



MARIN TRANSIT BUDGET FY 2023/24

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Marin Transit Budget Overview

The Marin County Transit District (Marin Transit) provides local transit service within Marin County. Marin Transit provides 2.8 million unlinked passenger trips per year and provides over 225,000 revenue hours of service with a fleet of 79 buses. The FY 2023/24 expenditure budget for operations and capital projects is \$59.3 million (Table 1). The FY2023/24 budget allows for a fully funded Emergency Reserve of two months of operating expenses, a Contingency Reserve of four months of operating expenses, and a Capital Reserve of \$10.2 million. The structural and financial uncertainties resulting from the COVID-19 pandemic have lessened, but the budget reflects the significant revenue fluctuations due to the temporary influx of federal relief funds and revenue adjustments from both over- and under-projections of sales tax revenues in prior years.

Marin Transit retained and recovered ridership during the pandemic at a higher rate than peer agencies. Currently, fixed route ridership is at approximately 90% of pre-COVID levels. Ridership on ADA Paratransit and other Marin Access programs has recovered more slowly, and the budget includes operations to serve 60% of pre-pandemic paratransit ridership. After two years of greater than 5% inflation and sustained labor shortages, the District is experiencing higher purchased transportation costs and challenges maintaining service quality. Marin Transit is implementing fixed route service changes effective June 2023 that include a minor reduction in fixed route service designed to increase service reliability (not to reduce costs). The changes are designed to reduce the peak vehicle and driver requirements to reduce missed service. Marin Transit is also implementing changes to Marin Access programs for older adults and people with disabilities, to make changes to reflect post-pandemic rider needs, service reliability, and cost effectiveness.

Table 1: Budget Summary

	FY2021/22 Actual	FY2022/23 Revised Budget	FY 2022/23 Estimated Actual	FY2023/24 Budget
Revenue				
Operations	36,862,258	42,272,132	39,054,063	43,865,464
Capital	5,967,701	10,856,336	1,914,401	14,447,657
Total Revenue	\$42,829,959	\$53,128,468	\$40,968,464	\$58,313,121
Expenditures				
Operations	33,405,156	40,843,513	37,024,829	42,939,813
Capital	10,631,869	14,768,051	5,508,071	16,347,653
Total Expenditures	\$44,037,025	\$55,611,564	\$42,532,900	\$59,287,466
Net Change in Fund Balance	-\$1,207,066	-\$2,483,096	-\$1,564,436	-\$974,345
Emergency Reserve	5,896,957	6,807,252	6,807,252	7,156,636
Contingency Reserve	11,793,919	13,614,504	13,614,504	14,313,271
Capital Reserve	17,888,876	12,674,900	13,593,560	10,277,719
Fund Balance (total reserve)	\$35,579,752	\$33,096,656	\$34,015,316	\$31,747,625
Expenditure of Capital Reserve	4,664,168	3,911,715	3,593,670	1,899,996

Marin Transit delivers services through contract operators, including Golden Gate Bridge, Highway & Transportation District (GGBHTD); Marin Airporter; and Transdev. 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 FY2023/24 Budget is developed from adopted SRTP service and financial projections. The District’s Board adopted the most recent full SRTP on February 3, 2020 and a “mini” SRTP update on December 5, 2022.

Budget Process and Timeline

The budget process begins in late February with a review of District- and program-level goals and objectives with finance, operations, and planning staff. This year, the Board heard presentations for the SRTP update and service planning that informed the FY2023/24 Budget. These presentations were made at public meetings of the Board and public comments were received and recorded. Staff then held internal meetings focused on each program area. The Director of Finance compiled all the program data and developed a draft budget for presentation to the Board of Directors’ May meeting. If needed, staff will make changes to the draft budget based on Board input, and the Board will consider adoption of the final budget at their June meeting.

The following is the timeline for fiscal year July 1, 2023 to June 30, 2024 (FY2023/24) budget development:

- February 15, 2023 – Budget kick-off meeting
- February-April 2023 – Program level budget meetings
- May 1, 2023 – Draft budget presented to Board of Directors
- June 5, 2023 – 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 and accounted for in the financial statements as an enterprise fund. 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. As a proprietary funds, the audited financial statements further distinguish operating revenues and expenses from non-operating revenues and expenses. 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 program level. Programs budgets are: Administration, Local, Yellow bus, rural, Marin Access, and Capital. Deviations from budgeted line-item amounts are acceptable if the total expenses at the Program Budget level area do not exceed the budget authority.

Mid-year budget transfers between program budgets require General Manager approval and must be made such that total budget expenditures are not exceeded.

If 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 financial 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 fluctuations in funding or expenditures and in accordance with 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 of six months operating expenses based on the adopted budget.

Emergency Reserve: 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.

Contingency 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.

Capital Reserve: 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

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).

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 had the resources to maintain services throughout the pandemic even when future revenue sources were uncertain. Federal relief funds allowed Marin Transit to continue to have a balanced budget during the COVID-19 pandemic and to back fill for drops in fare revenue, and state operations revenue. Marin Transit's largest challenge is ownership of sufficient property to allow for the future charging and maintenance of electric vehicles required under the District's Zero Emission Bus Rollout Plan, in accordance with state mandates. The lack of a parking and maintenance facility also impacts the ability of the District to attract contractors and negotiate cost competitive contracts with service providers, posing a risk of ongoing increases in contract costs. With healthy reserves and stable property tax and sales tax revenues, Marin Transit continues to be in a stable financial position for the next five years. There are larger financial uncertainties in the 10-year projections, especially if the need for a facility is not resolved.

Marin Transit's FY2023/24 budget includes the expenditure of \$1.9 million in Capital Reserve funds (table 1) on facility projects. There is a net decrease in the District's reserve of \$974,345, and after increasing the operations reserves to the approved levels, the Capital Reserve decreases to \$11.5 million.

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 FY2024/25 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 40% of Marin Transit’s operating revenues. The sales tax also provides a share of capital funds needed to match federal and state grants for vehicles.

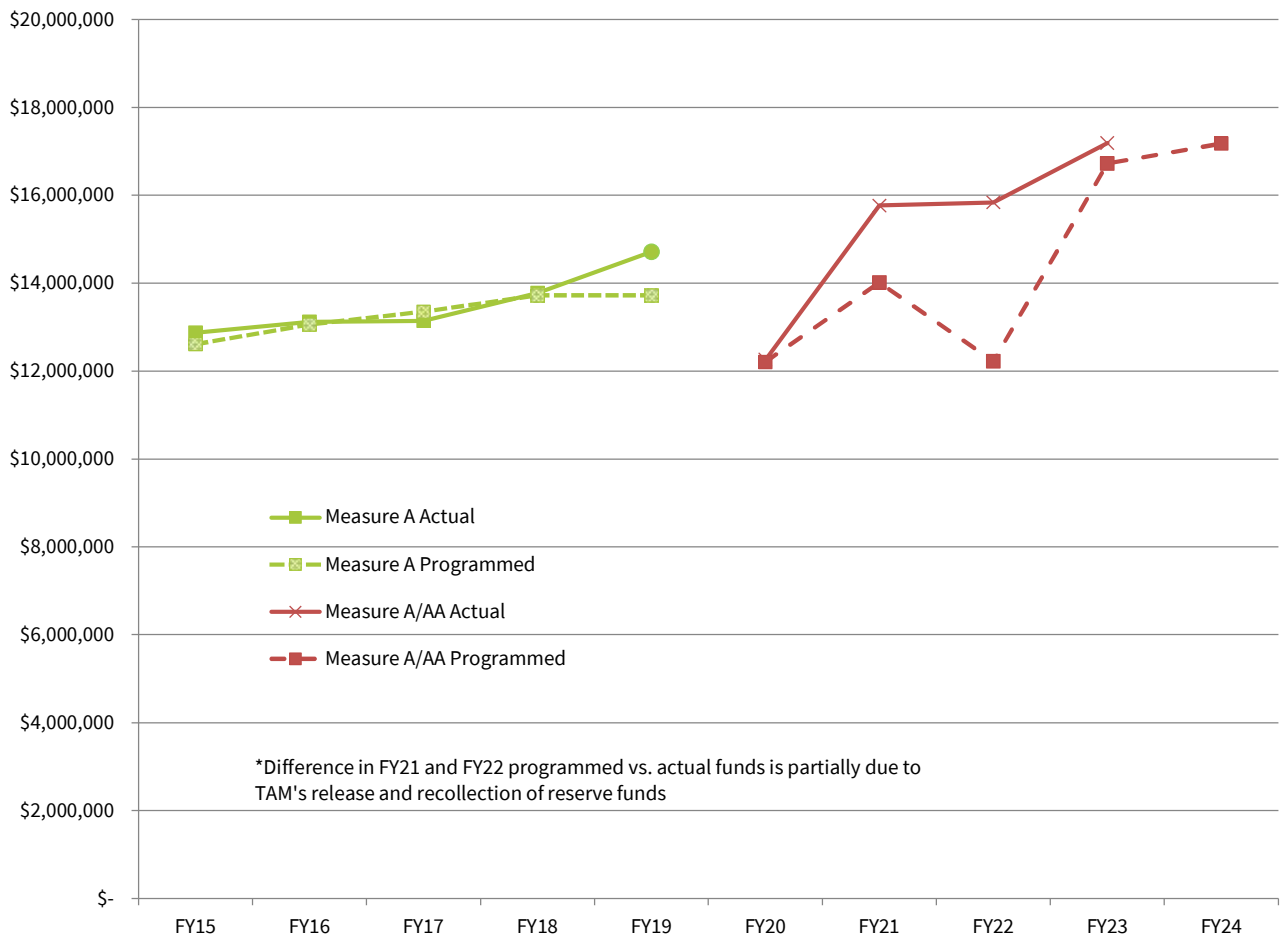
The new sales tax expenditure plan reflects the needs of Marin County and projects that were completed under Measure A. The voter-approved Measure AA expenditure plan continues to prioritize local transit with 55% of allocated sales tax revenues going to local transit. The Measure AA expenditure plan changed the sub-strategies and their allocations within the overall transit strategy compared to Measure A, including committing funding to school transportation and ferry access and reducing funding for Bus Transit Facilities. TAM allocates funds to Marin Transit by five sub-strategies specified in the overall transit strategy in the expenditure plan: Capital investment, Special Needs, Rural Transit, School Transportation, and Local Transit.

The Transportation Authority of Marin (TAM) programs Measure A/AA funding to the District based on sales tax 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 compared to actual receipts. TAM established a reserve fund under Measure A to account for potential economic declines that could adversely impact sales tax collections. TAM is releasing Measure A reserves as it established a new Measure AA reserve fund over five years.

Marin County saw strong sales tax returns during the pandemic due to the combination of strong sales and the Wayfair decision¹ that increased the collection of sales tax for purchases made online. TAM is projecting much slower growth in sales tax revenue for FY2023/24 (0.5%) as the economy slows, but due to sales tax growth exceeding projections in the prior year, Marin Transit’s available allocations still increase 2.7%.

¹ California Assembly Bill No. (AB) 147 (April 25, 2019) required retailers located outside of California to register with the California Department of Tax and Fee Administration (CDTFA) and collect California use tax. Source: <https://www.cdtfa.ca.gov/industry/wayfair.htm>

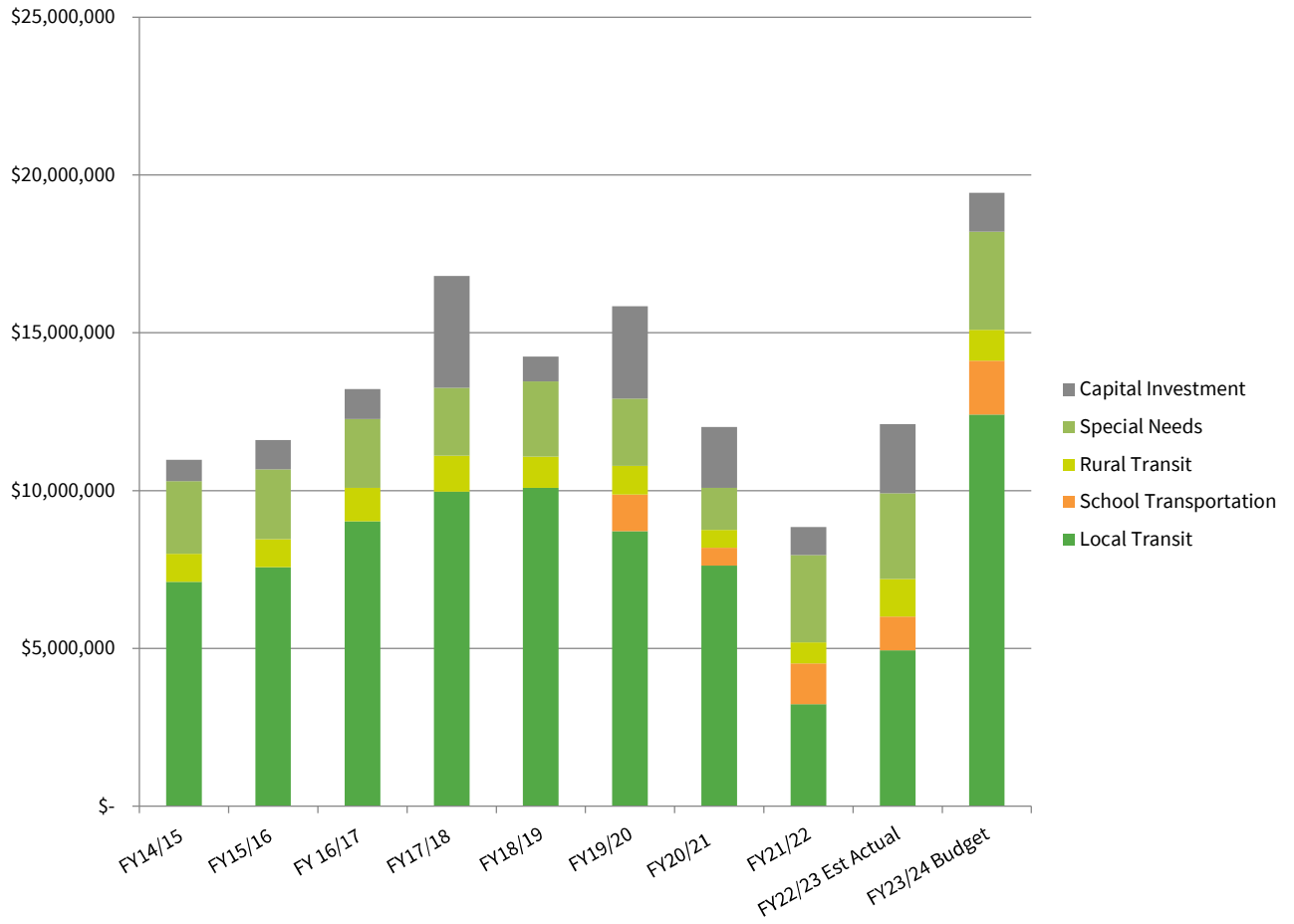
Figure 1: Ten-Year Measure A/AA Transit Funds by Fiscal Year (TAM Projection & Actual Receipts)



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). During the pandemic, Marin Transit need less sales tax funding for operations due to the availability of federal relief funds for operations. In FY2023/24 the expenditure of Measure AA funds increases significantly and is consistent with the historic trend line (Figure 2).

In any given year, unclaimed Measure A/AA revenue is available for TAM to allocate to Marin Transit in future years. Based on the FY2022/23 estimated actuals and the draft FY2023/24 allocations requests, Marin Transit will have an estimated carryover of \$13.7 million in Local Service subcategory, \$770,000 in Schools subcategory, and \$1.6 million in Special Needs (Marin Access). 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: Local Sales Tax Expenditures by Fiscal Year (Measure A/AA)



Operations Budget

Marin Transit’s FY2023/24 operations budget provides for operation of the following services:

Service	Revenue Hours
Local Basic and Local Trunkline	121,000 revenue hours
Local Connector (Community Shuttles)	39,700 revenue hours
Supplemental School and Partnership	1,725 revenue hours
Muir Woods Shuttle	6,500 revenue hours
Yellow School Bus Service	4 buses
West Marin Stagecoach Service	16,500 revenue hours
Marin Access Shuttle	400 revenue hours
Local Paratransit Service	36,000 revenue hours
Regional Paratransit Service	5,000 revenue hours
Catch-A-Ride	4,000 trips
Volunteer Driver	9,500 trips

The operating expense budget of \$42.9 million is a five percent increase over the FY2022/23 budget and provides for a similar level of fixed route service, increased paratransit service and increased purchased transportation and fuel expenses.

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

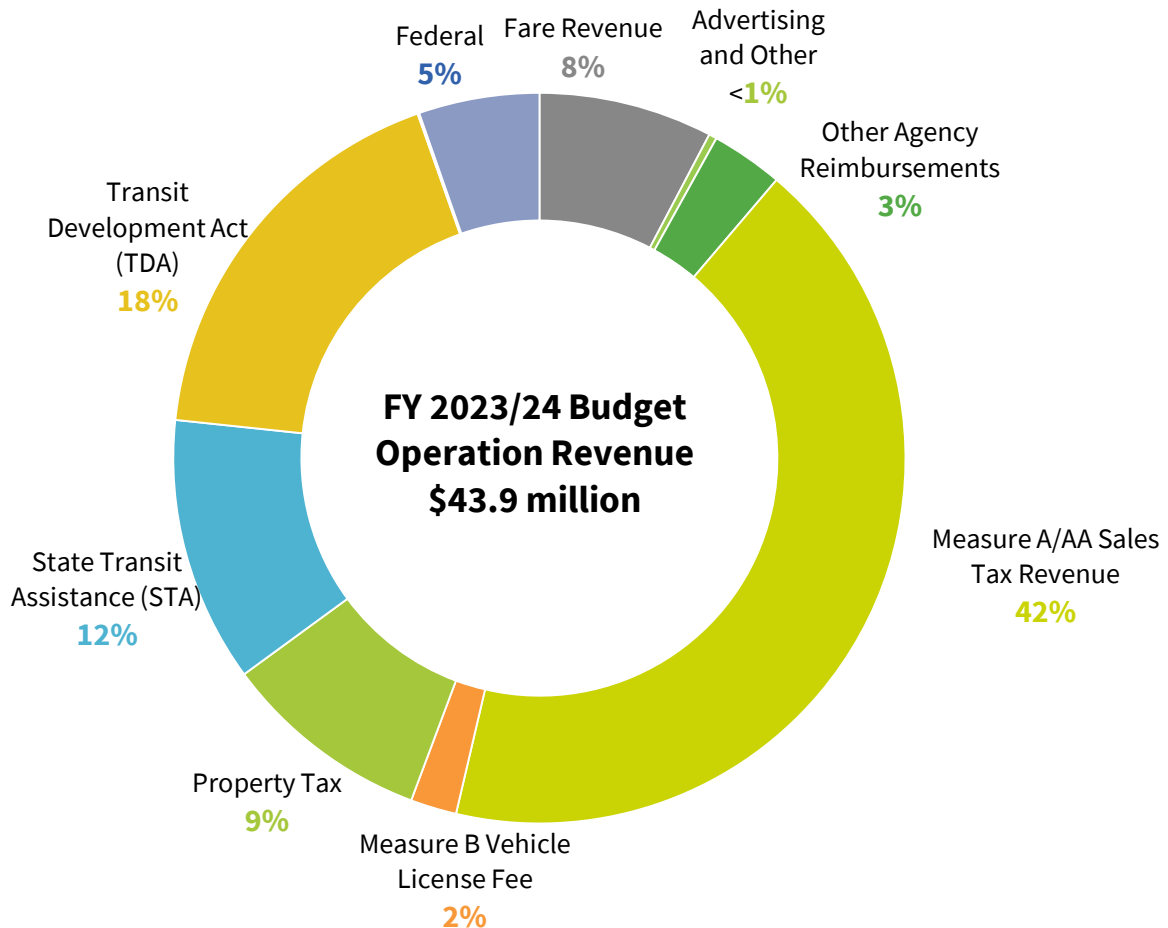
	FY2021/22 Actual	FY2022/23 Revised Budget	FY 2022/23 Estimated Actual	FY 2023/24 Budget	% Δ From FY2023 Budget
Revenue					
Fare Revenue	2,931,085	3,246,145	3,305,308	3,367,118	4%
Advertising & Other Revenue	553,176	203,500	246,899	60,000	-71%
Reimbursements (GGBHTD)	1,622,415	1,538,331	1,342,906	1,441,552	-6%
Interest	3,027	25,700	112,888	90,700	253%
Measure A/AA	7,956,597	13,521,355	9,336,125	18,646,585	38%
Measure B	808,354	950,000	850,651	895,000	-6%
Property Taxes	5,341,685	5,245,000	5,577,241	5,682,781	8%
Development Fees	62,935	44,100	74,291	67,500	53%
State Transit Assistance (STA)	2,601,124	3,012,985	3,029,698	5,158,794	71%
Transportation Development Act (TDA)	6,565,228	11,411,858	11,411,858	7,881,923	-31%
Other State	32,156	32,300	19,954	32,300	0%
FTA Funds	8,115,859	4,925,943	5,665,937	1,681,360	-66%
National Park Service	290,824	564,914	581,670	655,985	16%
Transfers to Capital Budget	(22,206)	(2,450,000)	(2,501,362)	(1,796,134)	-27%
Total Revenue	36,862,259	42,272,131	39,054,064	43,865,464	4%
Expenses					
Salaries and Benefits	2,592,222	3,182,288	2,960,644	3,523,449	11%
Professional Service	397,541	621,484	263,635	654,585	5%
Professional Service- Legal	135,851	150,000	63,465	150,000	0%
Security and Maintenance	381,099	400,564	158,003	272,628	-32%
Customer Service	782,340	672,695	126,842	0	-100%
Mobility Management Support Prgms.	3,942	102,731	15,000	63,113	-39%
Grants to Other Agencies	591,935	525,000	514,606	758,571	44%
Materials and Supplies	318,788	410,191	344,045	398,997	-3%
COVID Cleaning and Supplies	105,550	0	8,008	0	-
General Insurance	88,026	115,000	99,241	122,000	6%
Purchased Transportation	24,814,294	30,495,780	29,021,505	32,701,974	7%
Membership & Prof Development	44,580	85,500	90,703	88,065	3%
Mileage and Travel	5,095	25,000	15,445	25,750	3%
Marketing	56,060	162,620	97,596	167,483	3%
Communication	196,614	248,487	189,273	255,623	3%
Fuel	2,997,168	3,735,285	3,267,622	3,662,108	-2%
Utilities (Facility)	36,723	66,050	44,526	68,032	3%
Vehicle and Vehicle Parking Leases	26,640	26,210	23,589	32,556	24%
Office - Rental and Overhead	149,419	183,960	180,444	189,479	3%
Transfers to Capital Budget	(318,732)	(365,333)	(459,363)	(194,600)	-47%
Total Expenses	33,405,155	40,843,512	37,024,829	42,939,813	5%
Net Revenue Over Expenditures	3,457,104	1,428,619	2,029,235	925,651	

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.

Figure 3: Revenue Sources for FY 2023/24 Budget



To develop revenue projections for the FY 2023/24 budget, staff referred to Metropolitan Transportation Commission (MTC) revenue projections for STA and TDA, used TAM’s allocation numbers for Measure AA, and reviewed recent economic indicators. As discussed in the Measure A/AA section, Marin County sales tax growth is expected to slow due the economic slowdown. Similar to Measure AA, state funding based on sales tax (state Transportation Development Act funds (TDA) is projected to grow less than 1%. In contrast, actual available funds from Measure AA and STA are significantly higher due to conservative projections last year that have created carryforward funds.

Revenue Variances

All budgeted revenues that have changed more than \$100,000 and more than 10% compared to the prior year’s budget are listed in Table 3 and are described below.

Table 3: Revenue Variances in Operations Budget (>\$100,000 and >10% compared prior year budget)

Revenue Category	FY 2023/24 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Advertising & Other Revenue	\$60,000	(\$143,500)	-71%	Reduction in revenue from a drop in Rush Landing rental revenue and drop in revenue sharing in new GGBHTD contract.
Measure A/AA	\$18,646,585	\$5,125,230	+38%	Federal relief funding expended in prior year reduced the local sales tax expenditures.
State Transit Assistance	\$5,158,794	\$2,145,809	+71%	Increased expenditure of State funds combined with increased allocation amount from carryforward funding.
Transportation Development Act	\$7,881,923	(\$3,529,935)	-31%	Prior year revenue included significant carryforward funds due to actual allocations significantly exceeding projections.
FTA Funds	\$1,681,360	(\$3,244,583)	-66%	No additional federal relief funds.

Advertising & Other Revenue includes advertising and leasing revenue from District-owned properties and through the GGBHTD agreement. The new GGBHTD contract, effective last fiscal year, removed most of the shared advertising and rental revenue. Marin Transit will continue to receive revenue from advertisements on District vehicles.

The expenditure of Measure A/AA revenue increases in the FY2023/24 by \$5,125,230 (+38%). The increase is due due to an increased need for local funds for operations since federal relief funds have been fully expanded. While the annual increase is significant, the expenditure is more consistent with the historical trend line.

State Transit Assistance Funds (STA) funds are allocated in accordance with state statute where 50% is based on (a) locally generated revenue expended on transit operations (revenue-based) and 50% is based on (b) the population of the County (population-based). The three eligible transit operators in Marin County – Marin Transit, GGBHTD, 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). Marin Transit’s share of population-based funds has increased post-pandemic due to the

higher retention of passengers and service during the pandemic than other operators. For FY2023/24 the District's share is 59%, compared to 40% pre-pandemic. The 19% increase is equivalent to \$690,000. The budget includes the expenditure of \$2.5 million of revenue-based STA funds based on operations needs and will have a reserve of \$2.1 million in revenue-based funds.

Transportation Development Act (TDA) funding is generated from sales tax which is projected to have almost no growth in FY2023/24. The drop in budgeted TDA revenue is due to the MTC FY2022/23 revenue estimate for Marin County being too high and creating a negative program balance that reduces the FY2023/24 allocation.

The District has no remaining federal relief funding for operations resulting in a drop of \$3.2 in the operations budget. The remaining federal funds in the operations budget are FTA Section 5307 funding for paratransit, FTA Section 5311 funding for rural operations (Stagecoach) and National Park Funds for the operations of the Muir Woods Shuttle.

District Expenses

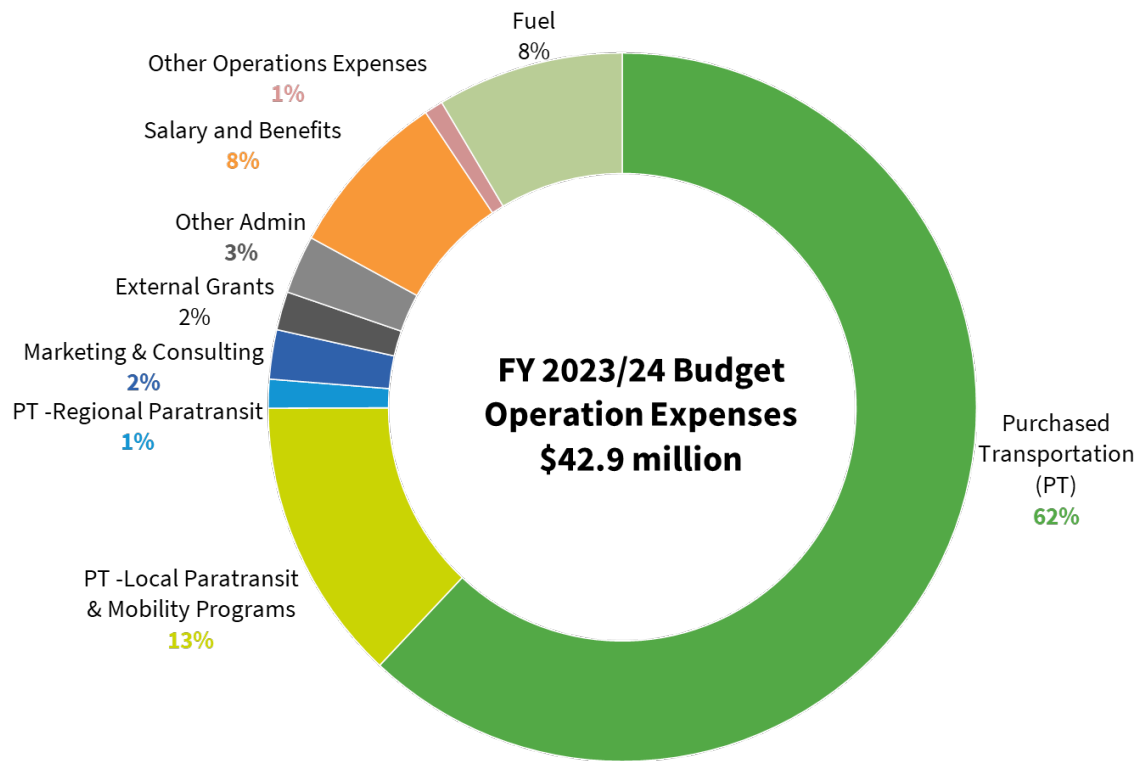
Marin Transit provides local transit service through purchased transportation contracts. Under this structure, the majority of district operations expenses (Figure 4) are for contract service operation (75%) and associated fuel (8%) and other operations expenses (5%). The contract service operations budget 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. The District's operations budget is 6% higher than the FY2022/23 budget reflecting high inflation and the labor shortage which are causing increasing purchased transportation costs in order to maintain service quality. Specific budget categories with variances greater than \$100,000 and more than 10% are summarized in Table 4.

Table 4: Expense Variances in Operations Budget (>\$100,000 and >10% compared to prior year budget)

Expense Category	FY 2023/24 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Salaries and Benefits	\$3,523,449	\$341,161	11%	Increased budget to account for inflation, merit-based salary increases and promotions, and increased costs for benefits.
Security and Maintenance	\$272,628	(\$127,936)	-32%	Direct payment for the San Rafael Transit Center was moved to purchased transportation in the new GGBHTD service contract, bus stop maintenance costs were moved to this budget from the capital budget.
Customer Service	\$0	(\$672,695)	-100%	Direct payment for customer service costs was moved to purchased transportation in the new GGBHTD service contract.
Grant to Other Agencies	\$758,571	\$233,571	44%	Increased grants of Measure AA funding to County yellow bus programs
Purchased Transportation	\$32,701,974	\$2,206,194	7%	Increased rates 5-15%, offset by lower budgeted paratransit hours

Figure 4: Operations Expenses for FY 2023/24 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. After a period of freezing salary and benefits due to unknowns during FY2020/21, the region is now experiencing record inflation rates that create pressure for the District to ensure competitive salaries to retain and attract quality staff members.

The FY2023/24 budget maintains the staff level of 19.2 Full Time Equivalent (Table 5) with an estimated 5% vacancy rate to account for vacant positions.

Based on the District’s employment framework, the 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. This past year, the region had a second year of significant inflation. CPI increased by 5.3% in February and salary bands will be increased accordingly. Marin Transit has a merit-based salary framework and there are no guaranteed cost of living increases. The budget includes capacity to account for inflation and for merit-based adjustments and promotions.

² Bay Area CPI February 2023– 5.3%, bls.gov

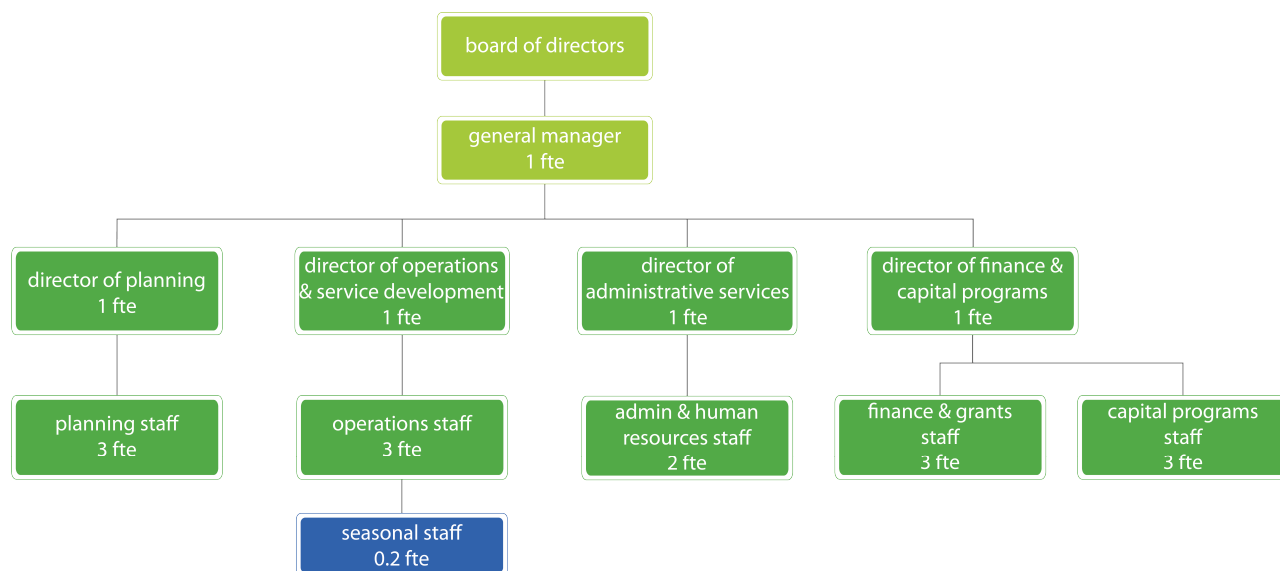
Benefit costs have been rising faster than salaries based on both the increase in health care rates (6% in 2023) and increased usage of sick leave. The budget for benefits in FY2023/24 is 12% higher than the prior year. Staff has reviewed sick time trends and identified a general increase in illnesses since the pandemic and a maturing staff that has increased needs to care for sick family members. Health care premiums are set on a calendar year and there is some capacity in the budget to accommodate benefit rate adjustments in January 2024.

Accounting for merit-based salary increase and the increased benefit costs and usage, the FY2023/24 salary and benefits budget increases 11% compared to the prior year budget.

Table 5: Personnel Counts (FTE)

	FY 2021/22	FY 2022/23	FY2023/24
Budget	17.4	19.2	19.2
Actual	15.5	16.6 (estimate)	

Figure 5: Marin Transit FY 2023/24 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 hourly contract rates as they do not need to hedge against potential fuel price increases.

Fuel prices are known to be volatile, and Marin Transit’s budget includes capacity for price fluctuations. After diesel prices increased 80% in FY2021/22, prices started declining again in July 2022. Current prices have come down from the peak and there are signs the market is normalizing but prices remain high. The total budget for fuel is lower due to a reduction in the paratransit fuel budget to reflect lower post-pandemic service levels, but the fixed route fuel budgets allow for 5% increase in fuel prices in FY2023/24. A

more detailed review of District fueling and price trends was presented at the March 6, 2023 Board of Directors meeting.

The budget also includes electric power costs for the District's electric buses. Marin Transit owns six electric vehicles. Two are charged at the GGBHTD Anderson Drive facility and four are charged at Marin Transit's Rush Landing yard. The budget includes \$3,000 per month for electrical power to charge each vehicle.

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. The administration budget (Table 6) 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.

For FY2023/24, there is an overall increase of 9% in expenses in the administration budget before program transfers. The Salaries budget increased 4% while the Benefits budget increased 22% (see staffing, page 17). The Consulting Services budget increased to allow for additional legal support and the budget for Insurance also increased 6% to accommodate anticipated increases in rates.

Table 6: Administration Budget

GL Code	GL Description	FY 2022 Actual	FY2023 Budget-Revised	FY2023 Estimated Actuals	FY2024 Draft Budget	FY2024 Budget	% Δ From FY2023 Budget
Revenue							
4070400	Interest	3,027	25,700	112,888	90,700	90,700	253%
4079950	Development Fees	27,505	24,100	32,853	27,500	27,500	14%
4079954	Residual ABX 126	35,430	20,000	41,438	40,000	40,000	100%
4080101	PropTax-CurrntSecured	4,553,967	4,676,000	4,860,938	5,006,731	5,006,731	7%
4080102	County Fee-Admin Basic Tax	(59,808)	(65,000)	(62,795)	(66,950)	(66,950)	3%
4080103	Property Tax-Unitary	45,468	40,000	43,000	45,000	45,000	13%
4080104	PropTax-CurrntUnSecur	83,978	82,500	84,000	85,000	85,000	3%
4080105	Educ Rev Augm Fund-Redist	551,990	420,000	538,686	500,000	500,000	19%
4080106	PropTax-Supp CY SECR	155,358	85,000	100,000	100,000	100,000	18%
4080107	PropTax-Supp Unsecured	3,396	1,500	4,710	4,000	4,000	167%
4080108	PropTax-Redemption	2,559	2,000	3,202	3,500	3,500	75%
4080109	Property Tax-Prior Unsecured	4,777	3,000	5,500	5,500	5,500	83%
4089901	Other Federal	153	150	152	150	150	0%
4119940	Other State	216	300	413	300	300	0%
Subtotal Revenue		5,408,016	5,315,250	5,764,985	5,841,431	5,841,431	10%
4700001	Property Tax Transfer	(1,343,479)	(3,633,135)	(3,313,187)	(4,413,134)	(4,137,308)	14%
Net Revenue		4,064,537	1,682,115	2,451,798	1,428,297	1,704,123	1%
Expense							
5010200	Salaries	1,496,824	2,044,287	1,918,867	2,133,390	2,133,390	4%
5020000	Benefits	1,095,399	1,138,001	1,041,776	1,390,059	1,390,059	22%
5030301	Consultant Services	142,827	212,180	106,820	225,000	225,000	6%
5030304	Prof Svcs - Legal	135,851	150,000	58,335	150,000	150,000	0%
5030305	Prof Svcs - Audit	39,867	45,000	40,000	37,000	37,000	-18%
5049901	Office Supplies	7,099	13,800	6,360	14,200	14,200	3%
5049902	Small Furn/Equip	7,001	10,600	3,346	10,000	10,000	-6%
5049903	Software Maintenance	93,898	92,700	92,500	95,000	95,000	2%
5049904	Copier Suppl & Srvc	7,903	10,300	7,258	10,000	10,000	-3%
5049905	Postage	1,124	3,500	1,700	3,500	3,500	0%
5049906	Computers	15,931	22,800	21,000	23,000	23,000	1%
5049911	COVID-Supplies and Cleaning	2,704	-	590	-	-	-
5050201	Communication - Phone	38,574	35,600	29,186	36,350	36,350	2%
5060301	Insurance	88,026	115,000	99,241	122,000	122,000	6%
5090101	Memberships & Prof Dev.	44,580	85,500	90,703	88,065	88,065	3%
5090202	Mileage and Travel	5,095	25,000	15,445	25,750	25,750	3%
5090801	Marketing	5,440	14,000	6,500	14,420	14,420	3%
5121200	Office Rental ¹	149,419	183,960	180,444	189,479	189,479	3%
Subtotal Expense		3,377,562	4,202,228	3,720,071	4,567,213	4,567,213	9%
5100100	Salary/Benefit Transfers	(2,263,258)	(3,018,952)	(2,595,056)	(3,117,902)	(3,117,902)	3%
5100101	Transfer Overhead	(496,732)	(627,881)	(613,342)	(592,663)	(592,663)	-6%
Net Expense		617,572	555,395	511,673	856,648	856,648	54%

Local Service

The local service budget (Table 8) includes all revenues and expenses related to the provision of fixed route service, excluding rural service. Major programs in the local service budget include local fixed route, Community Shuttle service, supplemental school, and Muir Woods seasonal shuttle. 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.

The local service budget for FY 2023/24 is \$30.1 million (Table 8). It represents a 6% increase over the prior year revised budget and provides a slightly lower level of service than the prior year (~3%). Fixed route ridership is projected at 90% of pre-COVID levels. Marin Transit is implementing service adjustments in June 2023 to reflect ridership changes from the pandemic and reduced peak-hour resource needs to minimize missed trips and improve service quality.

Services are operated under contract to Marin Airporter (Local Basic, Community Shuttles, Supplemental School). Local Basic and Trunkline services are also operated through an intra-agency agreement with GGBHTD. A new simplified agreement went into effect October 1, 2022. The purchase transportation contract with Marin Airporter was extended through June 30, 2024. Purchased transportation costs have increased significantly to accommodate higher operator wages and increased rates under the GGBHTD interagency agreement. Hourly rates for services are shown in Table 7.

Table 7: Local Budget Service Levels

Service Type	FY 2023/24 Budgeted Service (Rev Hrs)	Average Contract Cost Per Hour (without fuel)	Notes
Local Basic and Trunkline	121,000	\$140.27	Service provided by two contractors; blended contract rate increases 4% over prior year
Community Shuttles	39,700	\$126.21	Contract rate increases 12%
Supplemental School and Partnership	1,750	\$126.21	Some services shifted to local service
Muir Woods Shuttle	6,300	\$200.00	Cost estimated for new contract
Novato Dial-A-Ride	0	N/A	This program is discontinued as of June 30, 2023.

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 Measure AA local sales tax revenues budgeted for local service are \$13.3 million and includes expenditure of \$2.4 million in carryforward funds. Measure AA funding is 45% of budgeted revenues for local service and critical for maintaining operations.

As discussed in prior sections, due to under and over projections of prior year funds combined with the end of federal relief funds there are large swings in operations revenue sources. TDA is 31% lower than the prior year, STA funds are 73% higher, and budgeted Measure AA revenues are 102% higher.

Fare revenues are budgeted based on ridership and average fare per passenger. FY2021/22 ridership is expected to be 90% of pre-pandemic levels. Marin Transit provides two major fare subsidy programs that

reduce fare revenue. These are the youth pass program which provides free fixed route transit to low-income youth and Homeward Bound that provides free fixed route transit to people participating in County programs. The low-income youth fare program is budgeted to distribute \$500,000 in free fares and Measure B funds up to \$80,000 in free fares through the Homeward Bound program.

Figure 6: Local Revenue Service Hours by Program

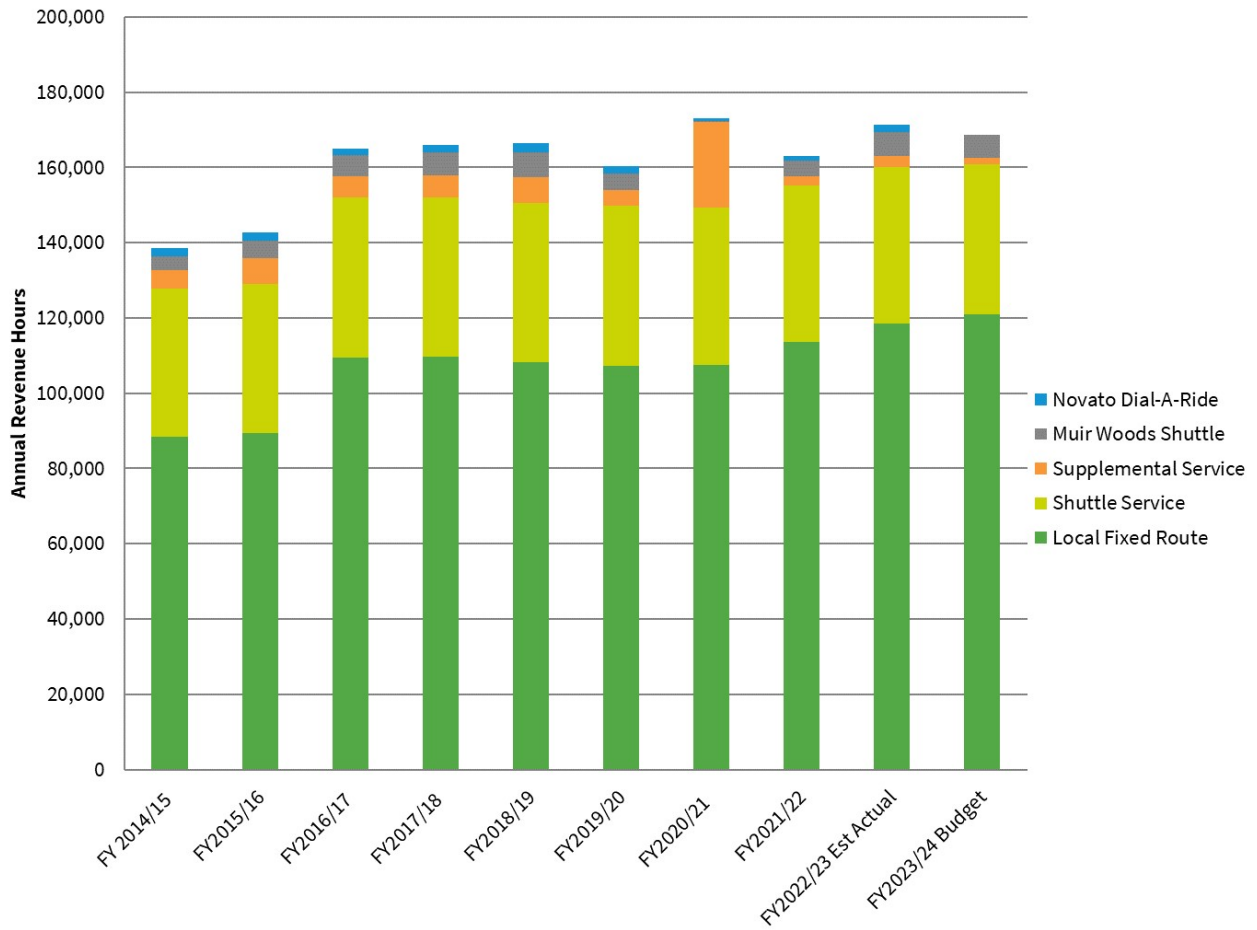


Figure 7: Local Passenger Trips by Program

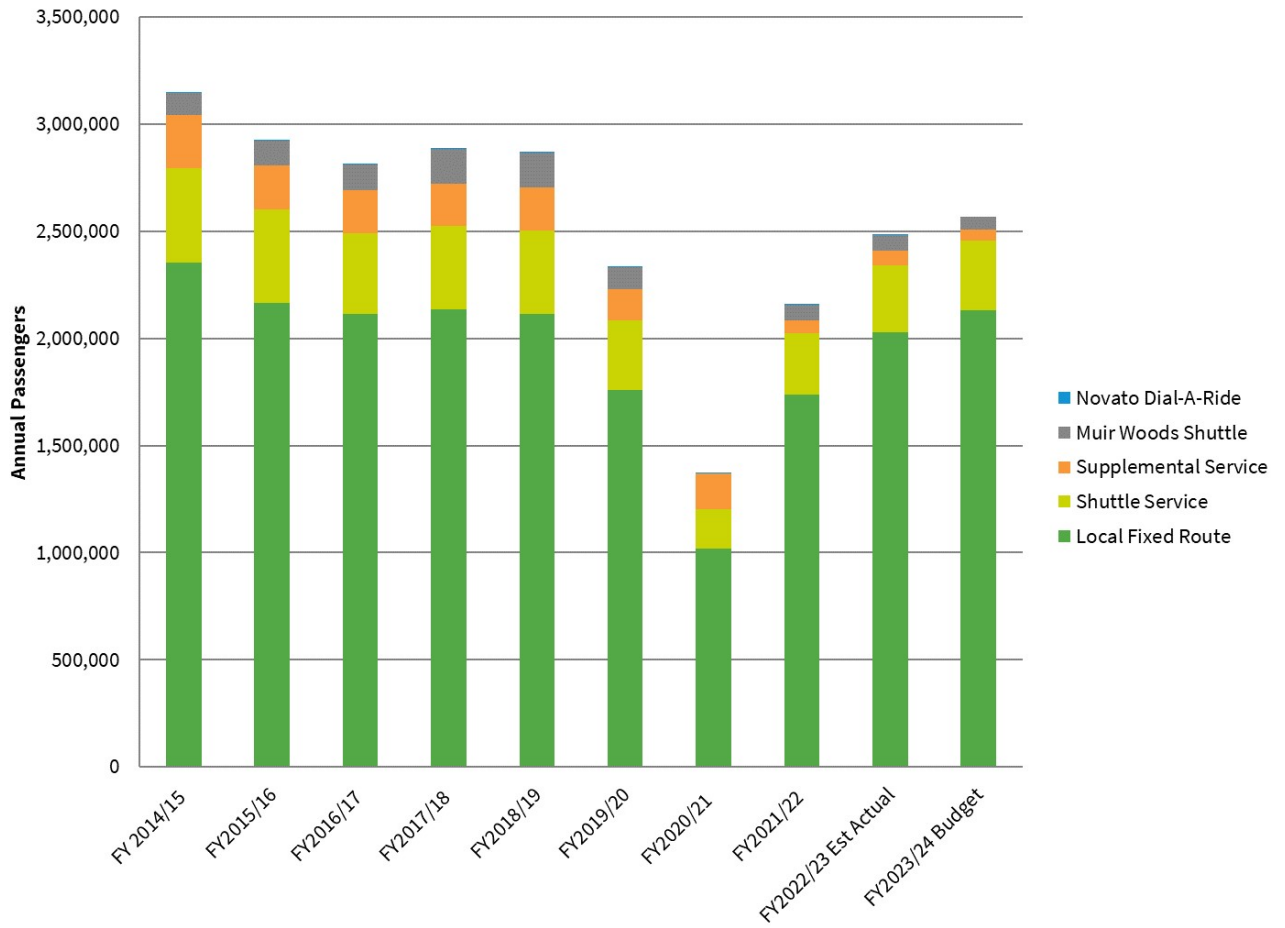


Table 8: Local Service Budget

GL Code	GL Description	FY 2022 Actual	FY2023 Budget-Revised	FY2023 Estimated Actuals	FY2024 Draft Budget	FY2024 Budget	% Δ From FY 2023 Budget
Revenue							
4060301	Advertising Revenue	232,513	83,500	153,710	60,000	60,000	-28%
4070301	Lease of Property	320,663	120,000	93,189	0	0	-100%
4090101	Local Government Payments	0	0	20,000	0	0	-
4092001	Measure A Sales Tax	0	680,000	680,000	712,006	712,006	5%
4092005	Measure AA Sales Tax	3,709,895	6,309,950	4,017,306	12,768,830	12,768,830	102%
4110101	State Transit Assistance (STA)	2,541,124	2,952,985	2,969,698	5,098,794	5,098,794	73%
4110102	Transit Development Act (TDA)	6,565,228	11,411,858	11,411,858	7,881,923	7,881,923	-31%
4119911	State SREC Credits	13,528	16,000	7,541	16,000	16,000	0%
4139910	Fed-FTA 5307	0	0	484,000	40,400	40,400	-
4139912	Fed-FTA 5307 Relief Funds	6,654,814	3,589,000	3,589,664	0	0	-100%
4139951	National Park Service	290,671	564,764	581,518	655,835	655,835	16%
4140100	Fare Revenue	1,762,474	1,812,000	2,091,539	2,089,000	2,081,000	15%
4020000	Special Fares - Paid by Ext Agency	437,028	561,475	527,490	566,783	566,783	1%
Subtotal Revenue		22,527,938	28,101,532	26,627,513	29,889,571	29,881,571	6%
4700001	Property Tax Transfer	200,441	128,135	10,000	320,000	320,000	150%
4700002	Program Revenue Transfer	44,431	80,000	72,000	80,000	80,000	0%
Total Revenue		22,772,810	28,309,667	26,709,513	30,289,571	30,281,571	7%
Expense							
5030301	Consultant Services	98,603	216,300	61,392	260,000	260,000	20%
5030310	Fare Processing Charges	21,821	22,000	19,212	22,660	22,660	3%
5030320	Customer Service	584,338	600,000	126,842	0	0	-100%
5030501	Bus Stop Maintenance	0	0	0	160,000	160,000	-
5030602	Custodial Service	40,325	71,190	51,138	81,490	81,490	14%
5030701	Security Services	294,721	303,298	85,000	0	0	-100%
5040101	Fuel	2,070,224	2,384,564	2,368,028	2,544,693	2,525,811	6%
5040160	Electrical Power	61,579	210,000	116,396	216,300	216,300	3%
5040180	Utilities (facility)	26,160	36,050	32,528	37,132	37,132	3%
5049902	Small Equipment	11,560	10,000	9,753	10,300	10,300	3%
5049904	Software	41,874	47,058	60,027	62,500	60,000	28%
5049911	COVID-19 Supplies and Cleaning	69,568	0	262	0	0	-
5050205	Communication	107,927	152,852	110,473	157,888	157,887	3%
5080101	Purchased Transportation	17,518,227	21,779,865	21,403,062	23,940,053	23,798,817	9%
5090801	Marketing	32,612	92,520	83,281	95,295	95,295	3%
Subtotal Expense		20,979,539	25,925,697	24,527,394	27,588,311	27,425,692	6%
5100100	Salary/Benefit Transfers	1,488,314	2,021,712	1,797,747	2,325,271	2,325,271	15%
5100101	Overhead Transfer	304,955	346,259	388,853	375,989	375,989	9%
Total Expense		22,772,808	28,293,668	26,713,994	30,289,571	30,126,952	6%

Yellow Bus Service

Marin Transit strives to provide fixed route service to high schools in the urbanized areas of Marin County, but recognizes that school transportation for younger students, and in rural areas, is often more appropriate for yellow school bus service. Measure AA designated local sales tax resources to help fund yellow bus services. The FY2023/24 budget (Table 9) includes revenue and expenses associated with the operations of the following components to support yellow bus service:

- (A) Operation of the Ross Valley yellow bus program at pre-pandemic services levels;
- (B) Distribution of Measure AA funding to existing eligible Marin County Yellow Bus Programs; and
- (C) General staffing support for the development of yellow bus services in Marin County.

(A) Management of the Ross Valley yellow bus program - In FY 2023/24 Marin Transit will continue to manage operations, service contracts, and pass sales for four 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 and presents a draft and final budget to the Ross Valley Yellow School Bus program Joint Exercise of Powers Authority (JEPA) for its review and approval. These assumptions may need to be adjusted as additional information on service levels, pass prices and contributions from other local agency partners such as the County of Marin, the Town of San Anselmo, and the Town of Fairfax are finalized.

(B) 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. After an initial three-year distribution program, the Marin Transit Board adopted guidelines for a second three-year program at the April 2022 board meeting and the FY2023/24 distribution amounts were approved at the May 2023 board meeting. The FY2023/24 distribution of \$1.1 million is a 2.59% increase in the base funding due to the growth in sales tax allocations and a distribution of an additional \$333,421, or 1/3 of the carryforward balance in Measure AA school funds. The allocations will be made to following school districts:

- Reed Union/Cove
- Ross Valley
- San Rafael School District
- Miller Creek
- Sausalito/Marin City

(C) 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. This includes activities paid for by the Tiburon Peninsula Traffic Relief JPA to support the Reed Union School District bus program, shown as Local Government Payment.

Table 9: Yellow School Bus Service Budget

GL Code	GL Description	FY 2022 Actual	FY2023 Budget-Revised	FY2023 Estimated Actuals	FY2024 Budget	% Δ From FY 2023 Budget
Revenue						
4030000	Fares- Paid By Other Agency	151,000	171,000	171,000	171,000	0%
4090101	Local Government Payments	46,112	24,840	30,552	18,416	-26%
4092005	Measure AA Sales Tax	814,883	750,000	739,750	1,073,171	43%
4140105	Fare Revenue - Yellow Bus	277,307	282,000	282,818	297,460	5%
Subtotal Revenue		1,289,302	1,227,840	1,224,120	1,560,047	27%
Expense						
5030301	Consultant Services	3,420	5,000	2,212	4,000	-20%
5030310	Fare Processing Charges	10,206	19,786	20,000	9,143	-54%
5030602	Custodial Service	1,767	2,076	1,684	2,138	3%
5049902	Small Furn/Equip	15	500	0	0	-100%
5049903	Software	978	1,500	670	1,000	-33%
5080103	Yellow Bus School Service	573,174	597,900	539,692	753,840	26%
5090801	Marketing	0	500	0	500	0%
5098050	Grants to Yellow Bus Program	591,935	525,000	514,606	758,571	44%
5120401	Leases and Rentals	26,640	26,210	23,589	32,556	24%
Subtotal Expense		1,208,135	1,178,472	1,102,453	1,561,748	33%
5100100	Salary/Benefit Transfers	60,141	59,297	23,114	27,599	-53%
5100101	Transfer Overhead	12,323	19,005	5,000	8,176	-57%
Total Expenses		1,280,599	1,256,774	1,130,567	1,597,523	27%

Rural Service

Rural service is operated as the West Marin Stagecoach (Stagecoach) and includes northern Route 68 and southern Route 61. The West Marin Stagecoach, Routes 68 and 61, will be operated by Marin Airporter starting July 1, 2023. The rural Dial-A-Ride program is moved to a Marin Access Shuttle program effective June 30, 2023.

Since Rural service provides lifeline connections to rural communities, these services continued to operate throughout the COVID-19 pandemic. Marin Transit temporarily added 1,050 service hours to Route 61 to address overcrowding due to capacity limits in FY2021/22. Service levels are now back to the pre-COVID level of 16,500 revenue hours per year (Table 10, Figure 8).

Figure 8: Rural Service Level and Ridership Trends

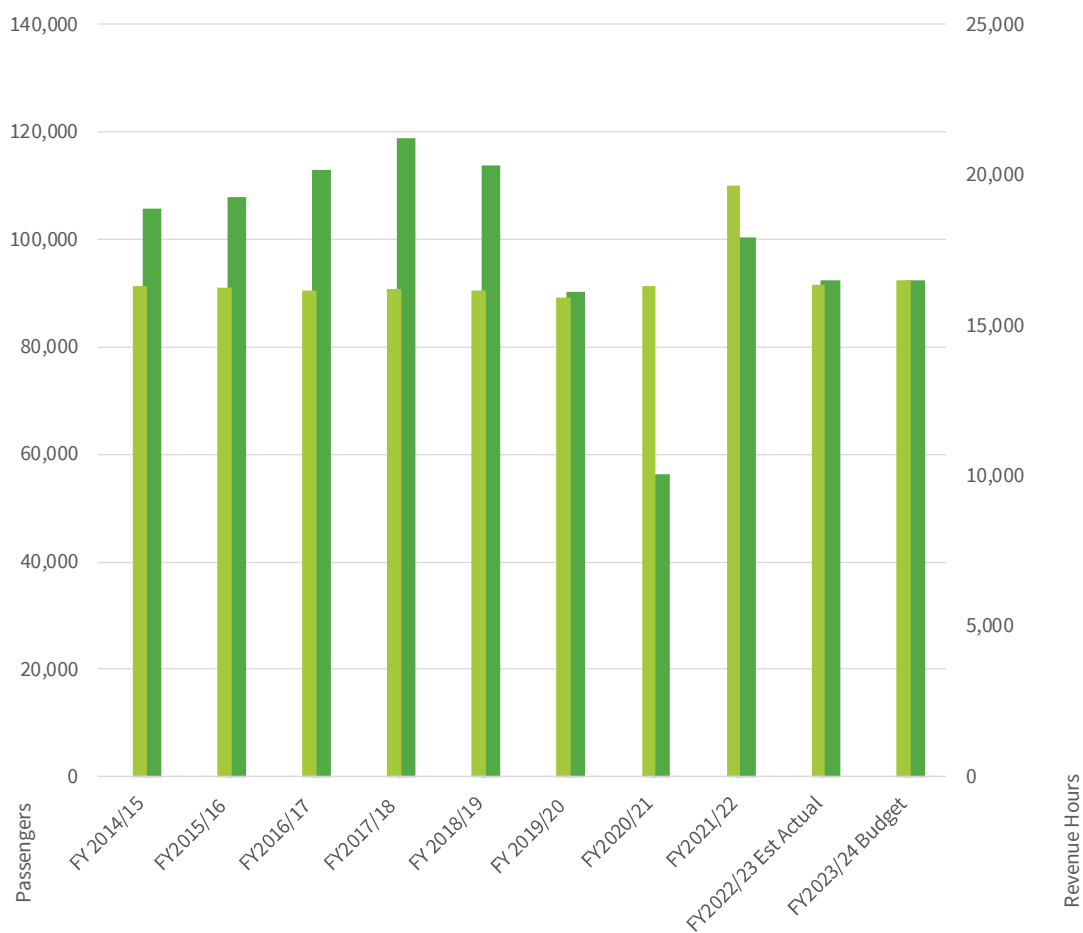


Table 10: Rural Budget Service Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
West Marin Stagecoach	16,500	\$103.59	No changes to service level.
Rural Dial-A-Ride	0	N/A	This service is moved to Marin Access budget for FY2023/24.

The rural service budget (Table 11) includes contract service operations, marketing, fuel, communications, and Marin Transit staff expenses. Rural service is funded with a combination of local sales tax funds and Federal Transit Administration (FTA) Section 5311 rural funding. Marin Transit receives 3% of the County Measure AA local sales tax funds for Rural service. There are no longer carryforward Measure AA funds for rural service and additional property tax funding will be used fund the rural operations.

Table 11: Rural Service Budget

GL Code	GL Description	FY 2022 Actual	FY2023 Budget-Revised	FY2023 Estimated Actuals	FY2024 Budget	% Δ from FY2023 Budget
Revenue						
4092001	Measure A Sales Tax	0	325,387	55,080	57,672	-82%
4092005	Measure AA Sales Tax	664,630	1,131,141	1,131,141	926,812	-18%
4139920	Fed-FTA 5311 Rural	228,695	297,303	297,303	303,249	2%
4139951	Fed-FTA 5311 Relief Funds	304,048	0	246,000	0	-
4140100	Fare Revenue	84,194	100,706	72,861	80,000	-21%
Subtotal Revenue		1,281,567	1,854,537	1,802,385	1,367,733	-26%
4700001	Property Tax Transfer	1,072,698	600,000	671,825	1,318,000	120%
Total Revenue		2,354,265	2,454,537	2,474,210	2,685,733	9%
Expense						
5030301	Consultant Services	7,059	16,391	12,500	16,000	-2%
5040101	Fuel	367,930	396,468	307,208	322,568	-19%
5040180	Utilities (Facility)	37	0	109	0	-
5049902	Small Equipment	0	5,000	0	5,000	0%
5049911	COVID-19 Supplies and Cleaning	103	0	0	0	-
5050205	Communication-AVL	12,454	15,000	11,824	15,000	0%
5080101	Purchased Transportation	1,843,963	1,814,694	1,964,591	2,057,149	13%
5090801	Marketing	5,379	20,600	7,816	21,218	3%
Subtotal Expense		2,236,925	2,268,153	2,304,048	2,436,935	7%
5100100	Salary/Benefit Transfers	97,385	138,360	121,973	140,938	2%
5100101	Transfer Overhead	19,954	44,345	26,383	41,751	-6%
Total Expenses		2,354,264	2,450,858	2,452,404	2,619,624	7%

Marin Access (Paratransit and Mobility Management)

The Marin Access budget includes Marin Access paratransit services for both local and regional trips and associated costs for fuel, customer service, scheduling and dispatch software, and marketing. The Marin Access budget also includes Marin Transit's Mobility Management programs and services. The purpose of the Mobility Management program is to increase mobility for the County's older adults and those with disabilities in need of transportation services and provide cost effective and improved alternatives to paratransit. The program goes beyond the legal requirements of the Americans with Disabilities Act (ADA) using funding from local Measure B and Measure AA. Demand for and usage of Marin Access programs has not returned to pre-pandemic levels and Marin Transit staff are completing program evaluations and rider outreach to plan for service changes and improvements. These changes will likely be implemented in FY2023/24 and may require budget amendments.

The FY 2023/24 budget for Marin Access (Table 14) is \$7.7 million, a 7% decrease compared to the prior year's budget. The decrease in budget is primarily due to lowering the the estimated level of service for paratransit. Demand in the current year is well under the projected level of 73% of pre-COVID hours. The FY2023/24 budget reduces the projected service levels to 60% of pre-COVID hours which would be a 40% increase over the FY2022/23 estimated actuals (Figure 9). Passengers by program are shown in Figure 10.

Current programs are described below and shown in Table 12:

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 federal Americans with Disabilities Act (ADA) as well as trips that go beyond the ADA requirements. This service, and a regional paratransit service managed on behalf of GGBHTD, are operated under a single contract to Transdev. Service is budgeted at 36,000 hours. GGBHTD pays a share of mandated local paratransit based on their share of transit in Marin County (currently 14.63%). The method of calculation was changed in the new GGBHTD service contract and the GGBHTD share was reduced by about 10%. 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.

The **Connect pilot program** was discontinued as of June 30, 2023.

Marin Transit's **volunteer driver programs** allow Marin County residents that are 65+ or ADA-eligible to identify trusted drivers and provide mileage reimbursements for up to 100 miles per month in urbanized Marin (STAR program) or 400 miles in West Marin (TRIP program). The reimbursement rates are being increased in FY2023/24 and program has \$130,000 budget and is projected to carry 10,000 passengers per year.

Catch-A-Ride is a subsidized voucher program for Marin County residents that are 65+ or ADA eligible. The program is being expanded in FY2023/24 and riders can take up to 30 trips per quarter at a subsidy of up to \$20 per trip after paying a base fare of \$5. Riders eligible for the Marin Access Fare Assistance program are eligible for additional subsidy and trips due to demonstrated income barriers. Catch-A-Ride trips are scheduled, dispatched, and provided directly by Marin Transit contractors, North Bay Taxi and Uber. This program is budgeted at \$480,000 per year.

Marin Access Shuttles are a new program as of July 1, 2024 that will be operated by Transdev and includes components that were previously operated as Rural Dial-A-Ride. This new program formalizes existing shuttles and allows staff to evaluate opportunities for expansion.

Regional paratransit is fully funded by GGBHTD. The FY 2023/24 budget includes 5,000 revenue hours for regional paratransit service which is 68% of the pre-COVID demand.

Mobility Management

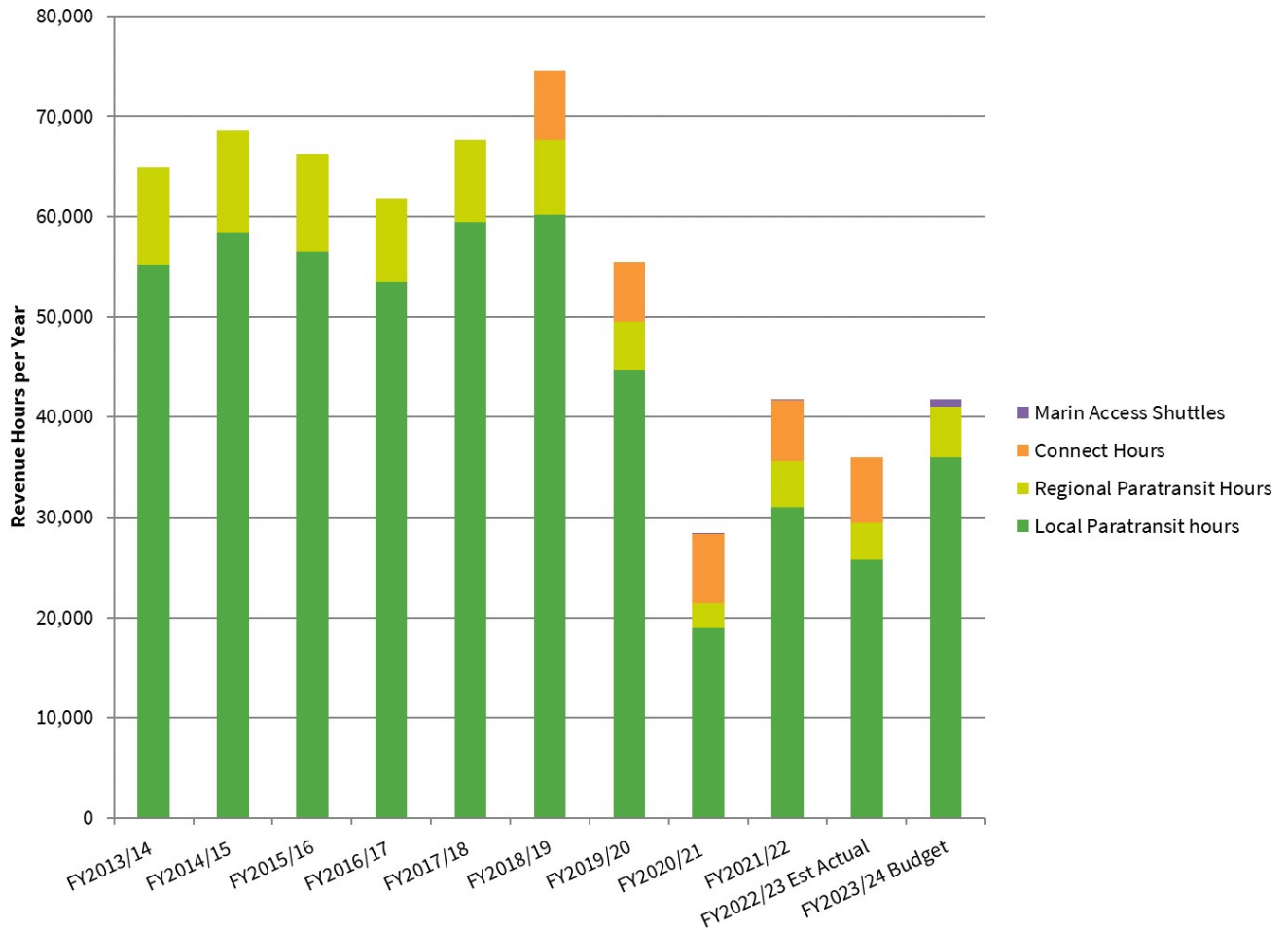
Marin Transit established the Mobility Management Office in 2009, with initial funding from a Federal New Freedom Grant. The program has continued to receive Federal Section 5310 grants to fund staffing costs (Table 13). Marin Transit established the Marin Access Travel Navigator program in 2010, as a one-stop-shop for information and eligibility on all Marin Access programs. The Mobility Management Office serves as an umbrella for the suite of Marin Access programs including paratransit, volunteer driver, Catch-A-Ride, and travel training. Travel training activities include local informational presentations and individualized travel training. There are currently two full-time Travel Navigators and one full-time Travel Navigator Coordinator.

Table 12: Marin Access Budget Service and Program Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
Local Paratransit	36,000	\$131	Budgeted hours increase 30% over prior year estimated actual; projected at 60% of pre-COVID service demand.
Regional Paratransit	5,000	\$113	Fully funded by GGBHTD, rate is lower than local paratransit due to fixed fee allocation that maybe adjusted.
Marin Access Shuttle	400	\$131	New shuttle program starting in FY2024 and includes components that were previously operated as Rural Dial A Ride.
Connect (Pilot)	0	N/A	Program cancelled effective June 30, 2023
Program	Service Level (Projected Ridership)	Funding Level	Notes
Catch A Ride	3,700	\$360,000	Partially funded with Measure B, program changes are being implemented in FY2024.
Volunteer Driver	10,000	\$100,000	Program at similar service level to pre-COVID demand. Fully funded by Measure B. Subsidies increased for FY2024
Innovation Incubator / Gap Grants	NA	\$90,000	Provides support to external agencies for innovation projects.

Low Income Fare Assistance Program	NA	\$85,000	Provides fare assistance for low-income riders. Fare assistance is funded with Measure B.
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Figure 9: Marin Access Revenue Hours for Services

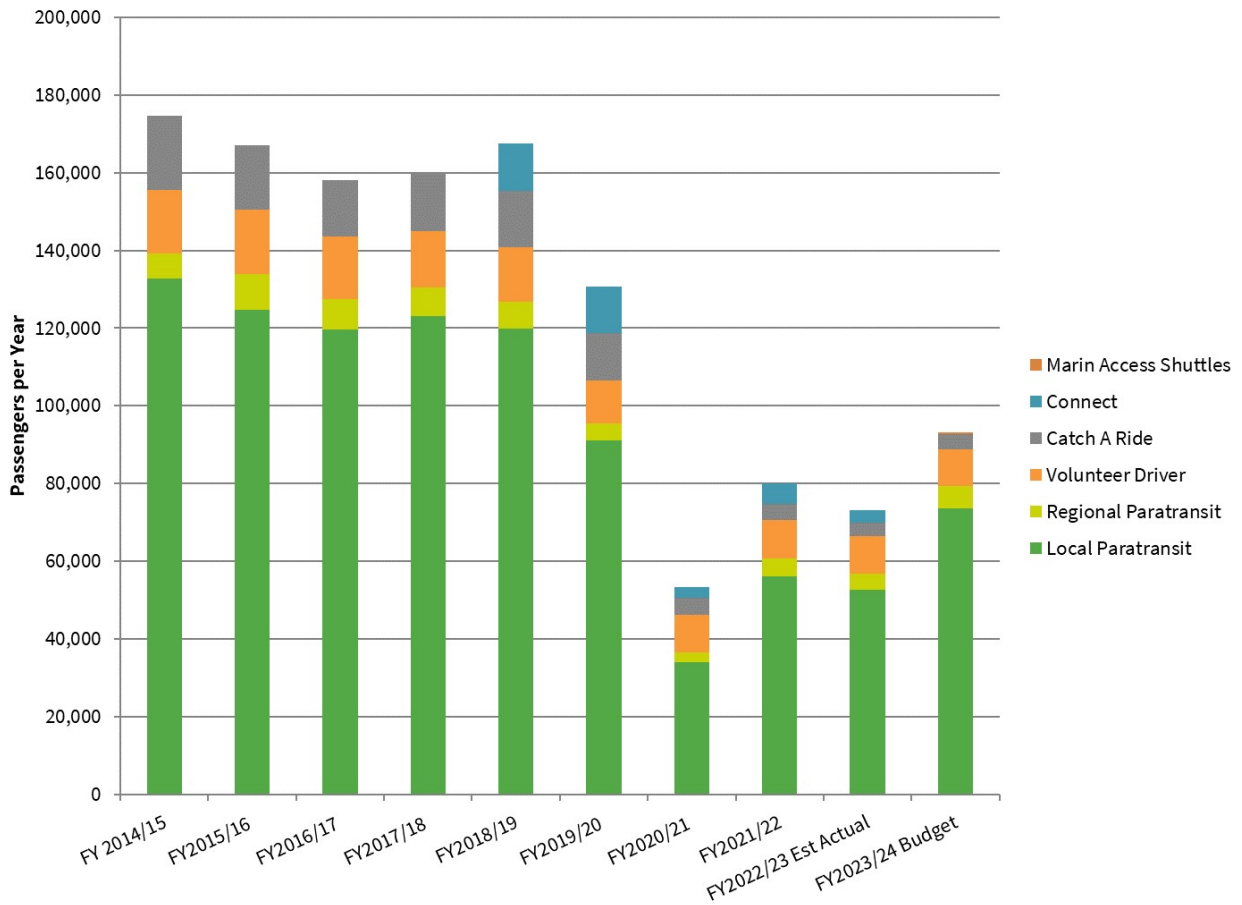


Marin Access Revenue

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. In FY2023/24, Marin Transit has \$2.9 million in Measure AA funding for expenditures which is significantly lower than FY2022/23 which expended significant carryforward revenues. Marin Transit receives 35% of the county Measure B vehicle license fee to support the mobility management initiatives. Marin Transit is budgeting \$895,000 of Measure B funding in FY 2023/24, which includes an estimated \$147,000 in unspent prior year allocations.

Marin Transit plans to continue providing 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. Marin Transit will receive \$1.1 million in federal 5307 funding for paratransit operations. Fare revenue is projected to be 2% of Marin Access revenues.

Figure 10: Marin Access Passengers by Program and Service



In FY 2023/24, Marin Transit expects to expend \$1.3 million in state and federal grant awards for Marin Access (Table 13).

Table 13: Marin Access Grant Funding

FY2023/24 Expenditure	Total Grant Award	Program	Source
\$1,061,461	\$1,061,461	Paratransit Operations	FTA Section 5307
\$187,500	\$375,000	Rural Paratransit	FTA Section 5310
\$88,750	\$177,500	Mobility Management	FTA Section 5310
\$0	\$112,500	Paratransit -Same-day Service	FTA Section 5310

Table 14: Marin Access Budget

GL Code	GL Description	FY 2022 Actual	FY2023 Budget-Revised	FY2023 Estimated Actuals	FY2024 Budget	% Δ From FY 2023 Budget
Revenue						
4092001	Measure A Sales Tax	0	165,410	165,410	173,191	5%
4092005	Measure AA Sales Tax	2,767,189	4,159,467	2,547,438	2,934,903	-29%
4099950	Measure B	808,354	950,000	850,651	895,000	-6%
4110101	State Transit Assistance	60,000	60,000	60,000	60,000	0%
4119910	State Prop Tx Relief HOPTR	18,412	16,000	12,000	16,000	0%
4139910	Fed-FTA 5307 Urbanized Area Formula	802,802	1,039,640	1,039,640	1,061,461	2%
4139915	Fed-FTA 5310 Mobility	80,146	0	9,330	276,250	-
4139917	Fed-FTA 5307 Relief Funds	45,354	0	0	0	-
4140100	Fare Revenue	219,082	318,964	159,600	170,875	-46%
4601003	GGBHTD – Local Paratransit Payment	921,650	879,922	760,315	786,640	-11%
4601004	GGBHTD – Regional Paratransit	654,653	633,569	532,038	636,495	0%
Subtotal Revenue		6,377,642	8,222,972	6,136,422	7,010,815	-15%
4700001	Property Tax Transfer	48,134	455,000	130,000	703,174	55%
4700002	Program Revenue Transfer	(44,431)	(80,000)	(72,000)	(80,000)	0%
Total Revenue		6,381,345	8,597,972	6,194,422	7,633,989	-11%
Expense						
5030301	Consultant Services	108,174	84,827	8,792	85,782	1%
5030320	Customer Service	198,002	72,695	0	0	-100%
5030602	Services - Facility	9,850	24,000	18,018	24,000	0%
5040101	Fuel	497,434	744,253	475,990	597,429	-20%
5040160	Utilities (Facility)	10,525	30,000	11,889	30,900	3%
5049902	Small Furn/Equip	23	10,000	1,632	10,000	0%
5049903	Software	131,383	182,434	139,799	156,997	-14%
5049911	COVID-Supplies and Cleaning	33,174	0	7,156	0	-
5050204	Communication-MERA Radio	22,962	27,035	25,963	27,846	3%
5050206	Communication	14,696	18,000	11,828	18,540	3%
5080101	Purchased Transportation - In Report	4,281,305	5,737,163	4,642,945	5,525,452	-4%
5080102	Purchased Transportation - Regional	597,625	566,158	471,213	566,716	0%
5090801	Marketing	12,630	35,000	0	36,050	3%
5098001	Misc-Exp Transit User Training	3,942	12,731	15,000	13,113	3%
5098002	Gap Grant	0	90,000	0	50,000	-44%
Subtotal		5,921,725	7,634,296	5,830,225	7,142,825	-6%
5100100	Salary/Benefit Transfers	380,269	494,144	317,328	459,980	-7%
5100101	Transfer Overhead	77,917	158,376	68,638	136,262	-14%
Total Expense		6,379,911	8,286,816	6,216,191	7,739,067	-7%

Capital Budget

Marin Transit’s annual capital budget (Table 15) of \$16.3 million provides funding for transit vehicles, bus stop improvements, facilities, and other capital expenses. Figure 11 provides capital expenditures and budget by project type to show the significant variation in expenditures by year. In FY2023/24 Marin Transit will complete the purchase of seven 35-foot Hybrid Transit Buses, 10 paratransit vehicles, and an electric paratransit vehicle. Marin Transit is actively working on facility projects to improve existing facilities and purchase additional right of way needed for parking and maintenance of electric buses and yellow buses.

The FY2023/24 Capital Budget includes \$5.8 million in facility projects. Marin Transit successfully purchased a two-and-a-half-acre parcel (Rush Landing) in FY2019/20, a paratransit maintenance facility in San Rafael in FY2021/22, and an adjacent property in San Rafael for future parking and charging of small vehicles in FY2022/23. These purchases will provide vehicle parking for only a portion of the fleet and a maintenance facility location only for the paratransit service. Additional facilities and facility improvements are needed to meet zero emission fleet requirements and accommodate Marin Transit’s full parking and maintenance needs. Marin Transit is actively purchasing right-of-way for additional transit bus parking and the budget includes the larger facility project needed for installation of electric vehicle charging infrastructure and fixed route vehicle maintenance.

The FY2023/24 budget also includes the federally funded project for ADA bus stop improvements and a new corridor improvement project.

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.

The projects included in the FY2023/24 budget are 32% funded with state and federal grant funds (Table 15). The budget includes the expenditure of \$1.1 million in capital reserves (prior year property tax revenues) to fund facility improvements and the purchase of additional land for vehicle parking. The budget includes the expenditure of \$1.4 million in Measure A/AA local sales tax funds and \$1.3 million in current year property tax funds.

Specific capital expenditures are described below by project type and listed with the District’s two letter project code.

Vehicles

Replace Seven Hybrid Vehicles (LE) – Marin Transit will purchase seven 35-foot hybrid vehicles to replace vehicles beyond their useful life. The vehicles are 76% funded with Section 5307 funds, 12% funded with state funds and 12% funded through local match from Measure AA local sales tax funds.

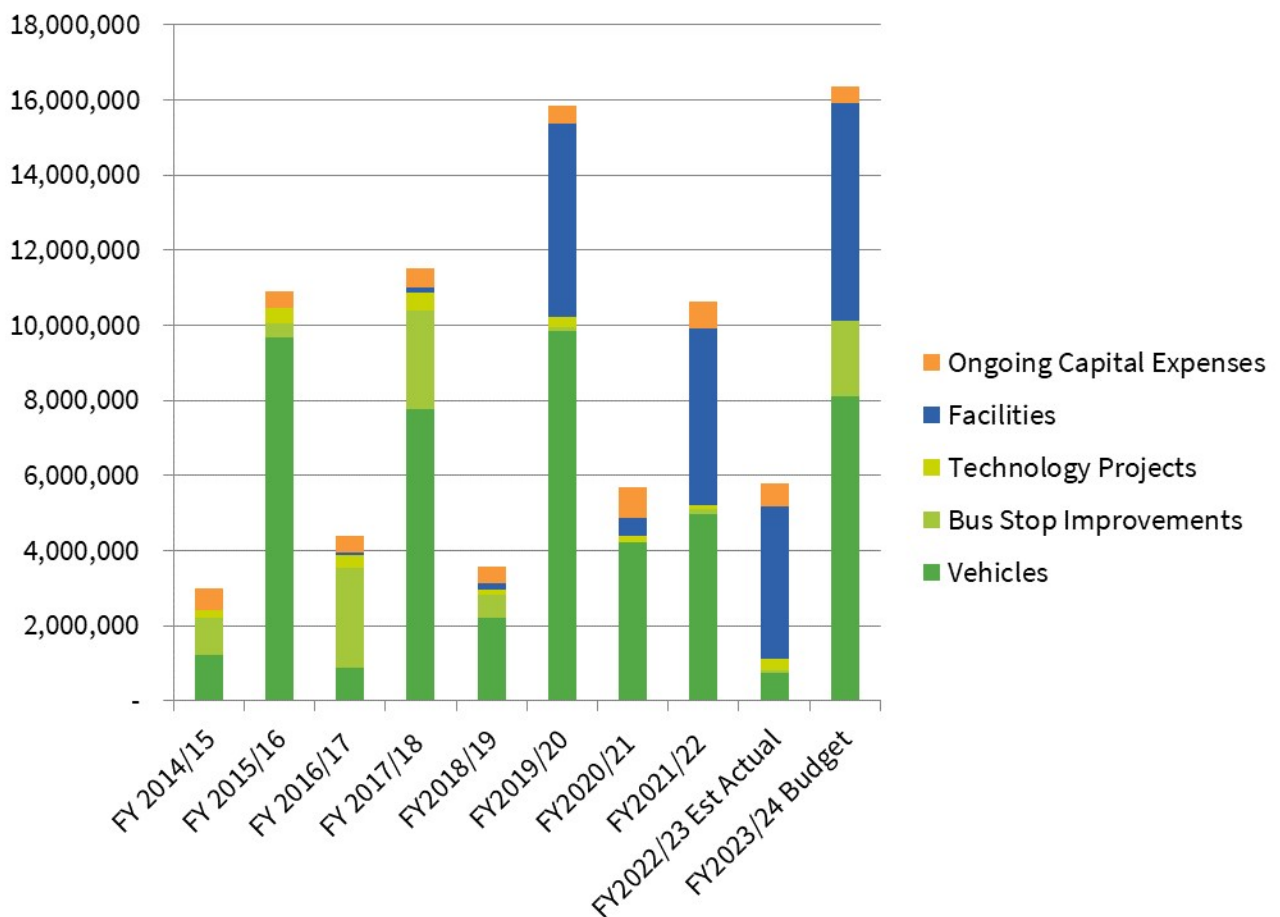
Purchase Five Paratransit Replacements – Accessible Vans (PD) – Marin Transit will purchase five paratransit vans to replace existing vehicles. The vehicles are 80% funded with Section 5307 funds with a local match from Measure AA local sales tax funds. Marin Transit executed the purchase order for these

vehicles in FY2021/22, but supply chain issues prevented delivery. The vehicles are expected to be delivered in July 2023.

Purchase One Electric Paratransit Vehicle (PE) – Marin Transit will purchase one electric paratransit vehicle and associated charging infrastructure. This project is funded with State Low Carbon Transit Operations Program (LCTOP) funding. Vehicles are expected to be delivered in late summer 2023.

Purchase Five Paratransit Replacements – Cutaways (PF) – Marin Transit will purchase five paratransit vehicles to replace vehicles beyond their useful life. The vehicles are 80% funded with Section 5307 funds with a local match from Measure AA local sales tax funds. The vehicles are expected to be delivered in July 2023.

Figure 11: Capital Project Budget by Type



Bus Stop Improvements

Novato Bus Stop Shelters (BN) – Marin Transit will purchase eight shelters to replace advertising shelters that are out of contract in Novato. The new shelters will require lower maintenance with perforated metal walls instead of glass. Regular maintenance of the installed shelters is included in Bus Stop Maintenance. This project is 80% funded with federal funds through the regional Lifeline program and matched with local Measure AA sales tax funding.

ADA Bus Stop Improvements (BP) – Marin Transit will complete construction of bus stop improvements at up to 20 stops in Marin County. The stops were identified for improvement after a 2017 Bus Stop Conditions assessment and 100% stop-level survey of ridership. They were prioritized by need for accessibility improvements, ridership, and lack of amenities. Improvements will be focused on providing ADA wheelchair landing pads and basic passenger amenities. The construction of this project is 80% funded with Federal funds awarded to Marin Transit through the regional Quick Strike Program.

Capital Corridors Improvements (BQ) – This project will evaluate and make improvements to three high ridership corridors: 4th Street, San Rafael, Lincoln Ave, San Rafael, and South Novato Blvd, Novato. The project is 80% funded with federal funding from region's third One Bag Area Grant (OBAG3) program.

Administrative and Operations Facilities

Facility Purchase – Fixed Route Maintenance Facility (FG) – The District is actively applying for grants for the larger facility needed for electrification and sustainable operations. This is a multi-year project started in FY2022/23.

Facility Improvements – Kerner (FH) – This project funds facility improvements at the vehicle parking facility. Improvements include demolition of an existing office building, fencing, lighting, installing electric vehicle charging stations. The project is funded with State Low Carbon Transit Operations Program (LCTOP) funding and Federal 5339 Zero Emission Bus (ZEB) funding.

Facility Improvements – Kerner Blvd (FI) – Marin Transit will be making improvements to the Kerner Maintenance Facility to provide drivers with a Break Room area. The project is funded with local property tax funds.

Yellow Bus Parking Facility (YF)- The District currently leases a parking lot for 16 yellow buses, but the future of this lease is unknown. 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

No projects are currently budgeted.

Other Measure A/AA Capital Expenses

Other capital and infrastructure expenses include; the capital contribution to GGBHTD as required under contract and major vehicle repairs. In FY2023/24, Bus Stop Maintenance Expenses were moved to the Local Operations budget since they are not capitalized and to make budget reports more consistent with other agency reports. Infrastructure support costs in project IF, not meeting the capitalizing threshold have also been moved to operations.

Table 15: Capital Budget by Project

Project Title and Code		Total Project Budget	Prior Year Expenditures	FY2023/24 Budget	Future Years	Measure AA/Local Funding	State Funding	Federal Funding
LE	Replace 7 35ft Hybrid Vehicles	6,423,974	1,500	6,422,474	0	12%	12%	76%
PD	Purchase 5 paratransit replacements	505,000	8,406	496,594	0	20%	0%	80%
PE	Electric Paratransit Vehicle and Charging Infrastructure	677,208	4,000	673,208	0	0%	100%	0%
PF	Purchase 5 paratransit replacements	515,000	5,500	509,500	0	20%	0%	80%
Subtotal Vehicles		\$8,121,182	\$19,406	\$8,101,776	0	12%	18%	70%
BN	Novato Bus Stop Shelters	61,115	9,063	52,052	0	20%	0%	80%
BP	ADA Bus Stop Improvements	1,703,000	225,712	1,477,288	0	20%	0%	80%
BQ	Capital Corridors Improvements	2,000,000	0	500,000	0	20%	0%	80%
Subtotal Bus Stop Improvements		\$3,764,115	\$234,775	\$2,029,340	0	20%	0%	80%
FG	Facility - Fixed Route Maintenance Facility	20,000,000	0	300,000	19,700,000	100%	0%	0%
FH	Facility -3010/3020 Kerner Improvements	2,148,537	300,000	1,848,537	0	0%	35%	65%
FI	Facility - Kerner Driver Break Room	650,000	0	650,000	0	100%	0%	0%
YF	Yellow Bus Parking Facility	3,000,000	0	3,000,000	0	100%	0%	0%
Subtotal Facility		\$25,798,537	\$300,000	\$5,798,537	\$19,700,000	92%	3%	5%
Subtotal Technology Projects		0	0	0	0	NA	NA	NA
GG	Golden Gate Capital Costs (GG)	24,000	17,036	18,000	0	100%	0%	0%
VR	Major Vehicle Repairs (VR)	200,000	105,032	200,000	0	100%	0%	0%
IF	Infrastructure Support (IF)	400,000	395,000	200,000	0	100%	0%	0%
Subtotal Ongoing Capital Expenses		624,000	623,430	418,000	0	100%	0%	0%
Total Expenditures		\$38,307,834	\$1,071,249	\$16,347,653	\$19,700,000	68%	6%	26%