



MEETING NOTICE & AGENDA

DATE: Thursday, May 19, 2016

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**

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

II. **Public Business from the Floor**

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

III. **Consent Calendar**

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

- A. Minutes from the Meeting of April 21, 2016. (Attachment)
- B. Disbursement List for April 2016. (Attachment)
- C. Monthly Performance Report for April 2016 (Attachment)

IV. **Reports**

- A. **Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2016/2017.** Presentation of the final draft budget for review and approval consideration. (Attachment)

RECOMMENDATION: Adopt Resolution No. 8-16 approving the FY 2016/2017 budget as proposed or amended.

- B. **Local Transportation Fund (LTF) Apportionment for FY 2016/2017.** (Attachment)

RECOMMENDATION: Adopt Resolution No. 9-16 establishing the LTF contributions for each member jurisdiction for FY 2016/2017 as proposed or amended.

- C. **Set a Public Hearing on Yuba-Sutter Transit's FY 2016/2017 Federal Funding Applications.**

RECOMMENDATION: Set a public hearing for 4:00 p.m. on Thursday, July 21, 2016 to receive comments on Yuba-Sutter Transit's FY 2016/2017 federal funding applications.

D. FY 2015-2016 California Transit Security Grant Program Governing Body Resolution & Authorized Agent Designation. (Attachment)

RECOMMENDATION: Adopt Resolution No. 10-16 and authorize the execution of the CalOES Authorized Agent Signature Authority Form to complete the FY 2015-2016 CTSGP application process.

E. Third Quarter Performance Report. (Attachment)

RECOMMENDATION: Information only.

F. Project & Program Updates.

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

V. Correspondence/Information

VI. Other Business

VII. Adjournment

**THE NEXT MEETING IS SCHEDULED FOR THURSDAY, JUNE 16, 2016
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 21, 2016

I. Call to Order & Roll Call

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

Present: Cleveland, Dukes (for Didbal), Fletcher, Griego, Samayoa (Chair), Sullenger, Whiteaker and Whitmore

Absent: Didbal (Vice-Chair)

II. Public Business from the Floor

None

III. Consent Calendar

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

IV. Reports

A. Revised Draft Yuba-Sutter Transit Operating and Capital Budget for FY 2017.

Martin stated that the revised draft budget is up about \$60,000 in operating expenses and about \$134,000 in capital expenses compared to the preliminary draft version that was presented in March. Martin noted that the most significant issue in the current year is still related to the cost of diesel fuel as prices are at their lowest level in many years. The resulting \$300,000 savings in fuel cost is partially offset by additional expenses in other areas such as contract costs.

Martin noted that the revised draft FY 2017 operating budget is now up about 4 percent compared to the FY 2016 budget mostly due to increases in the service contract and a slight increase in vehicle service hours. He highlighted the expense and revenue assumptions that are provided in the staff report and attachment adding that this is still a status quo budget. Martin discussed the anticipated shortfalls of STA funds for the City of Wheatland in FY 2017 and City of Live Oak in FY 2018. Director Griego inquired as to the size of the shortfall. Martin stated that Wheatland is expected to be about \$6,300 short by the end of FY 2017. Staff will be meeting with the officials from both cities to discuss these shortfalls.

The Board had no further questions or input on the revised draft FY 2017 budget. Martin noted that the final draft version will be presented for Board review and consideration at the regular May 19th meeting.

Director Samayoa recused himself from the next item due to a possible conflict of interest as he is a member of the ASYCC Board of Directors.

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

Martin stated that staff was authorized in December 2015 to submit a grant for State Safety & Security Bond Funds to in part provide revenue for improvements to the lighting in the parking lot that has long been informally shared by the Allyn Scott Youth and Community Center (ASYCC) and Yuba-Sutter Transit. Martin noted that this project has since been approved for funding. Because Yuba-Sutter Transit will soon be installing additional lighting on the ASYCC property and paying for the operation of those lights, staff was also directed to develop a reciprocal parking agreement to cover the joint use of this area.

Martin continued that the attached draft agreement was prepared by counsel; has been reviewed by the ASYCC Board of Directors; and, is now being brought to for Board review and consideration. Director Dukes asked who would be responsible for repaving the lot under the agreement. Martin responded that Yuba-Sutter Transit would be responsible for routine maintenance such as sealing or re-stripping the lot, but not for reconstructing or resurfacing the lot.

Director Sullenger made a motion to authorize the execution of the reciprocal parking agreement as proposed or amended. Director Dukes seconded the motion and it carried unanimously.

Director Samayoa returned to the meeting.

C. Administrative Staff Salary and Benefit Adjustments.

Martin stated the last cost of living adjustment (COLA) for Yuba-Sutter Transit staff was effective in July 2008. He continued that a general salary scale adjustment might be appropriate for FY 2017 based on this eight year gap and recent salary scale adjustments by several related organizations including Yuba City, the Feather River Air Quality Management District and the Sacramento Area Council of Governments. Instead, staff is proposing to take this opportunity to better align the agency with the intent of the Public Employee Pension Reform Act (PEPRA) by eliminating Employer Paid Member Contributions (EPMC) for Classic CalPERS members which is equal to 7 percent of salary.

Martin stated that a revenue neutral adjustment with no change in employee take-home pay would require a 7.53 percent adjustment in the salary scale which would then be deducted as a tax deferred retirement contribution of 7 percent of the new base salary for the three Classic PERS members. The cost to the agency is about \$11,200 annually which is equal to a 2.3 percent increase in salary and benefit expenses. For comparison purposes, a 2 percent COLA with no change in the EPMC would have an estimated annual cost of \$7,800 or a 1.60 percent increase in salary and benefit expenses.

Martin added that staff is recommending that the Board approve the salary and benefit adjustments as proposed effective July 1, 2016 and adopt the required CalPERS resolution to establish that Yuba-Sutter Transit will pay 0 percent of the normal member contribution for Classic CalPERS members effective July 1, 2016.

Director Griego made a motion to approve the staff recommendation and adopt Resolution No. 7-16 as proposed. Director Dukes seconded the motion and it carried unanimously.

D. Projects & Program Updates.

1. North Beale Transit Center Enhancement Project

Martin stated that one bid was received for the concrete portion of this project and the contract has been awarded to Hilbers, Inc. of Yuba City. A site meeting is scheduled for next week. Once the concrete is in place, staff will confirm the pricing on the new shelters and benches. The furnishings will take 12 weeks for delivery after which they will need to be installed.

2. Bogue Park & Ride Video Surveillance Project

Martin stated that the pole foundations have been poured and the poles are being shipped for installation by Richall Electric upon delivery.

3. Pass & Ticket Sales Outlet Commissions

Martin noted that staff mentioned last month that Bel-Air Market has requested a commission on the sale of tickets and passes sold at their store. Tickets and passes are available at just two locations other than in the Yuba-Sutter Transit office – the Yuba College Bookstore in Linda and the Bel-Air Market customer service center in Yuba City – and no commission has ever been paid. Based on the discussion at last month’s meeting, staff offered a temporary 2 percent commission until it is replaced by whatever commission is provided with the Connect Card, but Bel Air has not yet responded to this offer. Martin stated that the Connect Card has since established an initial 1 percent commission for retail outlets.

Director Dukes asked if the Connect Card kiosk is provided by the authority. Martin responded that it will be provided through the Connect Card project budget.

V. Correspondence/Information

Director Cleveland provided a report on pending legislation to expand the definition of a Disadvantaged Community under the State Cap and Trade program.

VI. Other Business

None

VII. Adjournment

The meeting was adjourned at 4:25 p.m.

The next meeting of the Yuba-Sutter Transit Authority is scheduled for 4:00 p.m. on Thursday, May 19, 2016 in the Yuba County Board of Supervisors Chambers

**AGENDA ITEM III-B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF APRIL 2016**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 7,045.26	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 1,432.63	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 234.91	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 37.94	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 216.07	PG&E	GAS
EFT	\$ 509.86	PG&E	ELECTRIC
EFT	\$ 2,457.95	PG&E	ELECTRIC BILL #2
EFT	\$ 140.47	ATT - SECURITY LINE	SECURITY LINE
EFT	\$ 71.33	AT&T - UVERSE	INTERNET APRIL
EFT	\$ 725.16	TELEPACIFIC COMMUNICATIONS	TELEPHONE
EFT	\$ 122.43	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 250.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 128.63	ELAVON	MERCHANT SERVICE FEE - JAN
EFT	\$ 650.00	CALPERS	GASB-68 REPORT
EFT	\$ 131.26	PRIMEPAY	PAYROLL FEE
EFT	\$ 29,287.01	PAYROLL	PAYROLL
15076	\$ 162.26	ADVANCED DOCUMENT CONCEPTS	COPY MACHINE - FEBRUARY
15077	\$ 180.00	CHRIS JAEGER TESTING	BACKFLOW TEST
15078	\$ 11,248.03	HUNT & SONS INC.	BUS FUEL
15079	\$ 140.25	KEITH MARTIN	REIMBURSE 3RD QTR EXPENSES
15080	\$ 11,450.16	LAKEVIEW PETROLEUM COMPANY	BUS FUEL
15081	\$ 498.11	MATT MAUK	REIMBURSE 3RD QTR EXPENSES
15082	\$ 75.00	PASSENGER TRANSPORT	ANNUAL SUBSCRIPTION
15083	\$ 170.28	PREMIER PRINT & MAIL	PRINTING OF LABLES
15084	\$ 946.14	QU. EST	MAINTENANCE OF BUS STOPS/SHELTERS
15085	\$ 1,100.00	R.C. JANITORIAL SERVICE	JANITORIAL SERVICE
15086	\$ 88.54	SIMONE REED	REIMBURSE 3RD QTR EXPENSES
15087	\$ 161.18	STAPLES CREDIT PLAN	OFFICE SUPPLIES
15088	\$ 673.85	STATE BOARD OF EQUALIZATION	BUS FUEL TAXES
15089	\$ 783.50	STATE COMP INSURANCE FUND	STATE COMP INSURANCE
15090	\$ 600.00	SACRAMENTO REGIONAL TRANSIT	MARCH BUS PASSES
15091	\$ 427,406.88	TRANSDEV SERVICES, INC.	JANUARY - CONTRACT SERVICES
15092	\$ 31.76	AT&T	FIRE LINE
15093	\$ 38.85	ADVANCED DOCUMENT CONCEPTS	COPY MACHINE - MARCH
15094	\$ 11,061.73	HUNT & SON INC.	BUS FUEL
15095	\$ 20.09	PETTY CASH	PETTY CASH
15096	\$ 382.60	QUILL CORP	JANITORIAL SUPPLIES
15097*	\$ 3,531.30	RICH,FUIDGE, LANE & BORSDEN, INC.	LEGAL SERVICES
15098	\$ 323.80	SEFAC	SHOP LIFE SERVICE
15099	\$ 40.00	SHELBY'S PEST CONTROL	PEST CONTROL
15100	\$ 421.68	STANLEY SECURITY SOLUTIONS, INC.	SECURITY SERVICES
15101	\$ 381.63	U.S. BANK EQUIPMENT FINANCE	COPIER LEASE
	\$ 515,358.53		

**LAIF
TRANSFERS**

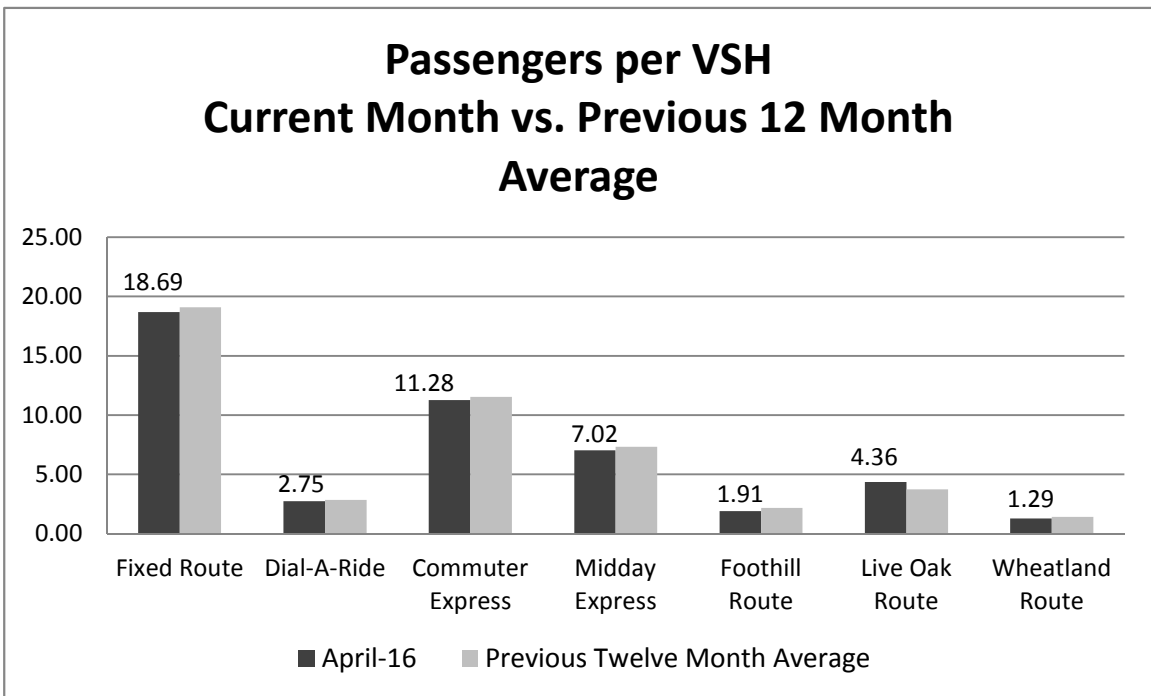
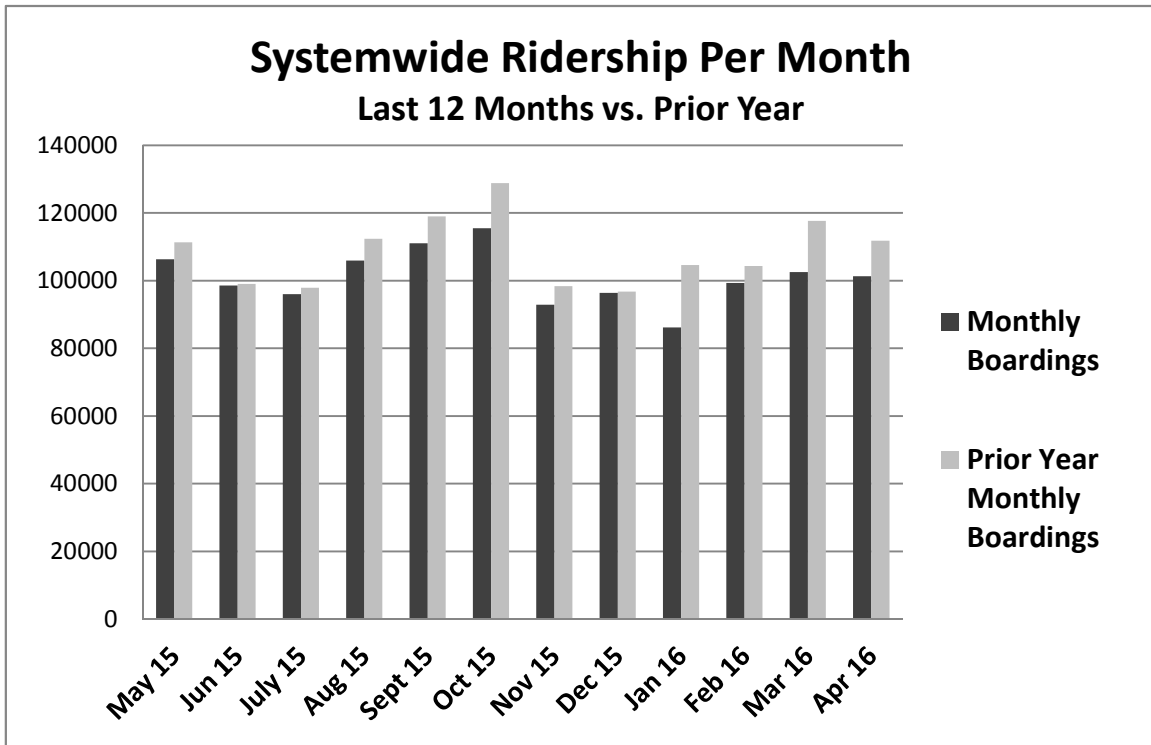
NO LAIF TRANSFERS

AGENDA ITEM III - C

APRIL 2016 PERFORMANCE REPORT

Ridership:	April-16	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Fixed Route	83,192	83,170	821,935	899,283
Dial-A-Ride	5,687	5,934	58,827	58,349
Commuter Express	10,862	11,126	109,998	116,281
Midday Express	1,080	1,187	11,452	13,548
Foothill Route	152	185	1,838	2,211
Live Oak Route	319	247	2,750	1,666
Wheatland Route	50	48	522	337
Total Ridership:	101,342	101,896	1,007,322	1,091,675
Vehicle Service Hours:				
Fixed Route	4,451.43	4,358.06	43,550.77	42,799.92
Dial-A-Ride	2,067.29	2,086.17	20,755.48	20,640.99
Commuter Express	962.88	964.55	9,659.01	9,477.47
Midday Express	153.82	161.78	1,581.82	1,674.09
Foothill Route	79.51	85.39	848.40	852.17
Live Oak Route	73.24	65.96	736.38	424.14
Wheatland Route	38.64	33.37	360.97	255.40
Total VSH's:	7,826.81	7,755.29	77,492.83	76,124.18
Passengers Per Hour:				
Fixed Route	18.69	19.08	18.87	21.01
Dial-A-Ride	2.75	2.84	2.83	2.83
Commuter Express	11.28	11.53	11.39	12.27
Midday Express	7.02	7.34	7.24	8.09
Foothill Route	1.91	2.17	2.17	2.59
Live Oak Route	4.36	3.74	3.73	3.93
Wheatland Route	1.29	1.43	1.45	1.32
Total Passengers Per VSH:	12.95	13.14	13.00	14.34

APRIL 2016 PERFORMANCE REPORT



AGENDA ITEM IV – A
STAFF REPORT

**DRAFT YUBA-SUTTER TRANSIT
OPERATING AND CAPITAL BUDGET FOR FY 2016/2017**

Summary

Attached for Board review and approval consideration is the draft Yuba-Sutter Transit operating and capital budget for FY 2016/2017 which has been modified from the version that was presented at the April meeting. Operating expenses are now budgeted at \$6,857,900 for FY 2017 (down \$43,700 from the April version) while the capital program is unchanged from April at \$5,210,000 with both fully funded. The primary adjustment in the operating budget is a reduction of \$46,500 in budgeted fuel expenses.

The Yuba Sutter Transit Authority Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule is designed to provide early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

Current Year (FY 2016) Budget Projections

Projected year-end operating expenses for FY 2016 are now expected to be \$194,300 (2.9 percent) below the amount budgeted largely due to much lower than anticipated year-to-date diesel fuel prices. While fuel expenses are now expected to be \$328,000 (40 percent) less than budgeted, this savings is partially off-set by higher than budgeted expenditures for maintenance services and operating materials/supplies (up a combined \$61,000); contract operating expenses (up \$78,000); and, administrative staffing expenses (up \$31,500). The increase in contract expenses is due primarily to the operation of 1,000 (1 percent) more vehicle service hours than was budgeted. The increase in staffing expenses is due primarily to changes in accounting and billing procedures particularly under the July 2015 consultant agreement with the Regional Waste Management Authority (RWMA) with these expenses now being off-set by revenues that were not previously recognized in the FY 2016 budget.

The major positive expense factor continues to be much lower than expected price of fuel which has by far been the most volatile line item over the years. The year-to-date average price for diesel fuel is now \$1.73 per gallon compared to a budget of \$3.01 per gallon. Until recently, fuel prices have been well below the year-to-date average since October 2015 so even higher prices through the end of the fiscal year is not likely to have a significant negative impact. As a result, staff is comfortable with the current year-end budget projection even if fuel prices suddenly spike upward.

On the revenue side, projected fare receipts are projected lower than budgeted for FY 2016 (down \$78,500 or 5.4 percent compared to the budgeted amount) due to decreased ridership while the previously unrecognized RWMA payments and other miscellaneous reimbursements are expected to help backfill this shortfall. While not immediately impacting the FY 2016 operating budget, a broader revenue issue that will be discussed further in relation to the FY 2017 budget is the drop in State Transit Assistance (STA) revenue collections in FY 2016 which is expected to continue into FY 2017. STA revenue is derived from a sales tax on diesel fuel and reduced receipts well below projected levels will likely impact future operating and capital funding plans.

FY 2017 Budget Estimates

The draft operating budget is a status quo document as staff is not recommending any service, fare or organizational changes for FY 2017 due to the uncertainty of several factors most notably the current negative ridership trend and the STA funding outlook. Despite this conservative approach, the revised draft operating budget of \$6,857,900 still represents an increase of 3.3 percent (\$220,800) over the adopted FY 2016 budget and an increase of 6.4 percent (\$415,100) over the projected year end figure.

Much of this increase is due to higher costs in the third year of the Transdev Services, Inc. contract and an allowance for the higher number of vehicle service hours to reflect the number now being operated for a budgeted total of 93,000 hours for FY 2017. The current three year contract will expire on September 30, 2017, but two indexed one year extension options will be available at the sole discretion of Yuba-Sutter Transit. For some perspective, all of the expenses related to the service contract combine to represent 75 percent of the revised draft FY 2017 operating budget. The next largest expense (9 percent) is for diesel fuel which has been the major budget variable in recent years with wild swings in both directions. As a result, much of the budgeted increase over the FY 2016 year-end projection is due to continued fuel price uncertainty for FY 2017.

The most significant revenue assumptions in the revised draft operating budget include the expected stabilization of ridership, the resulting impact on fare revenue and the relative distribution between operating and capital uses for a significantly lower level of STA funding. Based on these and other assumptions, the amount of the Local Transportation Fund (LTF) contributions from the member jurisdictions is expected to increase by 6.7 percent (\$155,400) over the budgeted amount for FY 2016 to \$2,491,500. The revised draft budget includes a similar level of Federal funding for operations compared to FY 2016 though from a reduced number of sources.

The revised draft capital budget of \$5,210,000 for FY 2017 includes the much needed replacement of seven commuter buses and a number of smaller capital projects. These smaller projects include long delayed accessibility improvements on North Beale Road that are being funded by three Federal New Freedom grants in coordination with Yuba County; bus stop enhancements being funded from the State Low Carbon Transit Operations Program; and, facility security improvements and system technology

upgrades being funded through the State Proposition 1B Transit Safety and Security Grant bond program.

Other Considerations

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

- Most major SRTP related service, program or policy recommendations are not expected to be implemented until FY 2018 at the earliest. This approach delays consideration of any extension of local service later in the evening or the expansion of the administrative staff. Separate from the budget process, the plan to provide special service for Yuba College's Sutter County Center has been delayed indefinitely as the college has tabled the proposed student election for a universal transit fee without offering an alternative.
- No fare increases are included in the revised draft budget as it assumes a farebox recovery ratio of 20.4 percent (compared to a 20 percent goal and a minimum requirement of 14.6 percent). This issue will be reviewed during FY 2017 for possible adjustments in FY 2018.
- Continued use of a significant portion of available Federal transit funding for eligible operating expenses.
- Winter 2016/2017 implementation of the Connect Card regional fare card system. The financial and operational impacts of the new system are assumed to be revenue neutral, but with several significant fare policy changes and unknown administrative costs, the actual impact will not be known until we have fully transitioned to the new system presumably by the end of 2017.
- Continued Feather River Air Quality Management District (FRAQMD) funding for the deeply discounted monthly youth, senior and disabled pass program at a level similar to what is being provided for 2016. The current program will expire on December 31, 2016 without additional funding and higher pass rates would likely have a significant impact on both ridership and fare revenue.
- Temporarily slowing the accumulation of the necessary funds to match and augment expected State and Federal grants for planned bus replacement and minor fleet expansion projects in FY 2018 and FY 2019 due to reduced STA funding projections and to minimize the level of LTF funding required from the member jurisdictions in FY 2017.
- Due to dramatic reductions in STA funding for FY 2016 and FY 2017, Yuba-Sutter Transit and the City of Wheatland will need to address a projected deficit by the end of FY 2017 for services provided. The City of Live Oak is expected to be facing an STA revenue deficit itself in FY 2018.

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

RECOMMENDATION: Adopt Resolution No. 8-16 approving the FY 2016/2017 budget as proposed or amended.

Attachments: Resolution No. 8-16
Draft Operating and Capital Budget for FY 2016/2017
FY 2016/2017 Budget Assumptions

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YUBA-SUTTER TRANSIT AUTHORITY

RESOLUTION NO. 8-16

FISCAL YEAR 2016/2017 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, 2017 reflects operating expenditures of \$6,857,900 and capital expenditures of \$5,210,000.

NOW, THEREFORE, BE IT RESOLVED that the Yuba-Sutter Transit Authority Board of Directors does hereby adopt the Fiscal Year 2016/2017 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 SPECIAL MEETING HELD ON MAY 19, 2016.

Ricky A. Samayoa, Chairman of the Board

ATTEST:

*Sandra Anderson
Secretary to the Board*

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

REVISED MAY 10, 2016

	FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Budget	FY 2015/2016 Projected	FY 2016/2017 Final Draft
Operations Expenditures							
010.50300	Services - Other Maintenance	85,000	90,275	100,000	96,857	100,000	120,000
010.50401	Fuel and Lubricants	945,000	929,819	937,300	715,212	828,000	651,000
010.50402	Tires and Tubes	54,000	52,824	54,600	58,431	64,400	70,000
010.50499	Other Materials and Supplies Consumed	60,000	58,851	60,000	149,188	70,000	120,000
010.50500	Utilities - Electric and Gas	48,000	44,751	48,000	42,568	48,000	48,000
010.50501	Utilities - Water and Sewer	4,500	4,793	5,200	5,211	5,500	5,500
010.50600	Casualty and Liability Costs - Operations	243,400	242,546	262,000	258,882	268,600	277,300
010.50800	Services - Contract Operations	4,345,500	4,366,798	4,490,000	4,448,164	4,647,000	4,856,000
010.50801	Services - Out of Contract	12,500	12,639	12,500	9,200	12,500	12,000
	Subtotal - Operations	\$5,797,900	\$5,803,296	\$5,969,600	\$5,783,713	\$6,044,000	\$6,159,800
Administration Expenditures							
160.50102	Salaries and Wages - Admin. Staff	237,600	256,745	255,000	266,865	278,000	355,000
160.50200	Fringe Benefits - Admin. Staff	112,000	114,756	120,000	118,942	150,000	165,000
160.50301	Services - Accounting	3,000	1,470	2,000	1,407	2,000	2,300
160.50302	Services - Legal	12,000	8,040	12,000	10,582	12,000	12,000
160.50303	Services - Printing and Copying	30,000	32,540	35,000	31,944	35,000	40,000
160.50309	Services - Miscellaneous Professional	20,000	8,784	106,000	104,373	20,000	20,000
160.50499	Materials and Supplies - Office & Postage	10,000	10,585	11,000	14,262	15,000	15,000
160.50502	Utilities - Telephone & Internet	4,500	3,447	7,500	7,126	9,000	11,300
160.50900	Miscellaneous Expense - Insurance and Bond	30,000	20,033	30,000	25,260	33,000	33,000
160.50901	Miscellaneous Expense - Dues & Subscriptions	3,500	3,034	3,500	4,815	4,800	6,000
160.50902	Miscellaneous Expense - Travel and Meetings	4,000	3,751	6,000	5,585	6,000	7,000
160.50903	Miscellaneous Expense - Board of Directors	5,000	4,350	5,000	3,550	4,800	4,800
160.50904	Miscellaneous Expense - Media Adv. and Promo.	20,000	8,161	15,000	18,580	20,000	20,000
160.50909	Miscellaneous Expense - Other	1,000	4,884	1,000	1,653	3,500	5,000
	Subtotal - Administration	\$492,600	\$480,580	\$609,000	\$614,944	\$593,100	\$698,100
	Total Expenditures	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,857,900

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Budget	FY 2015/2016 Projected	FY 2016/2017 Final Draft
Operating Revenue								
40100	Passenger Fares	1,365,000	1,404,948	1,375,000	1,424,757	1,430,000	1,350,000	1,375,000
40200	Special Transit Fares	35,000	33,908	35,500	21,922	20,000	21,500	21,500
40600	Auxiliary Revenue (Bus, Shelter & Bench Advertising)	30,000	28,910	25,000	28,398	25,000	28,000	28,000
40700	Non-Transportation Revenue (Interest)	3,000	1,470	2,000	1,060	1,000	1,000	1,000
40709	Non-Transportation Revenue (RWMA, Misc.)	10,000	12,052	10,000	9,571	17,000	68,000	65,000
40900	Local Transportation Funds (LTF)	1,920,700	1,887,951	1,837,100	1,716,203	2,336,100	2,131,950	2,491,500
40901	Local Cash Grants/Reimbursements	0	0	0	0	0	20,500	23,400
41100	State Transit Assistance Funds (STA)	576,800	506,919	809,000	810,746	480,000	480,000	488,900
41109	State Cash Grants/Reimbursements	0	0	0	0	0	13,600	13,600
41300	General Operating Assistance - FTA Sect. 5307 (Urban)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,100,000
41301	General Operating Assistance - FTA Sect. 5311 (Rural)	200,000	200,000	200,000	200,000	228,000	229,250	250,000
41309	Job Access Grant - FTA Sect. 5316 (JARC)	150,000	207,718	200,000	101,000	100,000	99,000	0
41310	Rural/Small Urban Planning Grant - FTA Sect. 5304 (SRTP)	0	0	85,000	85,000	0	0	0
	Total Operating Revenue	\$6,290,500	\$6,283,876	\$6,578,600	\$6,398,657	\$6,637,100	\$6,442,800	\$6,857,900

		FY 2013/2014 Budget	FY 2013/2014 Audited	FY 2014/2015 Budget	FY 2014/2015 Audited	FY 2015/2016 Budget	FY 2015/2016 Projected	FY 2016/2017 Final Draft
	Deferred TDA Revenues, July 1	\$1,518,384	\$1,482,452	\$1,024,836	\$1,011,353	\$1,383,042	\$1,358,293	\$1,761,843
	LTF Revenues Received	1,920,700	1,920,700	1,837,100	1,823,274	2,336,100	2,336,100	2,491,500
	STA Revenues Received	948,800	878,920	909,000	1,050,615	932,162	700,000	760,000
	LTF Revenues Allocated - Operating	(1,920,700)	(1,887,951)	(1,837,100)	(1,716,203)	(2,336,100)	(2,131,950)	(2,491,500)
	STA Revenues Allocated - Operating	(576,800)	(506,919)	(809,000)	(810,746)	(480,000)	(480,000)	(488,900)
	LTF Revenues Allocated For Local Capital Outlays	0	0	0	0	0	0	0
	STA Revenues Allocated For Local Capital Outlays	(961,505)	(883,780)	(100,000)	0	(100,000)	(20,600)	(100,000)
	Prior Period Audit Adjustments (As Necessary)	0	7,931	0	0	0	0	0
	Deferred TDA Revenues, June 30*	\$928,879	\$1,011,353	\$1,024,836	\$1,358,293	\$1,735,204	\$1,761,843	\$1,932,943
	Local Transportation Funds (LTF)	928,338	1,008,557	1,024,626	1,115,628	1,164,777	1,319,778	1,319,778
	State Transit Assistance Funds (STA)	541	2,796	210	242,665	570,427	442,065	613,165

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

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

REVISED MAY 10, 2016

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

Notes:

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

**YUBA-SUTTER TRANSIT
FY 2016/2017 OPERATING & CAPITAL BUDGET ASSUMPTIONS
REVISED MAY 11, 2016**

OPERATIONS EXPENDITURES

Services – Other Maintenance (Acct. #010.50300)

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

Fuel & Lubricants (Acct. #010.50401)

This account is based on the operation of 93,000 vehicle service hours (VSH) in FY 2017 at a budgeted average cost of \$7.00 per VSH. While this figure is 30 percent higher than the \$5.38 that is now being projected for FY 2016, it is still over 10 percent below the audited \$7.81 figure for FY 2015 which is just one indicator of how volatile this account can be from year to year. The budgeted FY 2017 figure is equivalent to the consumption of approximately 275,700 gallons of off-road (red-dye) diesel fuel at a net average price of about \$2.36 per gallon including diesel emission additives and applicable fuel taxes.

As noted above, the projected FY 2016 year-end fuel expense figure is equivalent to \$5.38 per VSH which is the lowest since FY 2005 (\$4.30 per VSH) to further emphasize what a unique year this has been. Despite the relatively low fuel prices now being experienced, the budgeted figure for FY 2017 is still rather aggressive when compared to the recent three year period of FY 2012 – FY 2014 when the audited cost averaged \$10.14 per VSH. Due to the historic volatility of fuel prices and because fuel expenses represent 9.5 percent of the proposed budget, this account will always be the greatest expenditure risk each year.

Tires & Tubes (Acct. #010.50402)

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

Other Materials & Supplies Consumed (Acct. #010.50499)

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

Utilities – Electric & Gas (Acct. #010.50500)

Based on projected year-end expenditures for FY 2016.

Utilities – Water & Sewer (Acct. #010.50501)

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

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

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

Services – Contract Operations (Acct. #010.50800)

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

Services – Out of Contract (Acct. #010.50801)

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

ADMINISTRATIVE EXPENDITURES

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

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

7.53 percent salary schedule increase in exchange for the elimination of Employer Paid Member Contributions (EPMC) for Classic PERS covered employees.

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

Fringe Benefits – Administrative Staff (Acct. #160.50200)

Fringe benefits represent an estimated 46 percent of salary expenditures. Adjustments to this account include an increase in health and retirement expenses; the reclassification of Worker's Compensation insurance to Fringe Benefits beginning in FY 2016; the new RWMA Consultant Agreement; and, the elimination of Employer Paid Member Contributions (EPMC) for Classic PERS covered employees.

The projected decrease in the FY 2016 projection compared to the amount budgeted is due to a significant retirement credit from CalPERS that was partially offset by the reclassification of Worker's Compensation insurance and the new RWMA Consultant Agreement.

Services – Accounting (Acct. #160.50301)

Based on past expenditures including payroll and miscellaneous accounting services.

Services – Legal (Acct. #160.50302)

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

Services – Printing & Copying (Acct. #160.50303)

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

Services – Miscellaneous Professional (Acct. #160.50309)

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

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

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

Utilities – Telephone & Internet (Acct. #160.50502)

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

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

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

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

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

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

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

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

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

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

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

Miscellaneous Expense – Other (Acct. #160.50909)

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

OPERATING REVENUES

Passenger Fares (Acct. #40100)

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

Special Transit Fares (Acct. #40200)

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

Auxiliary Transportation Revenue – Advertising (Acct. #40600)

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

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

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

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

This account includes receipts from the Consulting Agreement with the Regional Waste Management Authority (\$65,000) and miscellaneous income from photo I.D. fees, bike locker rentals, special grants and surplus property sales. For FY 2017, this account assumes the waiver of all 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. With a 3.3 percent (\$220,800) increase in budgeted operating costs, the proposed LTF allocation for FY 2017 is up 6.7 percent (\$155,400) over FY 2016 due to much less State Transit Assistance (STA) funds being available and essentially no change in the amount of Federal funds being dedicated to operating support. Staff has repeatedly noted in recent years that higher LTF apportionments would be necessary starting in FY 2016 just to maintain the existing system and this upward trend will continue into the foreseeable future. Despite the proposed increase, the FY 2017 LTF figure would be just 25 percent more than it was ten years earlier in FY 2007 while the operating budget is up 72 percent during that same period.

For the current year (FY 2016), the \$204,150 difference between the amount of LTF revenue budgeted and the amount now projected is due primarily to much lower than anticipated fuel costs partially offset by higher than expected operating expenses in a variety of other categories. This surplus will be added to Yuba-Sutter Transit's cash reserve at year-end. This reserve is shown at the bottom of the operating budget as deferred TDA revenue and broken out for both LTF and STA with the latter broken out in more detail to include the restricted amounts for Live Oak and Wheatland. Yuba-Sutter Transit's STA reserves are typically used for capital purposes while LTF reserves constitute Yuba-Sutter Transit's contingency and cash flow fund. The LTF reserve is budgeted at 19.2 percent of total operating expenditures for FY 2017. In addition to providing a contingency fund for unforeseen expenses or wildly escalating fuel prices, an adequate cash reserve is essential due to the high level of Federal funding that is still being used for operations (34.3 percent of all budgeted revenue) since most of these funds are not received until near the end of the fiscal year or even beyond.

Local Cash Grants/Reimbursements (Acct. #40901)

This account is available for local contract service payments and other contributions for services or programs. For FY 2016 and FY 2017, this account includes grants from the Feather River Air Quality Management District (FRAQMD) 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 to off-set the cost to expand the Wheatland Route from three to five days a week effective December 2015.

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

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

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

State Cash Grants/Reimbursements (Acct. #41109)

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

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

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

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

grants from other sources have allowed Yuba-Sutter Transit to program a much higher level of Section 5307 Federal funding for operations than was programmed for this purpose in the past.

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

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

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

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

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

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

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

DEFERRED REVENUE DETAIL

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

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

CAPITAL PROGRAM SUMMARY

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

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

The projected FY 2016 capital program includes the completion of the park & ride and mobile video surveillance retrofit projects that are being funded almost exclusively from the State Transit Safety & Security Bond program and also the State Low Carbon Transit Operations Program funded bus stop enhancement project at the North Beale Road Transit Center.

AGENDA ITEM IV – B
STAFF REPORT

LOCAL TRANSPORTATION FUND (LTF) APPORTIONMENT FOR FY 2016/2017

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 2017 would be \$2,491,500.

While the draft FY 2017 operating budget is up 3.3 percent, the budget LTF figure is up 6.7 percent (\$155,400) over FY 2016 due primarily to a reduction in State Transit Assistance (STA) funds; lower ridership resulting in reduced fare revenue; and, little increase in the use of Federal funds for operating support. LTF allocations in recent years have not kept pace with budget growth only because of the commitment of a high level of STA and near maximum levels of Federal funding for operating purposes. Staff has repeatedly noted in recent years that higher LTF apportionments would be necessary beginning in FY 2016. Despite the increase, the FY 2017 figure is still just 25 percent more than it was in FY 2007 while the operating budget is up 72 percent over the same ten year period.

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 a ninth time for this apportionment.

Applying the two step JPA funding formula to the budgeted LTF figure of \$2,491,500, the member contributions for FY 2016 have been calculated as follows:

City of Marysville	\$ 158,246
City of Yuba City	1,469,330
County of Yuba	686,123
County of Sutter	<u>177,801</u>
	\$ 2,491,500

The following table summarizes the calculations for each of the four funding formula factors for FY 2017. 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 \$278,242 which is \$119,996 more than the \$158,246 available to the city for FY 2017. 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 2017.

**YUBA-SUTTER TRANSIT
FUNDING FORMULA CALCULATIONS FOR FY 2017**

	DIAL-A-RIDE TRIP ORIGINS	FIXED ROUTE MILES	SERVICE AREA POPULATION	LTF AVAILABLE	BASE FORMULA SHARE OF LTF	REALLOCATED FY 2017 LTF SHORTFALL	PROPOSED FY 2017 LTF APPORTIONMENT
Marysville	18.5710%	12.6994%	10.2561%	3.1441%	11.1676%	(\$119,996)	\$158,246
Yuba City	57.3369%	46.3614%	58.1140%	61.9352%	55.9369%	\$75,663	\$1,469,330
Yuba County	22.7930%	39.8051%	26.5420%	15.2855%	26.1064%	\$35,682	\$686,123
Sutter County	1.2991%	1.1341%	5.0879%	19.6352%	6.7891%	\$8,651	\$177,801
Total*	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	\$0	\$2,491,500

*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. 9-16 establishing the LTF contributions for each member jurisdiction for FY 2017 as proposed or amended.

**YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 9-16**

FISCAL YEAR 2017 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 2016/2017 is \$2,491,500; and,*
- WHEREAS,** *The net apportionment of Local Transportation Fund monies for fiscal year 2016/2017 shall be as follows: City of Marysville, \$158,246; Yuba City, \$1,469,330; Yuba County, \$686,123; and, Sutter County, \$177,801.*

NOW, THEREFORE, BE IT RESOLVED *that the Yuba-Sutter Transit Authority Board of Directors approve the Fiscal Year 2016/2017 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 SPECIAL MEETING HELD ON MAY 19, 2016.

Ricky A. Samayoa, Chairman of the Board

ATTEST:

*Sandra Anderson
Secretary to the Board*

AGENDA ITEM IV - D
STAFF REPORT

**FY 2015-2016 CALIFORNIA TRANSIT SECURITY GRANT PROGRAM
GOVERNING BODY RESOLUTION AND AUTHORIZED AGENT
DESIGNATION**

The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Proposition 1B) authorized \$19.9 billion in General Obligation Bonds for specified purposes over a ten year period. Proposition 1B included authorization for the annual California Transit Security Grant Program (CTSGP) for eligible transit safety and security projects. This fund is administered by the California Office of Emergency Services (CalOES).

At the December 2015 meeting, the Board approved the submission of an application, referred to as an Investment Justification, for the second phase of a Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL) project totaling \$134,302 in FY 2015-16 cycle CTSGP funds. This project will use the full FY 2015-16 funding allocation to complete the purchase and installation of vehicle location information technology for Yuba-Sutter Transit's fixed route system. Key elements of the CAD/AVL system may include integrated GPS devices on each bus to collect real-time location data, wireless network capability to send the data back to operations and software to convey the data and output it in a public user format. Phase 1 of this project was included in the FY 2014-15 program cycle application that was previously submitted and approved though the funding has not yet been received.

In addition to improving efficiency through computer-aided vehicle dispatching, tracking and messaging; a CAD/AVL system will improve safety and security by providing real-time information to passengers and improve emergency response capabilities by expanding communication channels. Consistent with program guidelines, the grant funds will go directly for the purchase and installation of the necessary hardware, software, warranty coverage and technical support.

CalOES recently notified Yuba-Sutter Transit that this project meets the program guidelines and is eligible to receive Proposition 1B funding in the total allowable amount of \$134,302. Although the project meets the pertinent criteria, the award is subject to available bond funding and there are currently no State funds to support the project. In order to ensure an expedient process once funding is available, CalOES requires project sponsors to adopt and submit the attached Governing Body Resolution and Authorized Agent Signature Authority Form within six weeks of being notified of project eligibility to designate an authorized agent to execute all grant related documents.

Staff is now recommending that the Board of Directors adopt the attached Resolution No. 10-16 and authorize execution of the Authorized Agent Signature Authority Form designating the Transit Manager to act on behalf of the Authority for the purpose of

obtaining FY 2015-16 CTSGP funds. Staff will be prepared to discuss the grant program and the planned project in detail at the meeting.

RECOMMENDATION: Adopt Resolution No. 10-16 and authorize the execution of the CalOES Authorized Agent Signature Authority Form to complete the FY 2015-2016 CTSGP application process.

*YUBA-SUTTER TRANSIT AUTHORITY
RESOLUTION NO. 10-16*

***DESIGNATION OF AUTHORIZED AGENT FOR THE FY 2015-16
CALIFORNIA TRANSIT SECURITY GRANT PROGRAM (CTSGBP) GRANT #6861-0002***

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the California Transit Security Grant Program (CTSGBP); and

WHEREAS, the Yuba-Sutter Transit Authority is eligible to receive CTSGBP funds; and

WHEREAS, the Yuba-Sutter Transit Authority will apply for FY 2015-16 CTSGBP, Grant #6861-0002 funds in an amount up to \$134,302 for Automatic Vehicle Location to provide increased protection for transit patrons, staff and facilities against security threats and to increase its capacity to provide disaster response transportation; and

WHEREAS, the Yuba-Sutter Transit Authority recognizes that it is responsible for compliance with all Cal OES CTSGBP grant assurances, and state and federal laws, including, but not limited to, laws governing the use of bond funds; and

WHEREAS, Cal OES requires the Yuba-Sutter Transit Authority to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of the Yuba-Sutter Transit Authority to execute actions necessary to obtain CTSGBP funds from Cal OES and ensure continued compliance with Cal OES CTSGBP assurances, and state and federal laws.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Yuba-Sutter Transit Authority that Transit Manager, and/or his/her designee, is hereby authorized to execute for and on behalf of the Yuba-Sutter Transit Authority, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by the California Governor's Office of Emergency Services under the CTSGBP, by the following vote:

Ayes:

Nos:

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT A REGULAR MEETING HELD ON MAY 19, 2016.

Chair, Board of Directors

ATTEST:

*Sandra Anderson
Secretary to the Board*

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 2016 (July 2015 through March 2016) presented in comparison with the performance for the same period in the previous fiscal year. After 12 straight years of annual ridership records through FY 2015, FY 2016 got off to a slow start in the first quarter with a systemwide ridership decrease of 4.9 percent followed by a 5.9 percent decrease in the second quarter and is now down 7.5 percent through three quarters compared to the same period last year. This is by far the worst three quarter systemwide ridership decline since the 16.9 percent drop from FY 1988 to FY 1989. As a result, all of the key systemwide year-to-date performance indicators were down as well despite an overall 2.2 percent increase in vehicle service hours.

While systemwide ridership has been down in each of the last twelve months in year-to-year comparisons, the third quarter saw the highest percentage drop (down 11.8 percent) due in part to torrential rains in both January and March and the March calendar anomaly when all of the local schools including Yuba College took spring break. These events just added to the ongoing impact of the local fixed route service and policy changes that became effective in September 2015 which included the restructuring of Routes 1 and 4 and the elimination of the “transfer-for-a-transfer” policy. Positive ridership impacts did result from the September 2015 implementation of several Dial-A-Ride service and policy changes as well as the July 2015 expansion of the Live Oak Route from three to five days a week and a similar expansion of the Wheatland Route in December 2015.

The greatest individual ridership drop in terms of passenger trips was on the local fixed route service for all of the reasons noted above. Of the major services, the local fixed route service also saw the biggest percentage drop and the Sacramento Commuter and Midday service extended the year-to-year ridership decline that began in January 2015. Dial-A-Ride ridership is now up 2.1 percent year-to-date while rural route ridership continues to vary widely due to the limited nature of these services and the 2015 expansions of the Live Oak and Wheatland services. Systemwide vehicle service hours increased by 2.2 percent through the first nine months of the fiscal year with about half of the increase related to the operation of supplemental local fixed route service to help with chronic on-time performance issues while the remaining increases were due mostly to continued demand for the specialized Dial-A-Ride service and the aforementioned increases to the Live Oak and Wheatland services.

Given the significant reduction in ridership, it is not surprising that all of the systemwide financial performance indicators were also down through the first three quarters. The estimated farebox recovery ratio (the percentage of operating costs covered by passenger fares) was down 8.1 percent due to the combination of reduced fare receipts and increased service hours, but it was still over the systemwide performance standard of 20 percent and the minimum requirement of 14.6 percent.

With just two months remaining in the fiscal year, it is now certain that the current string of annual ridership increases will come to an end in FY 2016. Looking toward the future, the near term risk factors for FY 2017 include the need to extend the discount monthly bus pass program beyond December 2016, the steady long term slide in Sacramento ridership and the relative impact of the new Connect Card electronic fare system that is now expected to be implemented by the end of 2016.

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

RECOMMENDATION: Information only.

QUARTERLY PERFORMANCE REPORT
3rd Quarter Fiscal Year 2015-2016

	Passenger Trips	Vehicle Serv. Hours	Pass. Trips Per VSH	Est. Fare Revenue	Fare Rev. Per VSH	Est. Farebox Ratio
Fixed Route:						
July 2015 - March 2016	738,743	39,099.34	18.89	\$463,613	\$11.86	16.5%
July 2014 - March 2015	807,289	38,328.67	21.06	\$499,568	\$13.03	18.1%
Percent Change	-8.5%	2.0%	-10.3%	-7.2%	-9.0%	-9.0%
Dial-A-Ride:						
July 2015 - March 2016	53,140	18,688.19	2.84	\$101,769	\$5.45	7.6%
July 2014 - March 2015	52,024	18,466.37	2.82	\$102,321	\$5.54	7.7%
Percent Change	2.1%	1.2%	0.9%	-0.5%	-1.7%	-1.7%
Sacramento Services (Commuter & Midday):						
July 2015 - March 2016	109,508	10,124.13	10.82	\$475,470	\$46.96	65.2%
July 2014 - March 2015	116,653	9,981.62	11.69	\$507,322	\$50.83	70.6%
Percent Change	-6.1%	1.4%	-7.4%	-6.3%	-7.6%	-7.6%
Foothill Route:						
July 2015 - March 2016	1,686	768.89	2.19	\$2,536	\$3.30	4.6%
July 2014 - March 2015	2,055	763.03	2.69	\$3,138	\$4.11	5.7%
Percent Change	-18.0%	0.8%	-18.6%	-19.2%	-19.8%	-19.8%
Live Oak Route:						
July 2015 - March 2016	2,431	663.14	3.67	\$2,791	\$4.21	5.8%
July 2014 - March 2015	1,518	381.95	3.97	\$1,923	\$5.03	7.0%
Percent Change	60.1%	73.6%	-7.8%	45.1%	-16.4%	-16.4%
Wheatland Route:						
July 2015 - March 2016	472	322.33	1.46	\$524	\$1.63	2.3%
July 2014 - March 2015	312	229.69	1.36	\$381	\$1.66	2.3%
Percent Change	51.3%	40.3%	7.8%	37.5%	-2.0%	-2.0%
Systemwide Summary:						
July 2015 - March 2016	905,980	69,666.02	13.00	\$1,046,703	\$15.02	20.9%
July 2014 - March 2015	979,851	68,151.33	14.38	\$1,114,654	\$16.36	22.7%
Percent Change	-7.5%	2.2%	-9.5%	-6.1%	-8.1%	-8.1%

Notes:

1. All financial calculations are estimates pending final fiscal audits.