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MARIN TRANSIT BUDGET **FY 2020/21**

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Marin Transit Budget Overview

The Marin County Transit District (Marin Transit) is responsible for local transit service within Marin County, and provides over 3.2 million unlinked passenger trips per year and over 250,000 revenue hours of service. Marin Transit delivers services through contract operators. These include: Golden Gate Bridge Highway & Transportation District (GGBHTD), Marin Airporter, MV Transportation, Marin Senior Coordinating Council (Whistlestop), and Michael's Transportation. Marin Transit's Short Range Transit Plan (SRTP) is the primary service and financial planning document for the District, and includes ten years of financial projections for operations and capital programs. The District's Board adopted the most recent SRTP on February 3, 2020.

The FY2020/21 budget was finalized during a period of unprecedented disruption from the COVID-19 pandemic and the associated shelter in place order. COVID-19 has not only disrupted transit operations, with ridership and fare revenue down 80%, it has created extreme limitations on mobility and commerce that will impact Marin Transit's primary revenue streams. While it is clear impacts will be significant, changes are too recent for there to be clear indications of the magnitude and extent of the impacts on sales and diesel fuel taxes. Staff will continue to bring quarterly financial reports to the Marin Transit Board and budget revisions may be needed as the financial and service landscape is better understood.

Budget Process and Timeline

The budget process begins in late February as a review of District and program level goals and objectives with finance and operations staff. In March, budget meetings focus on each program area. The Director of Finance compiles all the program data and develops a draft budget to present to the Board of Directors at the May meeting. The final budget incorporates any changes from the draft version, and the Board adopts the budget at their June meeting.

This year, the budget development process was disrupted in March due to COVID-19 pandemic and the County's Shelter in Plan order. To allow for additional information on new revenue sources and incorporate impacts of COVID-19 on operations and revenues, staff provided a financial updated instead of a draft budget at the May board meeting. The following is the timeline for fiscal year July 1, 2020 to June 30, 2021 (FY 2020/21) budget development:

February 24, 2020	Budget kick-off meeting
March 2020	Program level budget meetings
March 2020	Shelter in Place Order Issued
April 2020	Review and Adjustment of Revenue
May 4, 2020	Financial Status Update presented to Board of Directors
June 1, 2020	Adoption of final budget

Relevant Financial Policies

This section details financial policies relevant to the District's annual budget and budget process. The Board has adopted these policies as part of the FN-01 policy document.

Basis of Accounting

Marin Transit's resources are allocated to and accounted for in the financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are accounted for on a flow of economic resources measurement focus. Marin Transit also uses the accrual basis of accounting, recording revenues when earned, and recording expenses at the time the liability is incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Proprietary funds further distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted revenues are available for use, it is Marin Transit's policy to use restricted revenues first then unrestricted revenues as they are needed.

Annual Budget Adoption

The Marin Transit Board of Directors adopts an annual budget for Marin Transit's fiscal year starting July 1 and ending June 30. Under the direction of the Director of Finance, staff develops a balanced budget for the Board of Directors that provides sufficient and sustainable funding for local transit service needs using the following guidelines:

- Maintain adopted reserve level
- Preserve a balance of revenues and expenditures over a ten-year horizon
- Provide for Short Range Transit Plan (SRTP) adopted service levels
- Allow for innovative growth

The Board adopts the annual budget for the coming fiscal year no later than the June Board of Directors meeting.

Budget Amendment

Budget control occurs at the total program level (administration, local, yellow bus, rural, Marin Access, facility, capital). Deviations from budgeted line item amounts are acceptable if the total program expenses do not exceed the budget authority.

Budget authority transfers between programs require General Manager approval and must be made such that total budget expenditures are not exceeded.

In the event that overall expenditures are anticipated to exceed the approved annual budget authority, Board of Directors' approval is required prior to incurring the expense. Requests for budget amendments must include adequate supporting documentation and identification of available revenue to support the expenditure. If circumstances require immediate action, the General Manager may act in place of the Board of Directors and must present the expenditure to the Board of Directors at the next possible opportunity.

All budget amendments are reported to the Board quarterly, as part of the quarterly finance reports.

Reserve Policy

Marin Transit maintains an unrestricted reserve consisting primarily of property tax revenues. The District is dependent on many diverse funding sources for the operation of its services that are subject to state and federal funding availability and administrative processes. The reserve balance is essential to mitigate current and future risk of revenue shortfalls and unanticipated expenditures. The following reserve balance policy provides parameters on desired levels and uses of unrestricted reserve funds. The reserve balance levels are defined to minimize disruptions to the District's services due to fluctuation in funding and in accordance to the Government Finance Officers Association (GFOA) recommendations.

The District shall strive to maintain a reserve balance equivalent to a minimum of two months and up to a maximum six months operating expenses based on the adopted budget.

Any reserve balance equal to but not exceeding two months operating expenditures is defined as the emergency reserve. The emergency reserve will be available for use during prolonged revenue shortages to sustain District operations until service reductions, program cuts, or fare increases are made to reestablish a balanced budget and restore the emergency reserve.

Any reserve balance greater than two months of operating expenditures, but less than four months of operating expenditures, is defined as the contingency reserve. The contingency reserve is available to maintain current service levels during short-term periods of declining revenue or slower than anticipated revenue growth.

When the emergency reserve is fully funded and the contingency reserve is funded with the equivalent of at least two months of operations funds, the District may fund a capital reserve through the budgeting process. The capital reserve is available to provide resources for high priority capital projects or grant matching funds. The reserve is designed to reduce the District's future needs for borrowing or bonding for large capital projects. With Board approval, capital reserve funds can be transferred to the contingency reserve or the emergency reserve if these funds fall below the target levels.

If, for a prolonged period, the total reserve balance held in emergency and contingency reserves exceeds six months of operating expenditures, Marin Transit will consider options such as but not limited to: expanding transit service or decreasing fares in an effort to provide the optimal level of transit service and benefits to Marin County.

Indirect Costs

In order to provide for the reasonable and consistent allocation or distribution of costs to its various grants and funding programs, Marin Transit develops an Indirect Cost Rate Proposal (ICRP) annually. The ICRP is designed in accordance with Federal Title 2 CFR 200 and is approved by the Federal Transit Administration (FTA).

Budget Summary

The FY 2020/21 expenditure budget for operations, facility maintenance, and capital projects is \$45.7 million. The expenditure budget allows for a fully funded Emergency Reserve (two months operating expenses), a Contingency Reserve of four months of operating expenses, and a Capital Reserve of \$15.6 million. The proposed budget includes significant reductions in all of Marin Transit's major revenue sources due to anticipated direct and indirect impacts on the COVID-19 pandemic. The budget allows for existing service levels and includes additional funding for new cleaning requirements. Marin Transit is not currently operating supplemental school, Muir Woods Shuttle and yellow bus service. It is unclear when and with what modifications these services will re-start. Marin Transit was in a strong financial position before the COVID-19 pandemic, and this helps prevent the need to make immediate decisions based on preliminary projections of revenues losses.

Using Federal CARES Act funding, Marin Transit has committed through June 30, 2020, to pay affected contractors (MV Transportation and Whistlestop) for planned service levels to allow for the payment of administrative leave and wages to drivers and other hourly employees.

As the District looks to FY2020/21, staff is reviewing financial projections, operations requirements, and transit demand on a regular basis. Marin Transit provides a critical lifeline service in Marin County that will be maintained and the District needs to be prepared to restore services that provide recreational trips, social trips, traffic relief and school transportation when it is appropriate. Staff will continue to bring quarterly financial reports to the Board with additional information on service plans, revenue projections, and if needed, proposed budget amendments. The proposed schedule for budget updates is as follows:

August 2020	Review of Updated Revenue Projections
October/November 2020	FY2020 Annual Financial Report
December 2020	FY2021 First Quarter Financial Report and Update
March 2021	FY2021 Second Quarter Financial Report and Update
May 2021	FY2022 Draft Budget and Financial Update
June 2021	FY2022 Final Budget and FY2021 Third Quarter Financial Report and Update

New in this budget is the Facility Budget for the operation of the property purchased in Novato, CA. The rental income on the property is anticipated to cover all operations costs.

Capital expenditures are comparable with continued investments in the revenue service vehicles, bus stop improvements, operations facilities. The Capital budget include the expenditure of \$1.9 million in capital reserve for additional facility projects.

Table 1: Budget Summary

	FY 2018/19 Actual	FY 2019/20 Final Budget	FY 2019/20 Estimated Actual	FY 2020/21 Budget
Revenue				
Operations	34,660,941	37,159,020	35,760,058	35,124,123
Capital	3,587,683	19,648,843	15,942,074	8,455,992
Facility	0	164,277	97,049	173,808
Total Revenue	\$38,248,624	\$56,972,140	\$51,799,181	\$43,753,923
Expenditures				
Operations	30,563,140	33,592,353	31,894,566	35,117,071
Capital	3,587,683	22,648,841	15,938,072	10,523,834
Facility	0	30,505	44,608	90,414
Total Expenditures	\$34,150,823	\$56,271,699	\$47,877,246	\$45,731,319
Net Change in Fund Balance	\$4,097,801	\$700,441	\$3,921,935	-\$1,977,396
Emergency Reserve	5,411,838	5,598,726	5,315,761	5,852,845
Contingency Reserve	10,823,676	11,197,451	10,631,522	11,705,690
Capital Reserve	10,998,636	11,138,415	15,208,801	15,574,945
Fund Balance (total reserve)	\$27,234,150	\$27,934,591	\$31,156,085	\$29,178,689
Expenditure of Restricted Fund Balance	0	0	0	0
Expenditure of Capital Reserve	0	3,000,000	0	2,067,842

District Fund Balance

Marin Transit’s fund balance represents the total unrestricted net position made up of local property tax funding. Each year, the fund balance increases or decreases by the net difference between total revenue and total expenses for the year. Marin Transit’s Board-adopted policy designates an Emergency Reserve equivalent to two months of operating expenses and a Contingency Reserve equivalent to an additional two to four months of operating expenses. Marin Transit staff and Board Members review 10-year projections of revenues and expenses in the SRTP to ensure long term financial stability while maximizing mobility for local transit riders.

Marin Transit was in a strong financial position before the COVID-19 pandemic, and this helps prevent the need to make decisions based on preliminary projections of revenues losses. For the last four years, Marin Transit has been able to rebuild the District’s fund balance based on strategic efforts to lower service contract rates and control administrative costs. In addition, increasing revenues from a strong economy have helped fully fund the emergency and contingency reserves and create a capital reserve. The next step in financial stability for the District is transitioning from leased operations and maintenance facilities to a District-owned location. To this end, Marin Transit purchased a two-and-half acre parcel in Novato in FY2019/20 for vehicle parking, but still needs five-seven acres of additional land to provide parking and maintenance facilities for all contract operations.

Marin Transit has a balanced operations budget for FY2020/21 using one-time Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and carryforward balances of local and state funding. While Marin Transit

will not contribute to the reserve in FY2020/21, the District will continue to have fully funded Emergency and Contingency Reserves, with the equivalent of six months of operations funds. The FY2020/21 budget also retains two facility projects partially funded with \$1.98 million of capital reserve funding. This includes a \$3.0 million capital project planned for the purchase of yellow bus parking facility and site improvements at Rush Landing. The remaining \$15.8 million in capital reserve is available for the purchase of additional right of way if appropriate industrial land becomes available due to changing economic conditions.

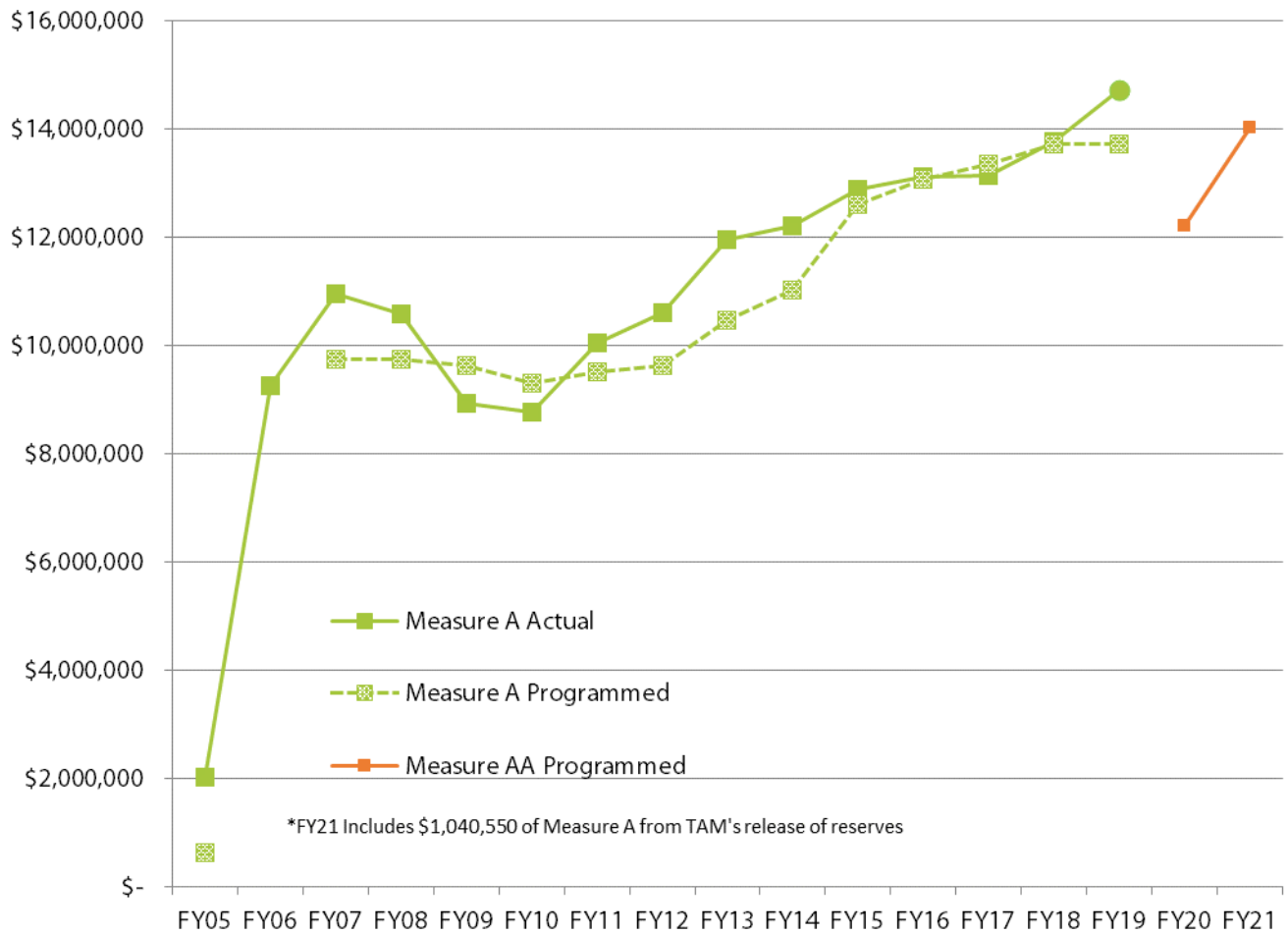
Local Sales Tax – Measure A and Measure AA

On November 6, 2018, Marin County voters passed Measure AA, a renewal to the county's ½-cent transportation sales tax and new expenditure plan. The first ½-cent sales transportation sales tax (Measure A) was a 20-year measure passed in 2004 and FY 2024/25 would have been the last year of the sales tax. The renewal measure (Measure AA) is a 30- year extension effective April 2019. Local sales tax funding provides approximately 35% of Marin Transit's operating revenues. The sales tax also provides a share of capital funds needed to match federal and state grant funding for vehicles. As shown in the District's 2017 Short Range Transit Plan, without the sales tax funding Marin Transit would need to cut service levels significantly and end programs like the community shuttles, West Marin Stagecoach, Muir Woods Shuttle and school bus service.

The new expenditure plan was updated to reflect the needs of Marin County and projects that were completed under Measure A. Measure AA continues to prioritize local transit and the voter approved expenditure plan indicates that 55% of allocated sales tax revenues will go to local transit. The expenditure plan for Measure AA does make changes to the sub-strategies and their allocations within the transit strategy. Additional funds are committed to school transportation and ferry access in Measure AA in new sub strategies, while funding for Bus Transit Facilities is reduced. The amount of funding going to local transit is reduced in the new measure due the need to restart "off the top" commitments that had ended in the old Measure (Figure1).

TAM programs Measure A/AA funding to the District based on projections and adjusts future year balances to account for actual sales tax receipts. Based on the programmed amounts, Marin Transit requests annual allocations of funds from TAM. Figure 1 shows Marin Transit's share of Measure A and Measure AA projected revenues and actual receipts. TAM established a reserve fund under Measure A to account for potential economic declines that could adversely impact sales tax collections. TAM has committed to provide allocations to Marin Transit that do not include the growth that was expected as of February 2020, but maintain the program level from FY2019/20. To maintain program levels in FY2020/21, TAM has released some of the prior Measure A reserve and will suspend the collection of Measure AA reserves. While TAM had planned for a recession in their Measure AA revenue forecasting, the length and depth of this recession may exceed projections. This will reduce revenue projections in Marin Transit's 10-year financial plan.

Figure 1: Programmed Measure A/AA Transit Funds by Fiscal Year (TAM Projection & Actual Receipts)¹

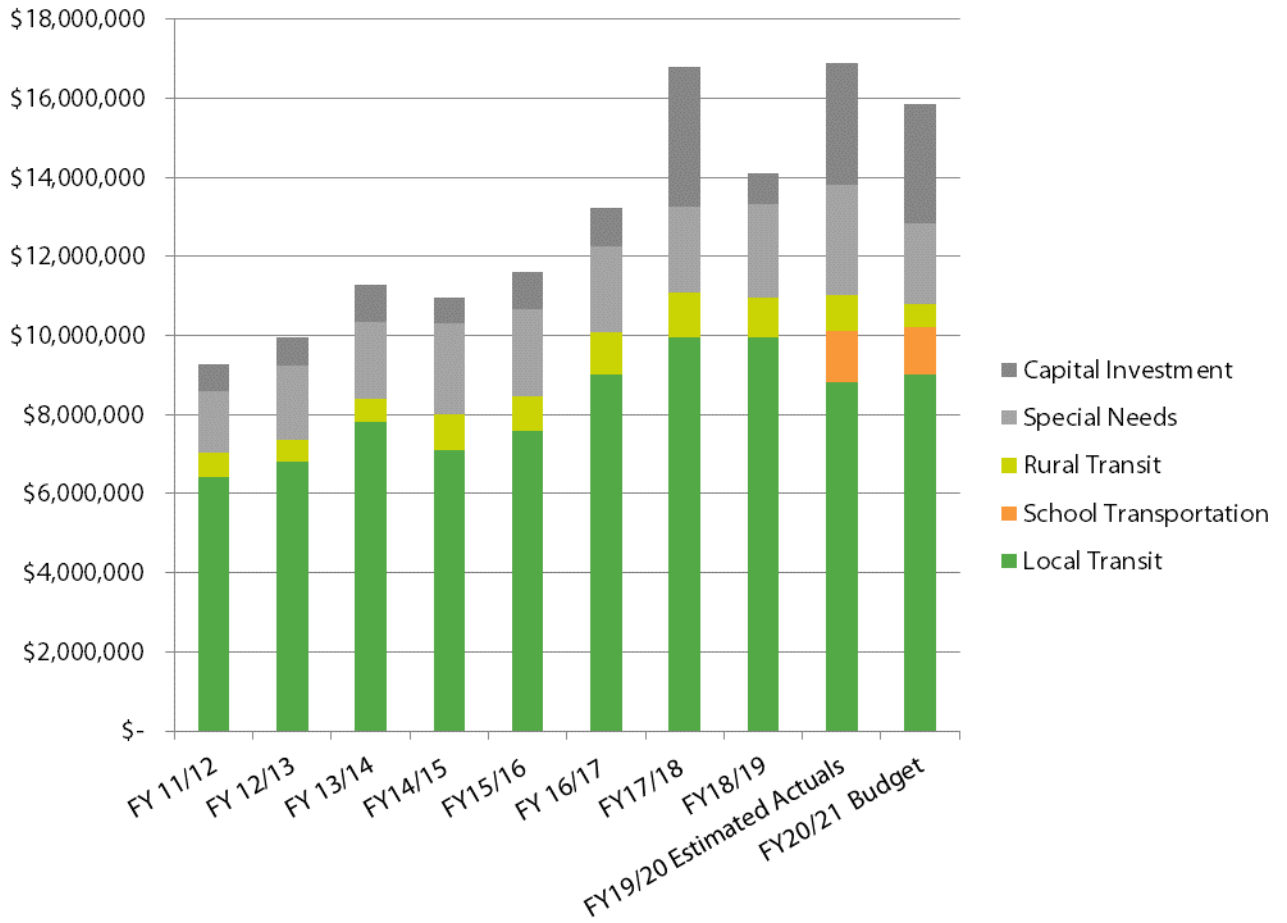


The District's actual expenditure of Measure A/AA revenue varies due to capital replacement cycles and the availability of other grant funds in a particular year (Figure 2). In a given year, any unclaimed Measure A/AA revenue is available for TAM to allocate to Marin Transit in future years.

With the FY2020/21 requested allocations, Marin Transit will have an estimated carryover in the Local Service sub strategy of \$980,000. TAM holds these unallocated funds, and they are not included in Marin Transit's Emergency or Contingency Reserve funds. Instead, Marin Transit programs these funds in the ten-year operation and capital financial forecasts in the adopted SRTP. Figure 2 shows the annual expenditure of local sales tax funds by category. Consistent funding availability is critical to maintaining transit service operations.

¹ Based on TAM 2020 Measure A SPU, and TAM 2020 Measure AA SPU

Figure 2: Local Sales Tax Expenditures by Fiscal Year (Measure A/AA)



Operations Budget

Marin Transit's FY 2020/21 operations budget provides for operation of the following services:

Local Basic and Local Trunkline	114,900 revenue hours
Local Connector (Community Shuttles)	43,700 revenue hours
Supplemental School and Partnership	6,700 revenue hours
Muir Woods Shuttle	6,500 revenue hours
Novato Dial-A-Ride	2,600 revenue hours
Yellow School Bus Service	6 buses
West Marin Stagecoach Service	16,400 revenue hours
Rural Dial-A-Ride Service	400 revenue hours
Local Paratransit Service	60,400 revenue hours
Regional Paratransit Service	7,400 revenue hours
Catch-A-Ride	14,300 trips
Volunteer Driver	14,000 trips
Transit Connect	8,500 revenue hours

The operating expense budget of \$35.1 million is a 5% increase over the FY 2019/20 budget and provides for a similar level of fixed route service and an increase in paratransit service hours. The largest cost increases are from contract service operations and materials and supplies. This includes additional expenses for the costs of cleaning supplies and new protocols needed in response to COVID-19. No increases are made to the budget for District staff wages and administrative cost increases were constrained.

COVID Impacts

Marin Transit riders, contractors, drivers, and direct staff have all been affected by the shelter in place order and the actions needed to prevent the spread of COVID-19. Much is still unknown, including the duration on the shelter in place order and severity of the resulting economic impacts. The response to COVID-19 has led to cancelled trips and unprecedented ridership declines. The County public health officer issued a Shelter in Place order that began on March 16, 2020. Combined, the order and school closures have led to an 80 percent decline in ridership and corresponding fare revenues on Marin Transit fixed route and paratransit services.

Marin Transit suspended yellow bus service in the Ross Valley (operated by Michael's Transportation) and all supplemental school routes throughout the county (operated by MV Transportation) for the 2019/20 school year. The District suspended service to Muir Woods (operated by MV Transportation) on March 21, 2020 due to the closure of the National Monument. With the reduction in hours on the MV contract, Marin Transit's required hourly payment

Table 2: Operations Budget (Admin, Local, Yellow Bus, Rural, & Marin Access)

	FY 2018/19 Actual	FY 2019/20 Budget Revised	FY 2019/20 Estimated Actuals	FY 2020/21 Final Budget	% Δ from FY2019/20 Budget
Revenue					
Fare Revenue	4,024,376	4,160,781	3,188,735	3,430,831	-18%
Advertising & Other Revenue	390,093	408,000	403,900	420,240	3%
Reimbursements (GGBHTD, WSW)	1,934,611	2,097,563	1,961,960	2,074,256	-1%
Interest	198,694	150,700	250,736	200,700	33%
Measure A/AA	13,460,000	14,407,501	13,823,013	12,722,302	-12%
Measure A Interest	85,000	0	85,000	0	-
Measure B	991,414	1,245,000	889,597	1,075,000	-14%
Property Taxes	4,557,957	4,629,004	4,687,173	4,471,001	-3%
Development Fees	48,787	39,950	50,769	45,500	14%
State Transit Assistance (STA)	1,841,702	2,375,692	2,086,210	1,498,871	-37%
Transit Development Act (TDA)	5,109,399	5,836,446	5,784,078	3,817,097	-35%
Other State	354,858	18,800	15,239	16,300	-13%
FTA Funds	1,417,148	1,338,413	2,146,096	5,713,288	327%
National Park Service	323,523	452,570	387,552	538,738	19%
Transfers to Capital Budget	(76,621)	(1,400)	0	(900,000)	NA
Total Revenue	34,660,941	37,159,020	35,760,058	35,124,124	-5%
Expenses					
Salaries and Benefits	2,326,048	2,675,000	2,388,456	2,675,000	0%
Professional Service	320,303	577,217	263,342	510,508	-12%
Professional Service- Legal	74,552	150,000	11,743	150,000	0%
Security and Maintenance	260,405	303,854	311,632	312,130	3%
Customer Service	596,949	651,950	645,777	659,555	1%
Indirect County Overhead	0	2,652	0	0	-100%
Mobility Management Support Programs	7,344	29,800	12,800	72,000	142%
Grants to Other Agencies	0	405,485	435,485	435,485	7%
Materials and Supplies	155,764	258,808	410,286	739,694	186%
General Insurance	36,166	40,000	47,662	63,000	58%
Contract Service Operation	24,244,754	25,631,104	24,596,831	26,442,927	3%
Membership & Prof Development	23,223	63,654	27,664	52,318	-18%
Mileage and Travel	12,644	24,401	16,766	25,000	2%
Marketing	116,675	246,808	153,469	199,042	-19%
Communication	90,394	227,623	135,255	228,670	0%
Fuel	2,521,500	2,663,294	2,548,719	2,820,333	6%
Vehicle and Vehicle Parking Leases	26,378	24,730	19,784	25,472	3%
Office - Rental and Overhead	126,723	141,110	138,000	142,000	1%
Partner Agency Pass Through	85,000	0	85,000	0	-
Transfers to Capital Budget	(461,682)	(525,136)	(354,103)	(436,063)	-17%
Total Expenses	30,563,140	33,592,354	31,894,568	35,117,071	5%
Net Revenue Over Expenditures	<u>4,097,801</u>	<u>3,566,666</u>	<u>3,865,490</u>	<u>7,053</u>	

for services declined. However, Marin Transit continues to pay the full monthly fixed fee payment, and as of April 1, 2020, Marin Transit will pay MV Transportation for planned service hours to help retain workers by allowing for the payment of administrative leave and wages for drivers and other hourly employees.

To date, Marin Transit has maintained the remaining fixed route service to allow for social distancing subject to driver availability on the service operated by Golden Gate Bridge Highway and Transportation District.

Paratransit service hours (operated by Whistlestop) have declined based on reduced service demand. To both provide vital services and maintain employment for drivers, the District has authorized a reduction of riders per vehicle and allowed deliveries to paratransit riders. Marin Transit continues to pay Whistlestop the full monthly fixed fee payment, and as of April 1, 2020, Marin Transit will pay Whistlestop for planned service hours to help retain workers by allowing for the payment of administrative leave and wages for drivers and other hourly employees. Similar to the contract changes for fixed route, this action is consistent with the intent of CARES Act funding and within the budgeted FY2019/20 contract expenses.

While the current loss of ridership and associated fares is unprecedented, the economic impacts of COVID-19 will have more significant and longer-term impacts on Marin Transit financials. Fare revenue accounts for eleven percent of Marin Transit's budget, and revenues based on sales tax and diesel tax account for a total of 61 percent. The Metropolitan Transportation Commission's (MTC) preliminary estimate is that FY2020/21 sales tax will decline by 15 percent compared to the February 2020 estimate. This disruption is too recent for significant economic data to be available and the District will need to monitor and adjust revenue projections.

District Revenue

Marin Transit derives its revenues from multiple sources (Figure 3), with no single revenue source providing the majority of the District's operating funds. The primary revenue sources for Marin Transit operations are:

- Measure A /Measure AA sales tax operating funds;
- Transportation Development Act (TDA) funds;
- State Transit Assistance (STA) funds;
- Passenger fares; and
- Property taxes.
- To develop revenue projections for the FY 2020/21 budget, staff referred to Metropolitan Transportation Commission (MTC) revenue projections for STA and TDA, met with TAM's finance staff regarding Measure A/AA allocations, and discussed estimates for property tax revenue with the County of Marin. Due to the rapidly changing economic conditions from the COVID-19 response, all financial projections will need to be reviewed quarterly and budget adjustments may be needed.

Revenue Declines

The operating revenue budget of \$36.31 million is a 5% decline from the prior year budget (Table 3). Since this revenue includes carryforward revenue from prior year surpluses and one-time Federal funding, it masks the underlying declines of significant revenue sources (Table 4). All budgeted revenues that change more than \$100,000 compared to the prior budget are listed in Table 5.

Table 3: Projections of Revenues Significantly Affected by COVID-19 Pandemic

Revenue	Source	Projected Change from Prior Projections	Change (compared to pre-COVID estimate)	Rev % of FY21 budget	Notes
Fares	Passengers	-18%	(729,929)	10%	Due to continued social distancing this projected change is likely not high enough
Measure AA	Marin County Sales Tax	-15%	(1,474,176)	35%	TAM is able to allocate similar level of Measure AA as prior year budget using reserves and due to conservative prior year projections
State Transit Assistance	Diesel Fuel Tax	-40%	(1,107,870)	4%	State is now projecting a 36% decline. Marin Transit has prior year Revenue Based funds available. Amount in Budget shows the combined prior year and current year amounts.
Transportation Development Act	State sales tax	-25%	(1,272,366)	11%	MTC is restricting claims to 75% of prior estimates
Property Tax	Property Tax	0%	-	13%	MCTD is projecting a 3% increase which is the same as the SRTP growth projections. County recommends using a 4% increase or recent average, whichever is lower.
Education Revenue Augmentation Funds	Property Tax	-68%	(260,000)	0%	Based on prior recessions this source is volatile and is not available in recessions
Federal CARES Act	Federal Fuel Taxes	100%	4,500,000	13%	A total of \$5.4 has been allocated but is expected to be partially spent in FY2019/20
Total			\$ (344,341)	79%	

Fare revenue is projected to decline 18%, or \$729,929 (Tables 4 and 5). Marin Transit is implementing fare changes that were designed to promote equity between services and had not been expected to significantly increase fare revenue. The budgeted fare revenue decline was based on anticipated longer-term decline in transit ridership but had assumed the shelter in place order would be lifted and most services would return to more normal operations before July 1, 2020. As we progress in this pandemic there are indications that this will not be the case and as a result, fare revenue projections will need to be reduced further.

Marin Transit's budget is based on preliminary estimates that Marin County sales tax revenue declines 15% in FY2020/21 compared to projections made in February 2020. County sales tax may be less impacted than sales tax in the State as a whole, but additional reductions may be likely. The Transportation Authority of Marin (TAM) is able to maintain sales tax allocations to Marin Transit that are similar to prior year funding by suspending the collection of reserve funds. However, the amount of sales tax in FY2020/21 operations declines 10%, or \$1.5 million due to lower allocations and less carryforward funding (Table 5).

Transportation Development Act (TDA) funding is also generated from sales tax. The County Auditor Controller projected a 1.8% increase in TDA revenue for FY 2020/21 before the COVID-19 pandemic. The Metropolitan Transportation Commission is now limiting claims for FY2020/21 to 75% of original projections. This estimate has been used to create the FY2020/21 budget which is \$2.0 million less than the prior year (Table 5). Based on new projections from the State, the revenue decline may be more severe. Marin Transit splits Marin County TDA with the Golden Gate Bridge Highway and Transportation District based on ridership and service provided. Marin Transit will receive 41.3% of Marin County TDA funds in FY 2020/21, which is a one percent increase over the prior year.

State Transit Assistance Funds (STA) funds are collected from the sales tax on diesel fuel. In FY2017/18, Senate Bill 1 (SB1) increased the state gas tax to restore state transit funds back to historic levels in 2018. The State Controller follows a statutory allocation method to distribute funds to transit operators. In accordance with the statute, STA funding is split 50% based on (a) locally generated revenue expended on transit operations (revenue based) and 50% based on (b) the population of the County (population based). The three eligible transit operators in Marin County—Marin Transit, Golden Gate Bridge Highway and Transportation District, and SMART—signed an agreement in FY 2017/18 to split population funds based on ridership and service provided to address MTC's new STA Population-Based Policy (MTC Resolution 4321).

According to MTC, vehicle miles traveled on California highways and local streets has fallen between 40-80% since the shelter in place order was issued. The collapse of global oil prices and the resulting lower price of diesel fuel occurred in the past two months. Combined, these factors will contribute to an anticipated drop in STA revenues. The FY2020/21 budget was developed based on a 25% decline in revenues, but the most recent numbers from the State indicated the drop may be closer to 60% (Table 3). The actual budgeted STA revenue drops only 12% since Marin Transit has unspent STA revenue-based funds from prior years and Marin Transit's agency share of population-based STA funds increases by one-percent.

Property tax is expected to be less impacted from the COVID-19 pandemic. The County recommends special districts budget for a 4% increase or their historic averages whichever is lower. The FY2020/21 budget includes a 3% increase basic property taxes. For the more volatile Education Revenue Augmentation Funds (ERAF) which have historical declined significantly during a recession, the budget includes a 68%, or \$260,000 drop.

Lastly, the budget includes \$4.5 million in new Federal funding. More information on this funding source is included in the following section.

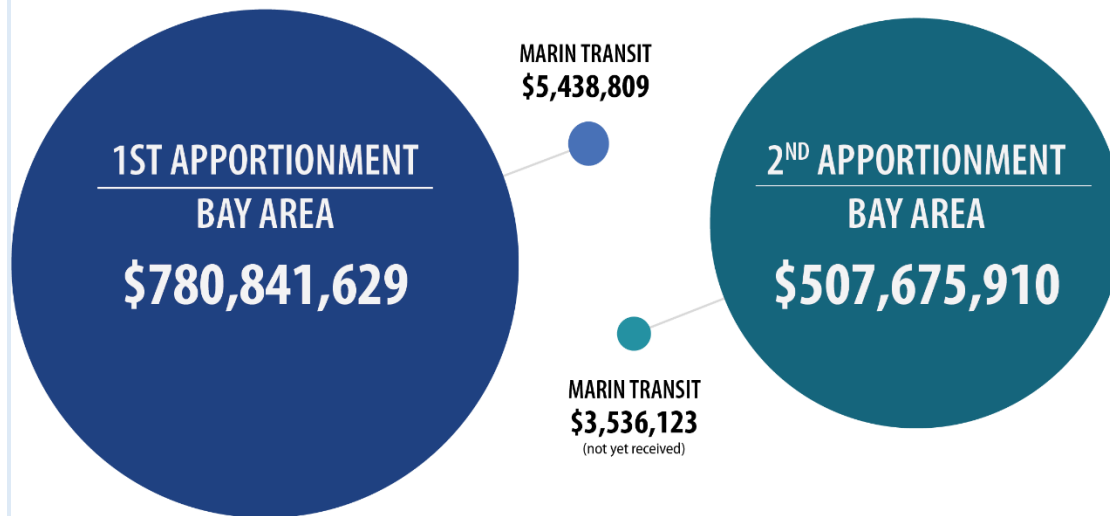
Table 4: Revenue Variances in Operations Budget >\$100,000 over prior year

Revenue Category	FY 2020/21 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Fare Revenue	\$3,430,832	(\$729,929)	-18%	Projected drop in fare revenue due to fewer passengers due to social distancing and impacts from COVID-19 pandemic.
Measure A/AA	\$12,956,875	(\$1,685,199)	-12%	The total Marin County sales tax budgeted for expenditure decreases primarily due to lower carryforward funding from prior years. The budget allocation includes TAM's suspension of their 5% reserve retention to maintain sales tax funding in FY2020/21.
Measure B	\$1,075,000	(\$170,000)	-14%	Lower amounts of prior year carryforward funds are available
Property Tax	\$4,471,001	(158,003)	-3%	Property tax revenues are expected to be stable relative to sales tax based revenues. Projected drop in augmentation funds that are volatile and drop during economic declines
State Transit Assistance	\$1,498,871	(\$876,821)	-37%	Decrease in fuel sales and the price of fuel
Transportation Development Act	\$3,817,097	(\$2,019,349)	-35%	Anticipated 25% drop in sales tax revenue due to anticipated economic downturn from COVID-19 pandemic. In addition, the prior year had \$300,000 in carry-forward revenue from FY2019 when revenues exceeded estimates due to economic growth.
FTA Funds	\$5,713,288	\$4,374,875	327%	This is the expenditure for \$4.5 million in federal funding from the CARES Act to offset revenue declines and cover operations costs from COVID-19

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Marin Transit is receiving timely and significant federal funding for transit operations. On Friday, March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. The CARES Act includes \$25 billion for the Federal Transit Administration (FTA) to allocate to transit operators through the urbanized area (Section 5307) and rural area (Section 5311) formula funding programs. The funding is provided at a 100 percent federal share, with no local match required. The funding is available to support capital, operating and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Eligible expenses include maintaining transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency.

CARES Act Funding Apportionments



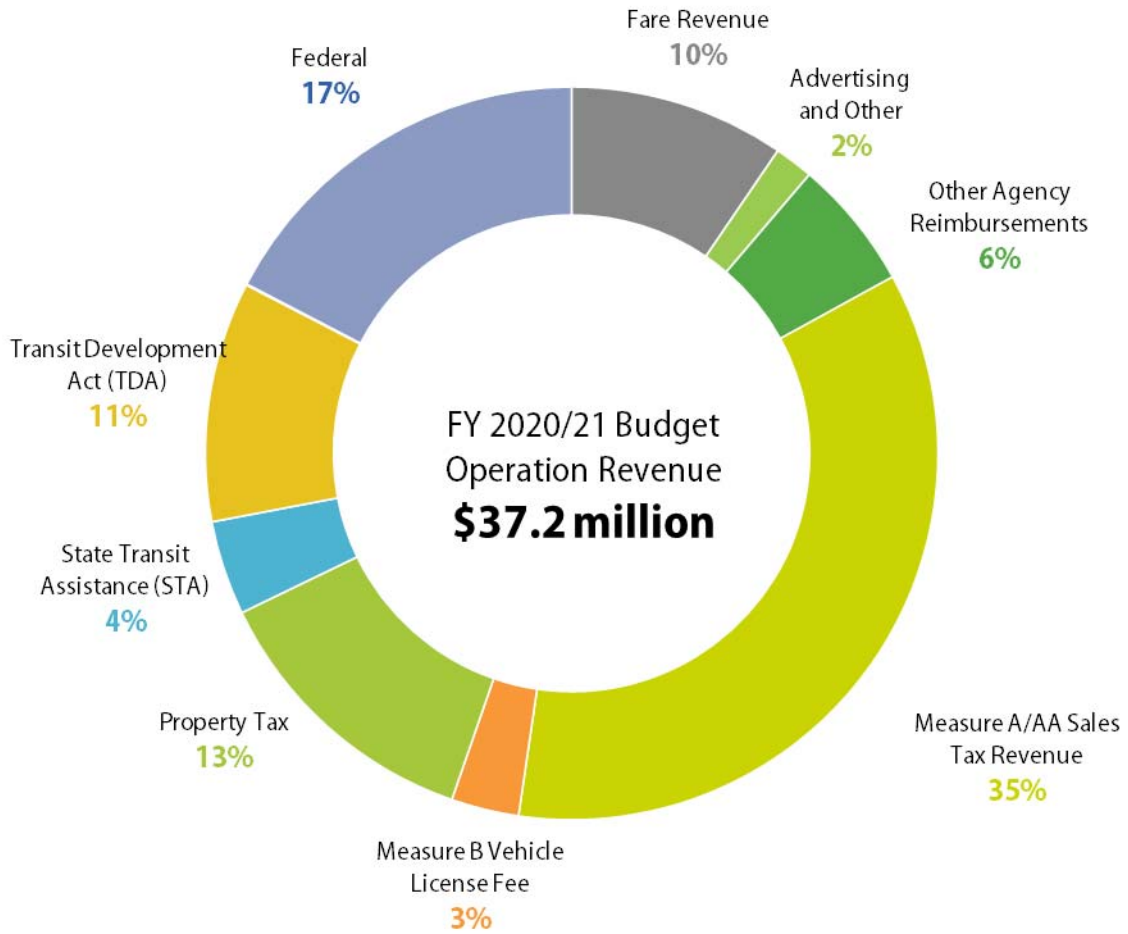
The Metropolitan Transportation Commission (MTC) is the recipient of Section 5307 funds for the Bay Area. MTC worked quickly with all Bay Area transit agencies to develop a sub-allocation of 61 percent of the region's funding (\$780 million) that reflects the initial needs of the transit agencies during this crisis. The allocation method is based on each agency's projected need due to anticipated losses of revenues and ensures small operators receive a baseline percentage of their FY2019/20 operations budget. This strategy allows for timely distributions of funding while reserving \$507 million in Bay Area CARES Act funding to be distributed once more data and information is known about actual impacts in this rapidly changing environment.

In the first allocation, Marin Transit is receiving a total of \$5.4 million in CARES act funding. This consists of \$239,772 in Section 5311 rural funding and \$5.2 million in Section 5307 urbanized area funding. MTC deducted Marin Transit's rural allocation from our regional allocation to calculate the District's initial Section 5307 sub-allocation of \$5.2 million.

Caltrans administers the FTA Section 5311 Rural and Intercity Transit funding. Caltrans distributed 30 percent of the Section 5311 funding in an initial allocation in accordance with the FY2019/20 5311 formula distributions. Marin Transit is receiving \$239,772 of Section 5311 CARES Act funding for the operation of transit service in West Marin on the West Marin Stagecoach and the rural dial-a-ride service. This is slightly more than our District's FY2019/20 annual amount of 5311 funding.

How much funding Marin Transit receives in the second regional apportionment and statewide 5311 distribution will impact how long Marin Transit can continue to maintain payments to contractors with reduced service operations and how quickly the District will need to move to make longer term service changes.

Figure 3: Revenue Sources for FY 2020/21 Budget



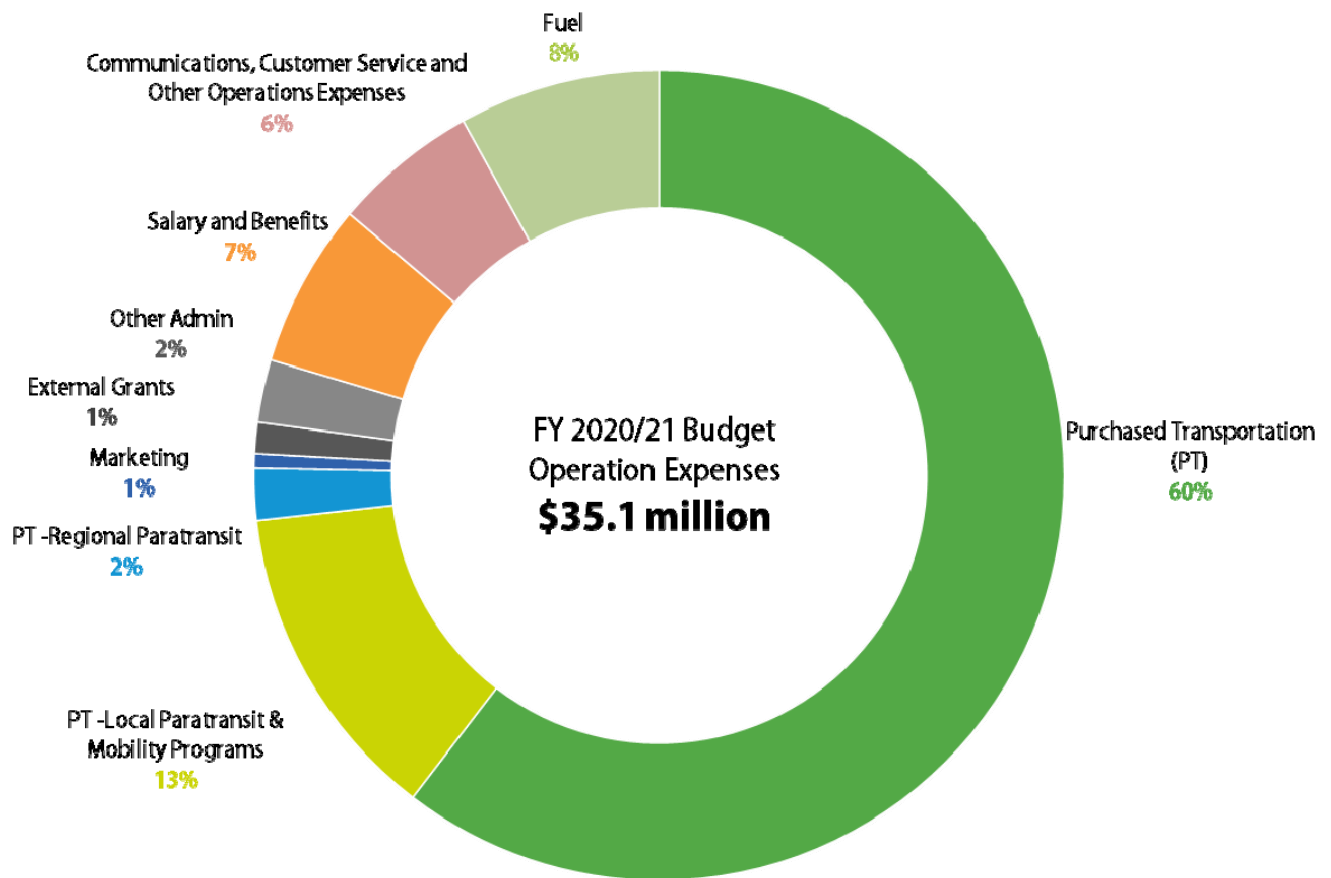
District Expenses

Marin Transit provides local transit service through purchased transportation contracts. Under this structure, the majority of district operations expenses (Figure 4) are for contract service operation (75%) and associated fuel and other operations expenses (14%). Contract service operations includes local paratransit, regional paratransit and fixed route purchased transportation. The following sections discuss information and trends on general agency costs including staffing, consulting, fuel, and marketing. More detailed operations and service costs are discussed in later sections that correspond to the District’s program areas: local service, yellow bus, rural service, and Marin Access. Categories with variances greater than \$100,000 are summarized in Table 5.

Table 5: Expense Variances in Operations Budget (>\$100,000)

Expense Category	FY 2020/21 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Materials and Supplies	\$730,694	\$480,886	186%	This increase is due to \$380,000 COVID-19 supplies and cleaning costs plus an increase in software maintenance costs for the Mobility Management fare integration and scheduling upgrades.
Contract Service Operation	\$26,442,927	\$811,823	3%	This percentage increase reflects contract rate escalations.
Fuel	\$2,820,3333	\$157,039	6%	With the market disruption this allowance for fuel cost increases may not be needed. Relative to the 17% increase the District had in FY2018/19 this allows for a lower level of growth

Figure 4: Operations Expenses for FY 2020/21 Budget



Staffing

Marin Transit directly employs all District staff. Benefits for regular employees include medical benefits coordinated through the County of Marin and an employer-funded defined contribution retirement program.

The FY 2020/21 budget includes no layoffs and furloughs and maintains a staffing level at 16.4 regular full-time equivalent positions (Table 6 and Figure 5). Marin Transit currently has no vacant positions.

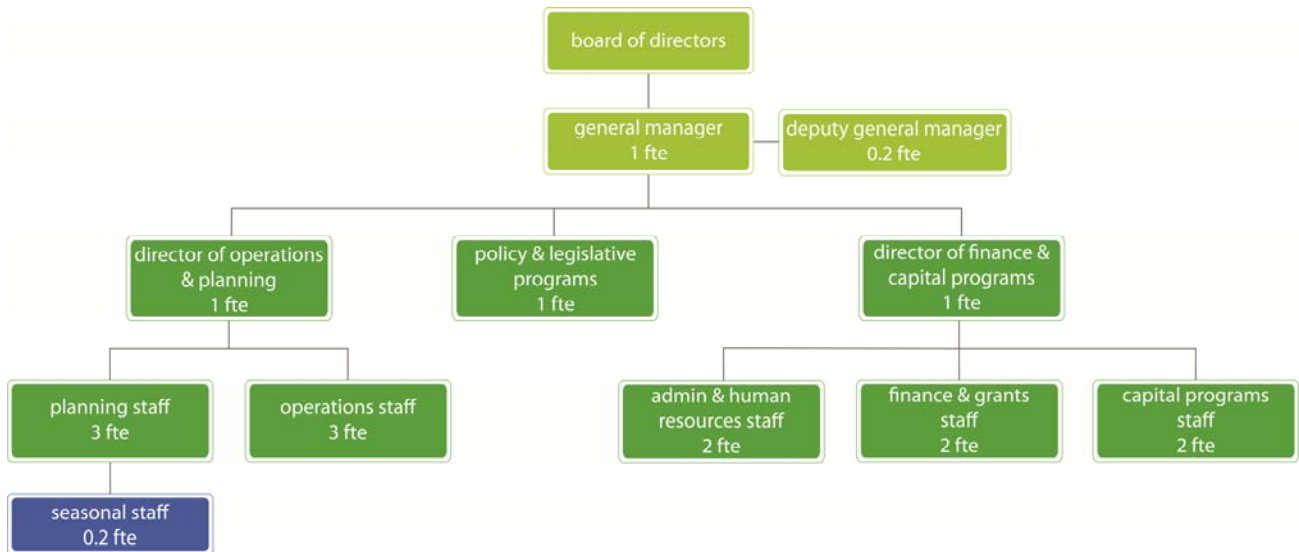
The FY2020/21 budgeted salary and benefits amount is the same as the prior year budget. Benefit costs are on a calendar year and health insurance benefit rates increased 8.3% in 2020. There is capacity in the budget to accommodate some benefit rate adjustments in 2021 and salary increases.

Based on the District’s employment framework, top and bottom of the salary ranges for each classification can be increased by the consumer price index (CPI)² as of February of each year. For this year, CPI was 2.9% in February. However, with the current economic uncertainties due to the COVID-19 pandemic, Marin Transit will not increase salary bands this year.

Table 6: Personnel Counts (FTE)

	FY 2018/19	FY 2019/20	FY2020/21
Budget	16.4	16.4	16.4
Actual	15.1	15.2	

Figure 5: Marin Transit FY 2020/21 Organization Structure



Fuel

Marin Transit pays directly for fuel used in all purchased transportation contracts. This structure shifts the risks for fuel price fluctuations to the District. In exchange, the contractors provide lower contract rates as they do not need to hedge against potential fuel price increases.

The method for purchasing fuel varies among contracts depending on the volume of service, existing infrastructure, and location of service. GGBHTD maintains its own fuel contract and delivery system. Two contractors fuel their vehicles at the County of Marin facility, and a fourth contractor uses a combination of commercial pumps and onsite

² Bay Area CPI February 2019 – 2.9%, bls.com

delivery. In general, the bulk contract purchases by the County of Marin and GGBHTD provide a lower cost per gallon and result in a delayed market effect. As the District identifies future facility locations, the potential for fuel savings should be considered.

After the District's fuel expenses increased 17% in FY 2018/19, fuel prices were stable in the first half of FY2019/20 and then fell dramatically with as global demand plummeted. The FY2020/21 budget includes an 8% increase over the prior year budget. With prices down 25% and Marin Transit operating less demand-based services, it is unlikely this full budget will be needed.

The budget also includes electric power costs for the District's electric buses. The electric power costs are segmented from GGBHTD's San Rafael maintenance yard based on GGBHTD's electric rate structure and vehicle charging reports. The budgeted cost for electric power is \$5,000 per month. Vehicles are charged overnight during off-peak hours to reduce utility demand charges.

Administration

Expenses in the administration budget include: staff salaries and benefits, audit fees, insurance, travel costs, professional development expenses, office rental, and other associated costs. In anticipation of reduced revenues, in the FY 2020/21 Budget many administrative line item budgets, like salaries, office supplies, and equipment were not increased. In some cases where the District has been frequently under budget, the budgets have been reduced. This excludes line items tied to multi-year contracts that increase annually like the administrative office lease and auditing services. Marin Transit's current office lease began in June 2018 and extends for five years, through June 2023.

The administration budget (Table 7) includes revenues and expenses shared by all program areas. While these items are budgeted and recorded under administration, expenses are allocated to the program budgets based on a program's resource usage (i.e., billed staff time). This enables Marin Transit to track the full cost of programs.

Table 7: Administration Budget

		FY 2019 Actuals	FY2020 Budget- Revised	FY 2020 Estimated Actuals	FY2021 Budget	% Δ From FY 2020 Budget
Revenue						
4070400	Interest	198,694	150,700	250,736	200,700	33%
4079950	Development Fees	20,494	19,950	22,769	20,500	3%
4079954	Residual ABX 126	28,293	20,000	28,000	25,000	25%
4080101	PropTax-CurrntSecured	4,020,242	4,106,048	4,186,896	4,200,000	2%
4080102	County Fee-Admin Basic Tax	(61,406)	(64,562)	(61,406)	(66,499)	3%
4080103	Property Tax-Unitary	38,901	36,050	39,064	39,000	8%
4080104	PropTax-CurrntUnSecur	73,364	75,000	80,000	80,000	7%
4080105	Educ Rev Augm Fund-Redist	388,770	380,000	338,494	120,000	-68%
4080106	PropTax-Supp CY SECR	91,711	90,000	91,500	90,000	0%
4080107	PropTax-Supp Unsecured	791	1,000	3,582	1,000	0%
4080108	PropTax-Redemption	2,693	1,500	3,226	2,000	33%
4080109	Property Tax-Prior Unsecured	2,891	3,968	5,816	5,500	39%
4089901	Other Federal	152	-	152	150	-
4119940	Other State	284	300	239	300	0%
Subtotal Revenue		4,805,874	4,819,954	4,989,068	4,717,651	4%
4700001	Property Tax Transfer	(554,339)	(852,865)	(1,300,000)	(4,495,075)	52%
Net Revenue		4,251,535	3,967,089	3,689,068	222,576	-7%
Expense						
5010200	Salaries	1,462,869	1,710,720	1,577,052	1,710,720	0%
5020000	Benefits	863,179	964,280	811,403	964,280	0%
5030301	Consultant Services	102,200	184,750	112,818	225,000	22%
5030304	Prof Svcs - Legal	74,552	150,000	11,743	75,000	-50%
5030305	Prof Svcs - Audit	30,011	34,189	34,189	35,898	5%
5049901	Office Supplies	-	13,000	6,940	13,000	0%
5049902	Small Furn/Equip	7,471	10,000	840	10,000	0%
5049903	Software Maintenance	4,230	61,800	60,960	65,000	5%
5049904	Copier Suppl & Srvc	59,386	9,442	8,672	9,725	3%
5049905	Postage	8,276	3,183	2,176	3,278	3%
5049906	Computers	1,025	20,600	12,000	21,500	4%
5050201	Communication - Phone	16,184	32,167	24,047	32,500	1%
5060301	Insurance - Gen Liability	24,931	40,000	47,662	63,000	58%
5090101	Memberships & Prof Dev.	36,166	63,654	27,664	52,318	-18%
5090202	Mileage and Travel	23,223	24,401	16,766	25,000	2%
5090801	Marketing	12,644	13,113	18,061	13,506	3%
5100401	County Fee - Special District	8,938	2,652	-	-	-100%
5121200	Office Rental	126,723	141,110	138,000	142,000	1%
Subtotal Expense		2,862,008	3,479,061	2,910,993	3,461,725	0%
5100100	Salary/Benefit Transfers	(2,257,540)	(2,514,176)	(2,307,481)	(2,497,265)	-1%
5100101	Transfer Overhead	(450,733)	(589,463)	(604,129)	(629,039)	7%
Net Expense		153,735	375,422	(617)	335,421	-11%

Local Service

The local service budget for FY 2020/21 is \$23.7 million and provides for a similar level of service as the prior year budget. It represents a 6% increase over the prior year expenditures (Table 8).

The local service budget (Table 9) includes all revenues and expenses related to the provision of fixed route service and general purpose dial-a-ride, excluding rural service. Major programs in the local service budget include local fixed route, Community Shuttle service, supplemental school, Muir Woods seasonal shuttle, and Novato Dial-A-Ride. In the prior year, revenues and expenses for yellow bus service were included in the local service budget. Other major expenses in the local service budget include: consultant services for stop-level ride checks, service contract audits and reviews, communications, marketing, and staff time for contract oversight. This budget also includes costs and revenues for special projects such as the youth pass, and Homeward Bound tickets.

Services are operated under contract to Marin Airporter (Local basic and Community Shuttles) and MV Transportation (Supplemental School and Muir Woods Shuttle), and Whistlestop (Novato Dial-A-Ride). Local Basic and Trunk line services are also operated through an intra-agency agreement with the Golden Gate Bridge Highway and Transportation District (GGBHTD). The intra-agency agreement also includes revenue sharing and the payment of GGBHTD for customer service and maintenance and security at the San Rafael Transit Center.

Supplemental school service was suspended in March and the District cancelled service to Muir Woods on March 21, 2020 due to the closure of the National Monument. Both services are operated by MV Transportation. With the reduction in hours on the MV Transportation contract, Marin Transit's required hourly payment for services declined. Marin Transit continues to pay the full fixed fee payment, and as of April 1, 2020, Marin Transit executed a contract amendment with MV Transportation to help retain workers by allowing for the payment of administrative leave and wages for drivers and other hourly employees. Marin Transit will pay MV Transportation for planned service hours through June 30, 2020. These new contract terms were made possible by the availability of Federal CARES Act funding. To date, Marin Transit has maintained the remaining fixed route service to allow for social distancing, and subject to driver availability on the service operated by Golden Gate Bridge Highway and Transportation District.

If the social distancing measures continue and/or if service demand changes, Marin Transit will need to evaluate if service levels need to be adjusted. Decisions will be dependent on whether additional Federal CARES Act funding has been allocated to the District, rural communities' needs, and anticipated service levels over the next 12 months.

Table 8: Local Budget Service Levels

Service Type	FY 2020/21 Budgeted Service (Rev Hrs)	Average Contract Cost Per Hour (without fuel)	Notes
Local Basic and Trunk Line	114,800	\$112.21	Service level similar to prior year; service provide by two contractors; blended contract rate increases 2.3%
Community Shuttles	43,600	\$80.58	Service level similar to prior year; contract rate increases 2.8%
Supplemental School and Partnership	6,700	\$121.90	Service level similar to prior year with additional hours available to reduce over-crowding; contract rate increases 4.8%
Muir Woods Shuttle	6,500	\$132.20	Slightly reduced service; contract rate increases 3.8%
Novato Dial-A-Ride	2,600	\$70.60	Contract rate increases 4.4%

Local service is funded with a combination of fare revenue, advertising revenue, Measure A/AA local sales tax funds, Transportation Development Act (TDA), State Transit Assistance (STA), and federal grants. Measure AA sales tax funds in the local budget include both sub-strategy 4.1 Local Bus funding and sub-strategy 4.4 - School Service funds for providing supplemental school service to middle and high schools. Total local sales tax revenues budgeted for local service are \$9.5 million and 42% of budgeted revenues for local service. This is a similar level to the FY2019/20 budget, but a drop from FY 2017/18 budget.

State operations funding from Transportation Development Act (TDA) and STA decrease significantly in FY2020/21. State funds are 23% of the local budget, down from 36% in the prior year budget. Fare revenues are budgeted to decline 27% from the FY2019/20 budget and fares paid by other agencies (College of Marin, National Park Service, etc) on behalf of riders are budgeted to decline 8%. If the College of Marin does not hold in-person classes these fares will decline more significantly.

Marin Transit also provides two major fare subsidy programs that reduce fare revenue. These are the youth pass program for free fixed route transit to low income youth and Homeward Bound that provides free fixed route transit to people participating in County programs.

The overall fare revenue losses are offset by \$3.0 million of Federal Section 5307 CARES Act funding. In addition, the budget includes the expenditure of \$1.5 million of property tax revenue which in past years, the District has not needed for operations costs.

Figure 6: Local Revenue Service Hours by Program

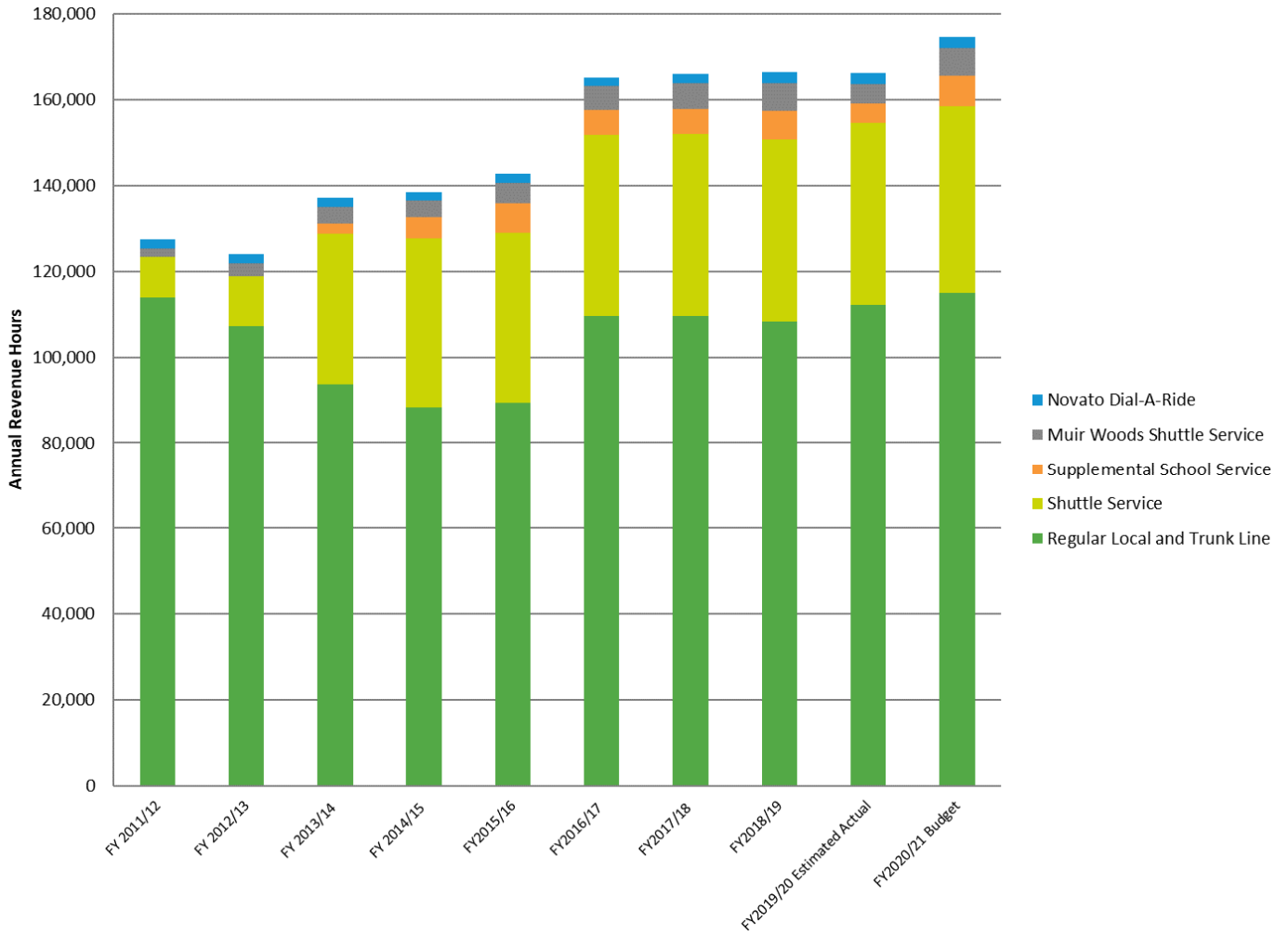


Table 9: Local Service Budget

		FY 2019 Actual	FY2020 Budget- Revised	FY 2020 Estimated Actuals	FY2021 Budget	% Δ From FY 2020 Budget
Revenue						
4060301	Advertising Revenue	240,960	258,000	245,072	265,740	3%
4070301	Lease of Property	149,133	150,000	158,828	154,500	3%
4092001	Measure A Sales Tax	9,822,215	6,201,178	1,699,572	565,432	-91%
4092003	Measure A Sales tax - Interest	85,000	0	85,000	0	-
4092005	Measure AA Sales Tax	0	3,918,821	7,825,000	8,899,994	127%
4110101	State Transit Assistance (STA)	1,738,330	1,924,541	1,635,059	1,538,871	-20%
4110102	Transit Development Act (TDA)	5,109,399	5,836,446	5,784,078	3,817,097	-35%
4110103	STA - Lifeline	0	391,151	391,151	0	-100%
4119904	State -LCTOP	335,795	0	0	0	-
4139910	Fed-FTA 5307	0	0	0	70,520	-
4139912	Fed-FTA 5307 CARES	0	0	699,037	3,000,000	-
4139951	National Park Service	323,371	452,570	387,400	538,588	19%
4140100	Fare Revenue	2,414,173	2,439,800	1,897,376	1,786,534	-27%
4020000	Special Fares - Paid by Agency	686,293	701,250	524,860	646,250	-8%
Subtotal Revenue		20,906,394	22,273,757	21,332,433	21,283,526	-4%
4700001	Property Tax Transfer	-	68,950	800,000	1,500,000	2075%
4700002	Program Revenue Transfer	81,326	80,000	80,950	80,000	0%
Total Revenue		20,987,720	22,422,707	22,213,383	22,863,526	2%
Expense						
5030301	Consultant Services	288,777	210,000	37,970	210,000	0%
5030310	Fare Processing Charges	12,236	17,000	13,648	17,510	3%
5030320	Customer Service	246,378	300,000	317,740	330,000	10%
5030602	Custodial Service	1,698,478	21,954	16,072	22,613	3%
5030701	Security Services	7,022	280,000	294,040	287,560	3%
5040101	Fuel	2,819	1,737,000	1,715,696	1,852,562	7%
5040160	Electrical Power	50	49,200	29,650	60,000	22%
5049902	Small Equipment	0	5,000	4,538	5,000	0%
5049904	Software	0	30,000	39,000	42,000	40%
5049911	COVID-19 Supplies and Cleaning	0	0	120,000	300,000	-
5050205	Communication	4,601	112,127	39,282	114,740	2%
5080101	Purchased Transportation	16,901,437	17,812,316	17,471,899	18,315,607	3%
5090801	Marketing	67,090	95,707	90,889	98,403	3%
5100404	Expense Transfer - GGT Wave	85,000	0	85,000	0	-
Subtotal Expense		19,313,888	20,670,304	20,275,424	21,655,995	5%
5100100	Salary/Benefit Transfers	1,302,319	1,477,231	1,537,989	1,589,698	8%
5100101	Overhead Transfer	260,109	275,172	413,565	422,368	53%
Total Expense		20,876,316	22,422,707	22,226,978	23,668,061	6%

Yellow Bus Service

The yellow bus program for FY2020/21 has many unknowns for the next school year as schools were closed in FY2019/20 due to response to the COVID-19 pandemic. Many schools are discussing schedule changes and, if social distancing continues to be necessary, it could impact the number of students allowed on vehicles.

The FY2020/21 budget includes revenue and expenses associated with the operations of following components:

- (A) Operation of the Ross Valley yellow bus program at services levels similar to prior years
- (B) Operations oversight for Reed Union
- (C) Distribution of Measure AA funding to existing Marin County Yellow Bus Programs; and
- (D) General staffing support for the development of yellow bus services in Marin County

In prior years, Marin Transit staff provided operations support to the Mill Valley Yellow bus program. The City of Mill Valley has not made a final decision, but due to funding limitations, the program is expected to be suspended in FY2020/21. Marin Transit staff will be available to resume program support if funding becomes available.

(A) Management of the Ross Valley yellow bus program - In FY 2020/21 Marin Transit will continue to manage operations, service contracts, and pass sales for six yellow buses serving Ross Valley schools. Annually, Marin Transit makes several assumptions to develop the budget and price the passes for the upcoming school year. These assumptions include pass sales and contributions from other local agency partners such as the County of Marin, the Town of San Anselmo, and the Town of Fairfax. Since Marin Transit holds the contract with the service provider, the District bears the risk should any of these assumptions fall short of expectation.

With the suspension of service in FY2019/20, Marin Transit refunded pro-rated pass payments. Carryforward funding is available because contract payments were not required for mid-March through the end of the school year. These funds will be used in the FY2020/21 budget to maintain the lowest pass prices possible and to allow for driver retention incentives.

(B) Operations oversight for Reed Union School District - Marin Transit will continue to provide operations oversight for the Reed Union yellow bus program. Tiburon Traffic Relief Joint Powers Authority (JPA) manages the program and pays Marin Transit directly for services and staff time to help manage their yellow bus service. Services included in the budget are shown in Table 10.

(C) Distribution of Measure AA funding to existing Marin County yellow bus programs - With the passage of Measure AA, a new sub-strategy for school transportation was established. Marin Transit is not receiving new funding, but funding that was previously in the Local Transit and Capital Funding sub-strategies now make up the new sub-strategy. Marin Transit has always spent Measure A sales tax on school transportation, including supplemental school service, the youth pass program and bus service to Ross Valley schools.

Although sales tax revenues are expected to decrease sharply in FY2020/21, TAM was able to allocate a similar level of Measure AA funding using reserves. This allocation will allow Marin Transit to distribute funding to schools with eligible school transportation programs at the same level as FY2019/20. There will be no increases in the funding

amount distributed and the anticipated loss of the Mill Valley program will provide some additional reserve funding. If sales tax revenues do not recover, funding may need to be decreased in the FY2021/21 budget cycle.

The original funding levels were developed based guidance from an ad hoc school transportation committee of the Marin Transit Board that was established in 2016 and subsequently met 13 times in two years to discuss school transportation needs. Guidance from this task force ultimately resulted in Board approval of the distribution of \$600,000 of Measure AA funds to five existing regular home to school yellow bus programs in Marin County. Programs were selected based on threshold criteria and establishment of a distribution formula based on pass price subsidy and number of passes sold. This amount is the base amount and remains set for three years beginning in FY 2019/20. The base amount is adjusted annually for Marin County sales tax growth. The program funding amount may also be adjusted if a program’s service level is reduced by more than 20 percent.

Table 10: Yellow School Bus FY 2020/21 Budgeted Program

	Ross Valley School District	Mill Valley School District (no operation anticipated for FY20)	Reed Union School District	San Rafael Elementary School District	Dixie School District
Program Structure					
Does Marin Transit directly contract with a yellow bus operator?	Yes	No	No	No	No
Contract Type	Marin Transit owns contract with service provider	Marin Transit provides Operational Support	Marin Transit provides Operational Support	None	None
Service Provider	Michael's Transportation	Michael's Transportation	First Student	First Student	Self-performs
FY 2017/18 Program Data					
Number of Buses	6	2	7	12	6
Number of Schools Served	3	3	3	8	4
One-way Passes	1,013	214	1,316	2,792	605
FY 2020/21 Measure AA Distribution					
Formula Results	\$162,956	\$25,279	\$135,877	\$232,085	\$42,244

(D) General staffing support for the development of yellow bus service in Marin County- Marin Transit will continue to document need, facilitate and provide planning support for new service, and help develop and sustain yellow bus service in Marin County.

Table 11: Yellow School Bus Service Budget

		FY 2019 Actual	FY2020 Budget- Revised	FY 2020 Estimated Actuals	FY2021 Budget	% Δ from FY 2020 Budget
Revenue						
4030000	Yellow Bus Fares- Paid By Other	145,000	151,000	151,000	151,000	0%
4090101	Local Government Payments	108,425	106,550	89,461	106,483	0%
4092001	Measure A Sales Tax	261,467	0	0	0	-
4092005	Measure AA Sales Tax	0	600,000	598,441	600,000	0%
4140105	Fare Revenue - Yellow Bus	354,831	441,937	296,966	422,665	-4%
Subtotal Revenue		869,723	1,299,487	1,135,868	1,280,148	-1%
4700001	Property Tax Transfer	0	31,326	0	19,668	-37%
Total Revenue		869,723	1,330,813	1,135,868	1,299,816	-2%
Expense						
5030301	Consultant Services	31,649	0	2,705	0	-
5030310	Fare Processing Charges	9,461	18,107	12,331	18,650	3%
5030602	Custodial Service	1,791	1,900	1,520	1,957	3%
5049902	Small Furn/Equip	572	4,750	272	1,800	-62%
5049903	Software	447	0	800	0	-
5050205	Communication-AVL	6,094	15,390	0	15,852	3%
5050206	Communication-Data	8,633	9,500	9,500	9,785	3%
5080103	Yellow Bus School Service	619,009	642,967	426,564	662,256	3%
5090801	Marketing	85	4,000	387	3,000	-25%
5098050	Grants to Yellow Bus Programs	0	405,485	435,485	435,485	7%
5120401	Leases and Rentals	26,378	24,730	19,784	25,472	3%
Subtotal Expense		704,119	1,126,829	909,348	1,174,257	4%
5100100	Salary/Benefit Transfers	138,037	156,840	91,922	101,681	-35%
5100101	Transfer Overhead	27,566	47,144	24,718	29,905	-37%
Total Expenses		869,722	1,330,813	1,025,988	1,305,843	-2%

Rural Service

Rural service is operated as the West Marin Stagecoach (Stagecoach), and includes northern Route 68, southern Route 61, and the rural Dial-A-Ride program. The West Marin Stagecoach, Routes 68 and 61, is operated under contract with MV Transportation. The rural Dial-A-Ride service is operated by Marin Transit’s paratransit contractor, Whistlestop.

Since most of the Rural service provides lifeline connections to rural communities, these services are continuing to operate during the shelter in place order. The Stage has continued to operate most scheduled hours under Marin County’s shelter and place order. Seasonal schedules with additional hours for recreational trips, have not been operated. Dial-A-Ride services have been suspended. Under the April 1, 2020 contract amendment (see Local Service), Marin Transit will pay MV Transportation and Whistlestop for scheduled hours to help retain workers. These new contract terms are effective until June 30, 2020 and were made possible by the availability of Federal CARES Act funding.

The FY2020/21 budget does not reduce rural service levels (Table 12). The FY 2019/20 rural budget will fund a similar level of Stagecoach service as the prior year and includes 16,400 fixed route revenue hours. The solid green bar in Figure 7 shows that this is the sixth (6th) year of expanded service on Stagecoach. Ridership has grown with the expanded service and may have leveled out now that the service has been in place for several years.

The Dial-A-Ride includes one round trip per week from Tomales and Dillon Beach to Petaluma and two round trips per month from Point Reyes to Novato.

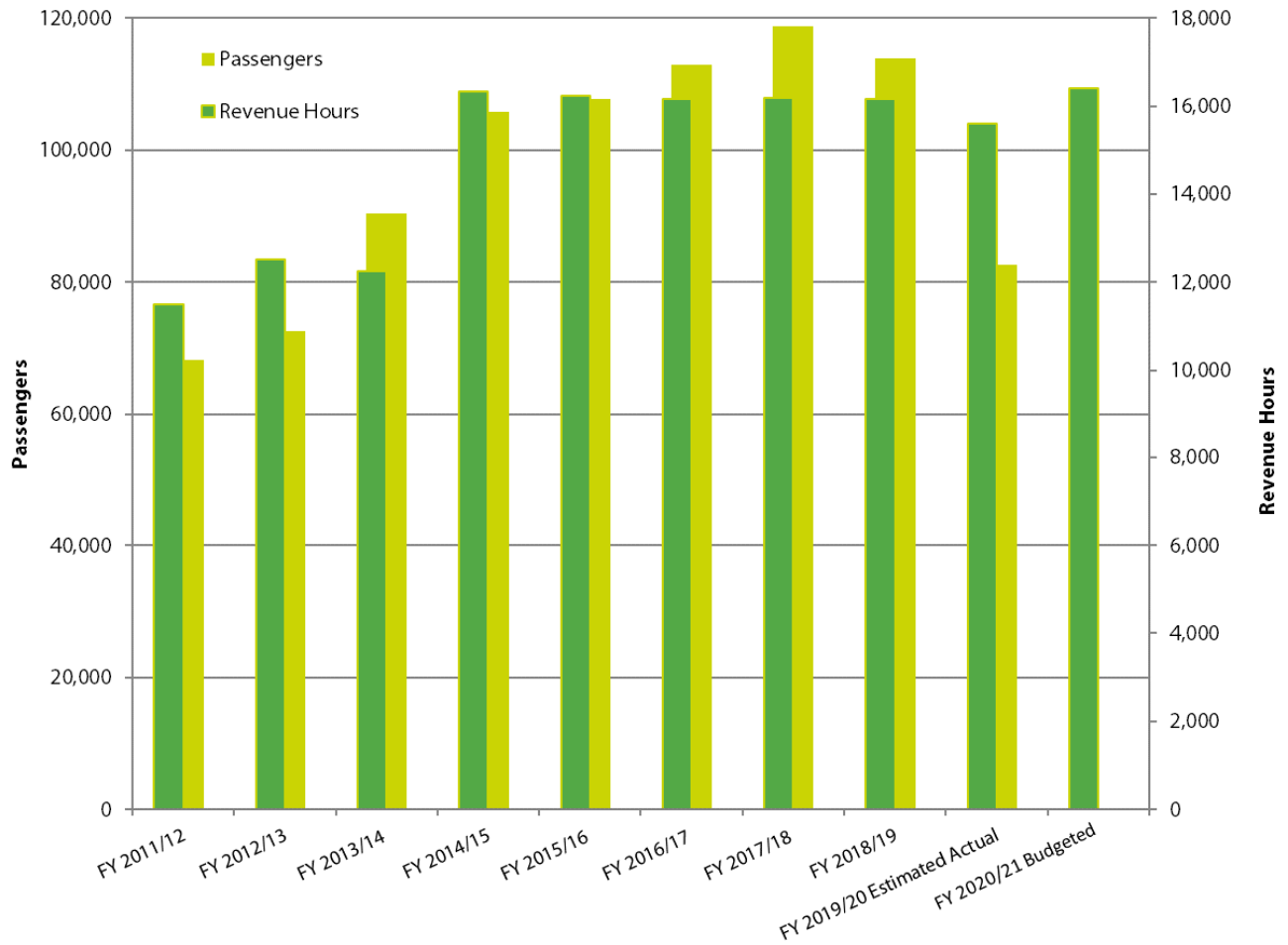
Maintaining the budgeted service levels will allow for the restoration of seasonal service and Dial-A-Ride when it is warranted. If the social distancing measures continue and/or if service demand does not recover quickly, Marin Transit will need to evaluate if service levels and associated staffing levels should be adjusted. Decisions will be dependent on whether additional Federal CARES act funding has been allocated to the District, what the rural communities needs are and what service is anticipated to be over the next 12 months.

Table 12: Rural Budget Service Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
West Marin Stagecoach	16,400	\$92.03	Service level similar to prior year
Rural Dial-A-Ride	400	\$61.34	Similar level of service with service twice a month between Point Reyes and Novato

The rural service budget (Table 13) includes contract service operations, marketing, fuel, communications, and Marin Transit staff expenses. While service levels have not changed, ridership and associated fare revenue has dropped by 33%.

Figure 7: Rural Service Level and Ridership Trends



Rural service is funded with a combination of local sales tax funds and Federal Transit Administration (FTA) Section 5311 rural funding. Marin Transit receives the same 3% annual allocation of local sales tax funds under Measure AA as Measure A. There is no longer carryforward funding in this strategy and a large allocation in the prior year decreased the available Measure AA revenue for FY2020/21.

Marin Transit does have Federal CARES Act funding to offset the anticipated drop in fare revenues and offset sales tax revenue declines.

Table 13: Rural Service Budget

		FY 2019 Actual	FY 2020 Budget	FY 2020 Estimated Actuals	FY 2021 Budget	% Δ from FY2020 Budget
Revenue						
4092001	Measure AA Sales Tax	990,000	174,580	0	27,059	-85%
4092005	Measure A Sales Tax	0	714,128	900,000	564,320	-21%
4139920	Fed-FTA 5311 Rural	215,088	213,885	231,638	220,302	3%
4139951	Fed-FTA CARES 5311	0	0	130,000	109,772	-
4140100	Fare Revenue	110,245	121,794	79,381	81,423	-33%
Subtotal Revenue		1,315,333	1,224,387	1,341,019	1,002,876	-18%
4700001	Property Tax Transfer	477,718	712,648	500,000	995,407	40%
Total Revenue		1,793,051	1,937,035	1,841,019	1,998,283	3%
Expense						
5030301	Consultant Services	5,399	15,000	6,812	15,450	3%
5040101	Fuel	208,435	230,000	219,585	241,500	5%
5049902	Small Equipment	165	0	263	5,000	-
5050205	Communication-AVL	7,572	16,409	27,512	17,652	8%
5050206	Communication-Data	831	1,061	831	1,093	3%
5080101	Purchased Transportation	1,435,669	1,482,772	1,466,171	1,535,051	4%
5090801	Marketing	7,397	33,138	10,340	34,132	3%
Subtotal Expense		1,665,468	1,778,380	1,731,514	1,849,878	4%
5100100	Salary/Benefit Transfers	106,346	121,987	91,124	109,503	-10%
5100101	Transfer Overhead	21,237	36,667	24,503	32,205	-12%
Total Expenses		1,793,051	1,937,034	1,847,141	1,991,586	3%

Marin Access (Paratransit and Mobility Management)

The Marin Access budget includes Marin Access paratransit services for both local and regional trips (intra- and inter-county) and associated costs for fuel, communications, and marketing. The Marin Access budget also includes Marin Transit’s Mobility Management services. The purpose of the Mobility Management efforts is to increase mobility for the County’s senior, disabled, and low-income residents and to help manage the increasing demand for paratransit services. The Mobility Management services (Table 14) include the Catch-A-Ride subsidized taxi program, a volunteer driver reimbursement program, the new “Marin Transit Connect” on demand service, Travel Navigators, and travel training.

Table 14: Marin Access Budget Service and Program Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
Local Paratransit	60,400	\$64.22 ¹	Budgeted hours are reduced 5% from prior year budget to reflect pre-COVID service demand (pre-COVID).
Regional Paratransit	7,400	\$106.1 ²	Budgeted hours are reduced to reflect pre-COVID service demand
Transit Connect (Pilot)	8,500	\$64.22	Same day accessible service with limited service area near the 101 Corridor in Marin County

Service/Program	Service Level (Projected Ridership)	Funding Level	Notes
Catch A Ride	14,300	\$460,000	Funded with Measure B
Volunteer Driver	14,000	\$130,000	Program at similar service level with additional funds to provide program support and develop community-based volunteer driver programs
Innovation Incubator / Gap Grants	NA	\$60,000	Support to external agencies for innovation projects
Low Income Fare Assistance Program	NA	\$30,000	Provides fare assistance for low-income riders. Fare assistance is funded with Measure B. Funding level is based on current expenditure level.

Notes:

- 1) This is the effective rate at the projected service level. Actual costs are billed as a fixed monthly administrative cost with a \$41.34 hourly rate.
- 2) This is the effective rate at the projected service level. Actual costs are billed as a fixed monthly administrative cost with a \$47.69 hourly rate.

The FY 2020/21 budget for Marin Access (Table 15) is \$7.8 million, which funds the service and programs shown in Table 14 and is a 5% increase over the prior year budget. The budget provides for local paratransit service levels based on service demand before the start of the shelter in place order and are 5% below the prior year budget. The budget also includes the Marin Transit Connect pilot program that is testing on demand, accessible transit service.

Mobility Access initiatives in the FY 2020/21 budget include:

- Adjust mobility management services to reflect changes in community needs due to the COVID-19 pandemic;
- Implement a modified Marin Transit Connect program using the UBER platform to provide accessible same-day transportation service available to the general public within a limited geographic area;
- Implement adopted fare changes designed to make fares and subsidy levels commensurate with services and maximize social equity;
- Expand fare assistance for those with limited incomes to ensure that those with financial barriers have access to a variety of mobility options;
- Explore additional opportunities to provide gap grant funding to agencies or organizations frequently served by Marin Access Transportation Services to improve the user experience;
- Evaluate current travel training efforts and expanding the program to include a volunteer travel ambassador program and eligible rider orientation sessions;
- Continue development of resources to assist local traditional volunteer driver programs;
- Conduct outreach in venues easily accessible and commonly frequented by older adults and people with disabilities; and
- Improve coordination between human service agencies and transportation providers.

Any proposed new Mobility Management programs will be considered for approval by the Marin Transit Board.

Marin Transit provides free fixed route tickets valued at \$80,000 to Marin County's Homeward Bound program for participating residents. The cost of this program is represented as a revenue transfer from the Marin Access program to the local program.

Table 15: Marin Access Budget

		FY 2019 Actual	FY2020 Budget- Revised	FY 2020 Estimated Actuals	FY2021 Budget	% Δ From FY 2020 Budget
Revenue						
4092001	Measure A Sales Tax	2,386,318	523,739	0	134,574	-74%
4092005	Measure AA Sales Tax	0	2,275,056	2,800,000	1,930,923	-15%
4099950	Measure B	991,414	1,245,000	889,597	1,075,000	-14%
4110101	State Transit Assistance	103,372	60,000	60,000	60,000	0%
4119910	State Prop Tx Relief HOPTR	18,779	18,500	15,000	16,000	-14%
4139910	Fed-FTA 5307 Urbanized Area Formula	715,573	687,028	687,028	697,574	2%
4139914	Fed-FTA 5307 CARES Act	0	0	0	1,500,000	-
4139915	Fed-FTA 5310 Mobility	486,487	437,500	398,393	115,120	-74%
4140100	Fare Revenue	313,834	305,000	239,151	342,960	12%
4601001	Misc.-Reimbursement	3,003	0	0	0	-
4601003	GGBHTD – Local Paratransit Payment	1,054,043	1,145,995	1,099,178	1,148,187	0%
4601004	GGBHTD – Regional Paratransit Payment	767,416	845,018	773,321	819,586	-3%
Subtotal Revenue		6,840,239	7,542,836	6,961,668	7,839,924	4%
4700001	Property Tax Transfer	0	38,541	0	80,000	108%
4700002	Program Revenue Transfer	(81,326)	(80,000)	(80,950)	(80,000)	0%
Total Revenue		6,758,913	7,501,377	6,880,718	7,839,924	5%
Expense						
5030301	Consultant Services	29,377	96,171	42,216	63,000	-34%
5030310	Fare Processing Charges	801	2,000	654	0	-100%
5030320	Customer Service	308,172	351,950	328,037	329,555	-6%
5040101	Fuel	607,565	647,094	583,788	666,271	3%
5049902	Small Furn/Equip	0	0	863	5,000	-
5049903	Software	0	101,034	134,191	183,315	81%
5049911	COVID-Supplies and Cleaning	0	0	18,769	75,076	-
5050203	Communication- Mobile Data Terminal	55,141	5,000	0	0	-100%
5050204	Communication-MERA Radio	22,744	20,969	20,291	21,598	3%
5050206	Communication-Data	14,988	15,000	13,790	15,450	3%
5080101	Purchased Transportation - In Report	4,541,478	4,878,268	4,504,928	5,144,938	5%
5080102	Purchased Transportation - Regional	747,161	814,780	727,269	785,074	-4%
5090801	Marketing	33,165	100,850	33,792	50,000	-50%
5098001	Misc-Exp Transit User Training	1,019	9,800	11,600	12,000	22%
5098002	Gap Grant	6,325	20,000	1,200	60,000	200%
Subtotal		6,367,936	7,062,916	6,421,388	7,411,277	5%
5100100	Salary/Benefit Transfers	326,007	358,697	294,496	312,866	-13%
5100101	Transfer Overhead	64,970	104,764	79,190	92,015	-12%
Total Expense		6,758,913	7,526,377	6,795,074	7,816,158	4%

Paratransit

Marin Access paratransit service provides demand-response trips to passengers certified as unable to use the fixed route system either all or some of the time. This includes trips mandated under the Americans with Disabilities Act (ADA) federal law as well as trips that go beyond the ADA requirements. This service and a regional service managed on behalf of GGBHTD are operated under contract by Whistlestop.

The COVID-19 pandemic has severely impacted paratransit demand. Since mid-March ridership has been 80% less than historic levels. The need to continue social distancing may continue to deter Marin Access passengers from traveling in FY2020/21.

The paratransit contract includes both a fixed monthly fee and a variable rate based on the number of hours operated. In April, Marin Transit signed a contract amendment designed to help retain workers. It included:

- Authorizing the reduction of riders per vehicles;
- Authorizing the use of vehicles and service hours to make deliveries to paratransit riders; and
- Payment for contract hours up to historic levels to allow for the payment of administrative leave and wages for drivers and other hourly employees.

These new contract terms are effective until June 30, 2020 and were made possible by the availability of Federal CARES Act funding. The current budget would allow for the return to the operation of more typical service demand. If social distancing measures continue and/or if service demand does not recover quickly, Marin Transit will need to evaluate how to ensure Whistlestop is able to retain staffing to provide services when they are again needed.

Regional paratransit continues to experience a decline in requests for mandated trips in FY 2019/20. This decline may continue to be compounded by decreased demand from the shelter in place order and ongoing need for social distancing. The FY 2020/21 budget includes 7,400 revenue hours for regional paratransit service.

The budget includes other related program costs such as scheduling software, operation of on-vehicle equipment, and fuel. A Marin Access consulting budget is available for information technology costs related to hosting software and for evaluating the Marin Transit Connect pilot program.

Marin Transit purchases fuel directly from the County of Marin for the paratransit program. The FY 2020/21 fuel budget allows for 5% price increase over the prior year. Based on current market prices it is unlikely the full fuel budget will be needed.

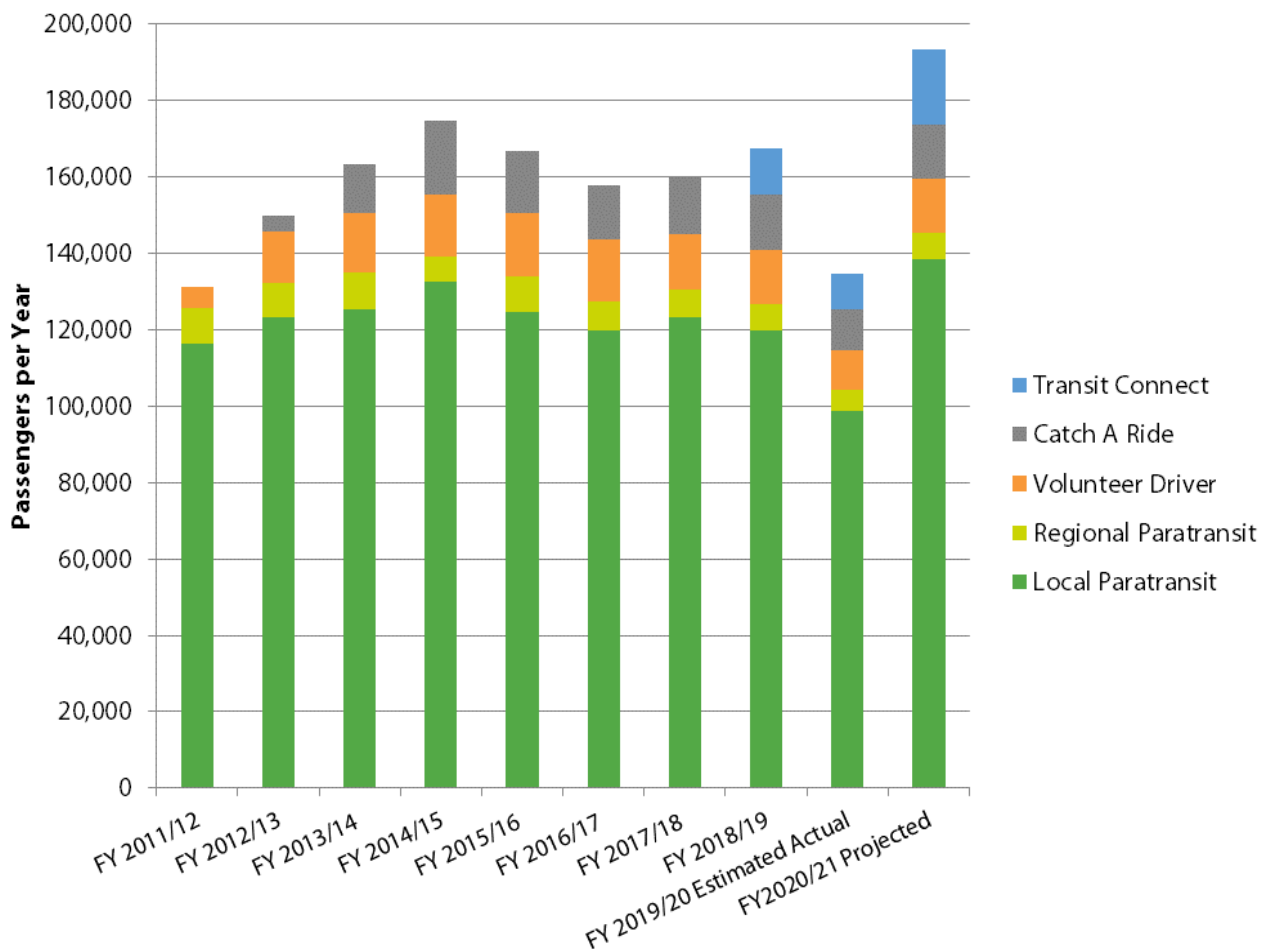
Mobility Management

Marin Transit established the Mobility Management Office in 2009, with initial funding from a Federal New Freedom Grant. The program has continued to receive Federal Section 5310 grants to fund staffing costs. Marin Transit established the Marin Access Mobility Management Center (Travel Navigator program) in 2010, as a one-stop-shop for information and eligibility on all Marin Access programs. The Mobility Management Center serves as an umbrella for paratransit, volunteer driver, a subsidized taxi program (Catch-A-Ride), and travel training. Travel training

activities include local informational presentations and individualized travel training. There are currently three full-time Travel Navigators and one full-time Travel Navigator Supervisor.

Riders with disabilities and those who are aging have a diverse set of mobility needs and not all riders require paratransit to travel. Marin Transit recognizes this and instead of offering paratransit as the only alternative to fixed route the District has been successful in implementing a mobility management approach that matches riders with the most efficient and attractive option for both the rider and provider. As Marin Transit expands the mobility management program, staff are looking to provide lower cost options to riders that also provide more flexibility to a diverse population. Moving forward, the District recognizes the mobility management program as an opportunity to test new partnerships and incorporate additional non-profit or private transportation providers to increase mobility and contain costs.

Figure 8: Marin Access Passengers by Program



The COVID-19 pandemic has severely impacted Catch A Ride and Volunteer Driver program demand; ridership since April 2020 has been 80% less than historic levels. The need to continue social distancing may continue to deter Marin Access passengers from traveling in FY2020/21. In particular, the volunteer driver programs may see a longer term decline as these trips provide less opportunity to maintain social distancing. The grant funded Transit Connect pilot program is projected to provide 54,900 passenger trips under a new phase of the pilot beginning July 1, 2020.

Marin Access Revenue

Marin Access programs are primarily funded by local sources including Measure AA, Measure B and property tax. Marin Access receives 9.5% of Measure AA sales tax revenue or around \$2.0 million per year. As of FY 2011/12, Marin Transit receives 35% of the Measure B vehicle license fee to support the mobility management initiatives. Marin Transit is budgeting \$1,075,000 of Measure B funding in FY 2020/21, which includes an estimated \$275,000 in unspent prior year allocations.

\$1.5 million in Federal Section 5307 CARES Act funding is programmed to Marin Access to help with paratransit costs in FY2020/21. With the likelihood of sustained drops in ridership, this funding will be critical to sustain programs until they are again needed for critical mobility for vulnerable populations, or allow the District time to evaluate how to redeploy resources.

Based on a fare study and SRTP recommendations, Marin Transit has restructured paratransit fares and other mobility management program fees to make fares and subsidy levels commensurate with the type of service offered. Fare revenue was anticipated to increase with the implementation of a 50% fare increase on paratransit and adjustments other mobility management programs. New distance-based fares on Transit Connect were already increasing fare revenue significantly. Prior projections were reduced by 80%. but the budget has a 12% increase in fares revenue. in makes up approximately 5% of the Marin Access budget. If ridership does not meet projections, fare revenue may be significantly under budget in FY2020/21.

In FY 2020/21, Marin Transit expects to expend the following state and federal grant awards for Marin Access:

<u>FY2020/21</u>	<u>Total Grant Award</u>	<u>Program</u>	<u>Source</u>
<u>Expenditure</u>			
\$50,000	\$300,000	Mobility Management – Additional Staffing	Federal Section 5310 FY15-17
\$65,120	\$130,240	Mobility Management – Additional Staffing	Federal Section 5310 FY18-19

GGBHTD pays for all costs related to regional paratransit along with their share of mandated local paratransit based on their share of transit in Marin County (currently 24%). As of FY 2015/16, GGBHTD directly reports the ridership, fares, and costs associated with their share of paratransit to the National Transit Database (NTD) and the State Controller’s Office.

Under the 2015 GGBHTD contract, Marin Transit’s share of Federal Transit Administration Section 5307 for Marin County paratransit operations increased from 50% to 80%. This source accounts for 10% of Marin Access revenue.

Facility Budget

The Facility Budget includes the lease revenue and property maintenance expenses for the District’s Rush Landing facility. Marin County Transit District complete the acquisition of 600 Rush Landing on January 29, 2020. The District took ownership of a site currently leased for vehicle storage for contract operations of the Rural, Seasonal and Supplemental School services. With the acquisition, Marin Transit took assignment of two existing property leases and a leaseback arrangement with the seller. One lease holder has taken an option to terminate their lease without penalties giving Marin Transit more access to vehicle parking at the site.

Revenues from remaining property leases are anticipated to exceed the property maintenance costs by approximately \$80,000 per year. The net income from the property leases will be from a federally funded property. As such, the federal share (80%) of the net income will be required to be spent on federal programs. Marin Transit will use a non-balancing fund for the associated budget, revenues, and expenditures for the Facility to allow for the clear identification of any net income. Net income will be allocated to federalized projects through the District’s annual budget process for capital projects.

All property maintenance expenses for 600 Rush Landing will be funded through the Facility Budget. Expenditures for more significant site improvements will be included as capital projects. A. Marin Transit has hired a property manager who serves as the primary contact with lease holders, and has responsibility for responding to lease holder concerns, collecting monthly lease payments, and managing building maintenance and utilities.

Table 16: Facility Budget

		FY 2020 Budget (6 months)	FY2020 Estimated Actuals	FY2020/21 Budget
Revenue				
4070302	Lease of Facility	164,277	97,049	173,808
Total Revenue		164,277	97,049	173,808
Expense				
5030301	Consultant Services	9,000	12,600	14,000
5030603	Custodial Service -Janitorial	5,000	2,000	10,000
5030650	Landscaping	2,500	1,000	5,000
5030701	Security Services	1,500	0	3,000
5040180	Utilities	6,834	17,100	34,200
5049902	Small Equipment	2,500	0	5,000
5060302	Insurance	2,500	2,600	5,200
Subtotal Expense		29,834	35,300	76,400
5100100	Salary/Benefit Transfers	5,925	7,680	12,000
5100101	Overhead Transfer	671	1,628	2,014
Total Expense		36,430	44,608	90,414

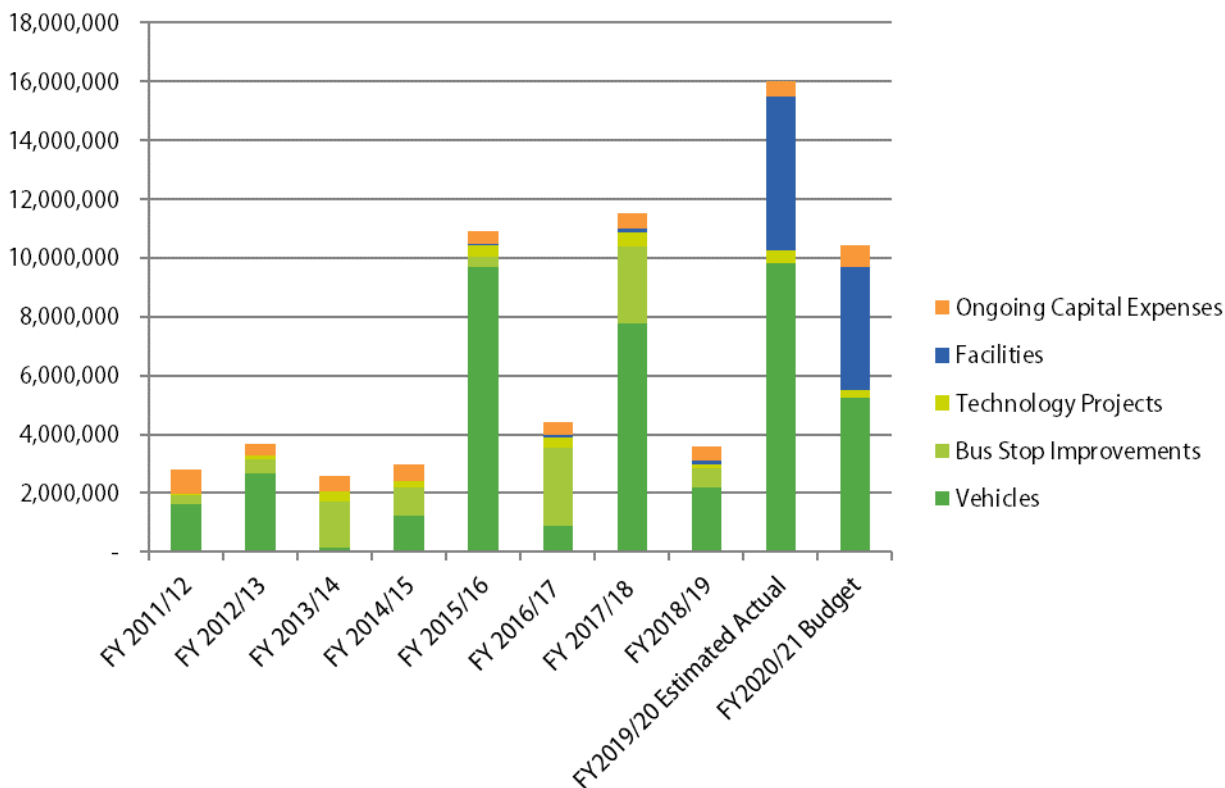
Capital Budget

Marin Transit’s annual capital budget (Table 17) of \$10.5 million provides funding for transit vehicles, bus stop improvements, transit technology projects, and other capital expenses. Figure 9 provides capital expenditures and budget by project type to show the significant variation in expenditures by year. Marin Transit successfully purchased a two-and-a-half-acre parcel (Rush Landing) in FY2020/21 with a federal discretionary Section 5339 grant. This purchase will provide vehicle parking and other facility opportunities, but the shortage of industrial parcels in Marin County prevented the District from purchase a parcel large enough to accommodate Marin Transit’s full parking and maintenance needs. Marin Transit will continue to look to purchase additional land in FY2020/21. Marin Transit will also implement facility improvements at Rush Landing, including installation of electric vehicle charging infrastructure and upgrades to the facilities such as fencing and lighting.

Capital expenditures are defined in the District’s fixed asset management policy. A “Fixed Asset” includes equipment, supplies and rolling stock with a unit purchase value of at least \$5,000 and a service life of more than one year. All projects that meet the requirements of the District’s fixed asset policy are capitalized and depreciated over the defined life of the associated asset type. Expenditures not meeting the District’s policy for capitalization will be included as operations expenses on financial statements.

In the FY 2020/21 budget 59% of capital project costs are funded by state and federal grants.

Figure 9: Capital Project Budget by Type



Vehicles

Purchase Four 40ft Low-floor Battery Electric Buses (EA) – Marin Transit will purchase four battery electric vehicles to replace 2 Articulated vehicles that are beyond their useful life. This is a seat for seat replacement that is federally funding with Section 5307 funds and a local match of State LCTOP funding. Marin Transit anticipates completing the procurement of the vehicles in FY2020/21 and putting the vehicles into service in FY2021/22.

Purchase Four 30ft XHF Rural Replacement Vehicles (XB) – Marin Transit submitted a purchase order for four 30ft XHFs to replace four 30ft cutaway vehicles to be used on rural stagecoach service. Marin Transit is upgrading this vehicle type from the cutaways because the XHFs have proven to be more reliable and sturdier on the steep grades and challenging roads of West Marin routes. The vehicle delivery was expected in FY2019/20 but is delayed until FY2020/21 due to factory closures from the COVID-19 pandemic.

Purchase 16 Paratransit Replacements (PC) – Marin Transit has purchased 15 cutaway paratransit vehicles to replace vehicles that are now beyond their useful life. These vehicles are expected to be delivered in FY2020/21. Marin Transit will work to replace the remaining additional vehicle with an electric van or shuttle.

Purchase Nine Shuttle Replacements (SC) – Marin Transit submitted a purchase order for nine cutaway vehicles to be used on the Fixed Route Shuttle program operated by Marin Airporter. These vehicles are replacing nine vehicles that have reached their useful lives. These vehicles are expected to be delivered in FY2020/21.

Purchase Two XHF Replacements (XC) – Marin Transit will purchase two 35ft XHFs for use primarily on the Muir Woods Shuttle service. These vehicles will replace two existing vehicles beyond their useful life. Marin Transit anticipates completing the procurement of the vehicles in FY 2020/21 and putting the vehicles in service in FY2021/22.

Staff Car (NR) – Marin Transit will purchase an electric staff car to replace the retired active vehicle.

Bus Stop Improvements

Novato Bus Stop Shelters (BN) – This project included as a future year project and is waiting for anticipated funding in the next cycle of MTC's lifeline program. Once funding is available, Marin Transit will purchase 6-8 shelters to replace existing advertising shelters that are out of contract in Novato. The new shelters will be lower maintenance with perforated metal walls instead of glass. Regular maintenance of the installed shelters is included in Bus Stop Maintenance.

Administrative and Operations Facilities

Facility Improvements (FS) – In FY2020, Marin Transit purchased right of way at 600 Rush Landing in Novato as part of a \$6.6 million project (FR) funded with \$4.4 million from a Federal Discretionary 5339 grant and Measure A matching funds. The remaining \$1.2 million on the project is for site improvements and has been moved to this new project. In this project, Marin Transit will use remaining funds to install enhanced fencing, lighting, and bus charging infrastructure.

Yellow Bus Parking Facility (YF)- The District currently leases a parking lot for 16 yellow buses but this lease is not available after June 2021. This project is for the purchase of a parking site for yellow buses and is funded with \$1.1 Million in Measure A interest and \$1.9 million in Capital Reserve Funding (prior year local property tax).

Technology Projects

AVL Replacement (AY) – This project will replace Mobile Data Terminals (MDTs) on all vehicles for the District’s Advance Vehicle Location (AVL) system. This system provides the location information for internal operations monitoring and for the public real time system. The current equipment is beyond its useful life and will be obsolete due to changes in the cellular next work and the system software (Syncromatics). The Marin Transit Board of Directors authorized the purchase of the new equipment in June 2018, but the installation has not been complete due to deficiencies in the products found in the testing phase and impacts of COVID-19 on supply chains. These issues have been addressed and the project is planned for completion in early FY2020/21. The project is funded with 82% Federal 5307 funding and 18% Measure A/AA local sales tax funding.

Real Time Signage (RT) – This project will add Real Time Information signs to high and medium ridership stops throughout the county. The first phase of this project includes 16 stops in the Canal and Novato and is funded through a Lifeline grant. Additional signs may be installed at up to 34 other bus stops.

Other Measure A/AA Capital Expenses

Other capital and infrastructure expenses include: Marin Emergency Radio (MERA) radio capital bond payments, the capital contribution to GGBHTD as required under contract, major vehicle repairs, and bus stop maintenance expenses. Expenditures that do not meet the District’s policy for capitalization will be included as operations expenses on financial statements.

Table 17: Capital Budget by Project

		Total Project Budget	Prior Years	FY2020/21	Future Years	Measure A / Local Funding	State Funding	Federal Funding
EA	Replace 3 Artics with 4 - 40ft Electric	4,366,507	500	1,000	4,365,007	0%	39%	61%
PC	Purchase 16 Paratransit Replacements	1,472,000	1,000	1,471,000	0	18%	0%	82%
SC	Purchase 9 Shuttle Replacements	1,161,000	1,000	1,160,000	0	18%	0%	82%
XB	Purchase 4 Replacement XHF's	1,740,000	11,403	1,728,597	0	35%	23%	42%
XC	Purchase 2 XHF Replacements	850,000	0	850,000	0	18%	0%	82%
NR	Staff Car	49,000	0	49,000	0	4%	96%	0%
Subtotal Vehicles		9,638,507	13,903	5,259,597	4,365,007	13%	39%	65%
BN	Novato Bus Stop Shelters	0	0	0	33,000	0%	0%	0%
Subtotal Bus Stop Improvements		0	0	0	33,000	0	0%	0%
FS	Facility - Improvements	1,187,842	0	1,187,842	0	90%	0%	10%
YF	Yellow Bus Parking Facility	3,000,000	0	3,000,000	0	100%	0%	0%
Subtotal Facility		4,187,842	0	4,187,842	0	97%	0%	3%
ME	MERA	29,000	0	29,000	0	100%	0%	0%
RT	Realtime Signs	212,394	0	210,394	0	18%	0%	82%
Subtotal Technology Projects		241,394	0	239,394	0	28%	0%	72%
GG	Golden Gate Capital Costs (GG)	17,000	NA	17,000	0	100%	0%	0%
BM	Bus Stop Maintenance (BM)	120,000	NA	120,000	0	100%	0%	0%
VR	Major Vehicle Repairs (VR)	300,000	NA	300,000	0	100%	0%	0%
IF	Infrastructure Support (IF)	400,000	NA	400,000	0	100%	0%	0%
Subtotal Ongoing Capital Expenses		837,000	0	837,000	0	100%	0%	0%
Total Expenditures		14,904,743	13,903	10,523,833	4,398,007	42%	14%	44%