilities – Telephone & Internet (Acct. #160.50502)

This account is based on current service agreements.

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

This account is based on the existing facility damage and liability insurance policies.

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), the Bus Coalition, the Association of Government Accountants (AGA), and the Government Finance Officers Association. This account also includes biennial CPA renewal fees. Paid subscriptions include the weekly publication from the American Public Transportation Association (APTA) and the Transit Access Report a digest related to compliance with the Americans with Disabilities Act (ADA).

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 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 regular Board meetings a year and up to two ad hoc committee meetings of up 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 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. When applicable, promotional expenses for grant funded services are reimbursed. 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 of at least \$88,000.

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 continuation through FY 2023 of the currently reduced service levels for the local fixed route and Sacramento services; current passenger fares and fare policies; and a gradual increase in ridership over the year. The budgeted increase in vehicle service hours is due primarily to an anticipated increase in Dial-A-Ride service demand as local programs return to in-person activities.

Special Transit Fares (Acct. #40200)

This account is used for direct fare payments by Yuba County Employment Services, Yuba County Child Protective Services (CPS) and other miscellaneous special transit services. The FY 2022 projected amount includes \$36,800 in what were unbudgeted special fares from Pacific Coast Producers.

Auxiliary Transportation Revenue – Advertising (Acct. #40600)

This account is for revenue received through the contract with Lamar Advertising (formerly Stott Outdoor 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). Despite a projected current year figure of \$52,000, the FY 2023 budget now assumes only the \$36,000 minimum based on recent sales activity. A total of 32 advertising bus stop shelters and 68 advertising bus stop benches are located throughout the service area and exterior ads are available on all 51 buses.

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

This account represents the estimated interest earnings on available cash for FY 2023. 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 the consulting agreement with the Regional Waste Management Authority (RWMA) along with miscellaneous income from photo I.D. fees and bike locker rentals. For FY 2023, this account assumes the continued waiver of all initial Connect Card discount photo I.D. fees (value of approximately \$3,000 annually) to encourage use of the Connect Card system. This account has been adjusted to reflect the RWMA's transition to full-time staffing, cutting the expected revenue source by nearly half for FY 2023 as Yuba-Sutter Transit will only be providing basic administrative support services.

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. The Yuba-Sutter Transit allocation of LTF revenue has historically been based on the amount required to balance the budget

after all other revenues are calculated. This was not the case for FY 2021 or FY 2022 budgets as urban and rural funding from pandemic related federal stimulus funds were used for this purpose to off-set for the sudden loss of passenger fare revenues and the strategic shift of State Transit Assistance (STA) funding to capital reserves. The urban and rural CARES Act funding that has been set aside for operating purposes will be exhausted in FY 2022 though a small amount from the American Rescue Plan (ARP) allocation is expected to be carried over to FY 2023.

For FY 2023, the fourth fiscal year to be impacted by the pandemic, the annual LTF contribution to Yuba-Sutter Transit is being budgeted at \$4 million which is up 29 percent (\$900,000) over the FY 2022 allocation of \$3.1 million. For reference purposes, SACOG's draft LTF apportionments for FY 2023 project a total of over \$9.7 million in the combined amount available to the four member jurisdictions which is an increase of \$3.1 million (47 percent) over FY 2022. As a result, the budgeted \$4 million LTF allocation for Yuba-Sutter Transit represents just 41 percent of the amount available (down from 47 percent for FY 2022). After having peaked at nearly 60 percent in FY 2018, this 41 percent figure would be the lowest percentage LTF allocation in 9 years (36.2 percent in FY 2014). In the future, however, a much greater percentage of LTF revenue will likely be necessary to back-fill for federal and state funds that will need to be diverted at least in part to the facility project and to comply with the state's zero-emission bus mandate.

Prior to FY 2021, any LTF funds received over the amount needed to balance the operating budget were added to the deferred LTF revenue balance from prior years and any shortfall is shored up from the same source. 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 are primarily used for contingency and cash flow. The LTF reserve is budgeted at 17.2 percent of budgeted operating expenditures for FY 2023 which is up slightly from the budgeted 16.5 percent figure for FY 2022. In addition to a contingency fund for unforeseen expenses, wild spikes in fuel prices, or a major economic crisis for which federal relief is not provided; an adequate cash reserve is essential due to the high level of federal funding used for operations since most of these funds are not typically received until the end or even after the fiscal year.

Local Cash Grants/Reimbursements (Acct. #40901)

This account is available for local contract service payments and other contributions for services or programs. This account includes 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. Prior to FY 2022, this account also included 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 since July 2015, but this support ended on December 31, 2020.

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 2022 (between \$1.8 million and \$900,000) due to the impact of the pandemic on diesel fuel sales, about \$1.6 million in STA funds is now expected to be available to Yuba-Sutter Transit for FY 2023. The revised draft budget assumes the use of \$1,334,000 in STA funding for operations and \$351,948 for capital expenditures. A portion of these expenditures will be funded with deferred STA amounts claimed in prior years. It should be noted that a portion of the STA 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)

For FY 2023, this account is available for the receipt or accrual of miscellaneous state grant related reimbursements for Low Carbon Transit Operations Program (LCTOP) grant funded operating expenditures for the regional Connect Card electronic fare card system and Enhanced Peak-Hour Sacramento Commuter Service. This account also includes reimbursements from a state grant for the Comprehensive Operational Analysis (COA) that is expected to begin in FY 2022. Also included are year-end postings of state funding for capital expenditures below the capitalization threshold. For FY 2021, this account included funding for the completion of the Next Generation Facility Siting Study.

Federal Urban General Operating Assistance / CARES Act / ARP – FTA Section 5307 (Acct. #41300)

This account is for federal operating assistance that is provided to transit systems in small urban areas. For FY 2013, these funds primarily come through the five-year Infrastructure Investments and Jobs Act (IIJA) of 2021 (previously the Fixing America's Surface Transportation or FAST Act of 2015). Approximately \$3.5 million in Section 5307 funding is expected to be available to Yuba-Sutter Transit for FY 2023 along with the last of the funding from American Rescue Plan (ARP).

The FY 2023 budget assumes a total of \$2.2 million from this source including \$1,419,683 of regular Section 5307 funds along with projected FY 2022 year-end balance of \$780,317 in ARP funds for operating assistance. This is the same amount of Section 5307 funds that were allocated for operating prior to the pandemic. 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 CARES Act and ARP funds are available without restriction with no match requirement. With the COVID-19 stimulus funds nearly exhausted in FY 2022, the federal share of the budget is being reduced to pre-pandemic federal funding levels especially as these funds will likely be needed to meet the needs of the transit facility project and to comply with the state zero-emission bus mandate.

Federal Rural General Operating Assistance / CARES Act / 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. 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) does not require any match. 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 operations though the balance can be used for capital needs associated with rural services.

Under a new two-year call for projects program, SACOG apportioned the combined two-county figures for Yuba-Sutter Transit at \$473,841 for FFY 2022 and \$483,317 for FFY 2023 for a combined two-year allocation of \$957,158 for the rural service program. For comparison, a total of \$364,492 was received from this source for FY 2021. The FFY 2023 budget assumes \$200,000 in Section 5311 funds for operating assistance with the balance of the two-year apportionment to be used for FY 2024 operating assistance and the programmed FY 2025 demand response/rural route bus replacement project. It should be noted that the preliminary FY 2023 capital budget includes the previously Board approved amounts of \$963,628 in Section 5311 rural funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the entire regular FY 2021 Section 5311 allocation of \$364,492 for the facility project.

DEFERRED REVENUE DETAIL

1. Deferred TDA Revenues (July 1) – Carried forward from projected year-end figures for FY 2022 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 and claimed for Yuba-Sutter Transit, Live Oak and Wheatland.
4. LTF Revenues Allocated (Operating) – Anticipated 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.
10. Additional STA Cumulative Balances at SACOG Available for Claim – Sacramento Area Council of Governments (SACOG) allocations of STA funds that are available to be claimed as projects are known or budgeted. Balances shown are cumulative total amounts available.

CAPITAL PROGRAM SUMMARY

The capital budget of \$3,510,000 includes \$2.5 million for the design phase of the facility project, \$960,000 for the replacement of six 2014 model 16-passenger demand response and rural route buses with six similarly sized, but smaller profile low-floor buses. Other capital projects include an allowance for miscellaneous facility and office equipment and furnishings or for unforeseen facility repairs. The projected year-end capital budget for FY 2022 assumes the completion of the surveillance system repairs and enhancements, the July 2021 purchase of the property for the replacement transit facility, and an allowance for facility and office equipment & furnishings.