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May 19, 2014

Honorable Board of Directors
Marin County Transit District
3501 Civic Center Drive
San Rafael, CA 94903



SUBJECT: Marin County Transit District Operating and Capital Budget for FY 2014/15

board of directors

Dear Board Members:

judy arnold
president
supervisor district 5

RECOMMENDATION: Adopt Marin County Transit District FY 2014/15 Operating and Capital Budget.

kathrin sears
vice president
supervisor district 3

SUMMARY: Marin Transit's preliminary budget for July 1, 2014 to June 30, 2015 was distributed at your board's April 21, 2014 meeting. At today's meeting, staff will present a proposed final budget that reflects the priorities and financial projections from the Short Range Transit Plan adopted by your Board in 2012 and as updated by Board adopted service planning adjustments. The budget includes current Metropolitan Transportation Commission (MTC) revenue projections for State Transit Assistance (STA) and Transportation Development Act (TDA) funds, Measure A estimates from the Transportation Authority of Marin (TAM), and the County of Marin estimates for property tax revenue.

madeline kellner
2nd vice president
city of novato

susan l. adams
director
supervisor district 1

The proposed final budget for FY2014/15 includes the following changes from the draft budget:

steve kinsey
director
supervisor district 4

- Updated Federal Section 5307 Americans with Disabilities Act (ADA) set aside funding for paratransit to reflect the most recent allocation;
- Updated Measure A funding to reflect TAM's final allocation numbers;
- Increased the Paratransit Low Income Scholarship Program from \$10,000 to \$20,000;
- Moved paratransit customer service costs from purchased transportation to a new customer service general ledger account;
- Updated capital project costs for the purchase of new paratransit vehicles; and

stephanie moulton-peters
director
city of mill valley

katie rice
director
supervisor district 2

- Added additional text to improve the budget document's adherence with Government Finance Officers Association best practices.

The FY 2014/15 proposed expenditure budget for both operations and capital projects is \$32,587,801 and will allow for the allocation of approximately \$2 million back into the Contingency Reserves in accordance with your Board adopted policy (Table 1).

The operating expense budget of \$27,431,753 is a four percent increase from the FY 2013/14 budget and provides for expanded rural services and funds projected increases in paratransit demand. The increase in transit service includes funding for 3,049 additional rural service hours and 4,275 local paratransit hours over the FY2013/14 budget.

The operating revenue budget of \$29,407,195 is a six percent increase over the FY 2013/14 budget. Transit revenue from sales taxes (Measure A and TDA funding) continues to increase with the economic recovery. Specific information and trends regarding the operations budget for Administration, Local Service, Rural Service, and Marin Access are included in the budget document that is provided as an attachment to this letter.

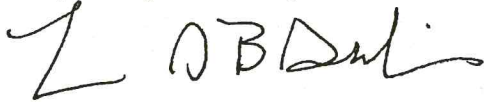
Table 1: Budget Summary

	FY 2011/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY 2014/15 Draft Budget	FY2014/15 Final Budget
Revenue					
Operations	25,166,463	27,749,548	27,142,647	29,416,771	29,407,195
Capital	3,688,862	10,063,107	2,745,621	5,132,379	5,156,048
Total Revenue	\$28,855,325	\$37,812,655	\$29,888,268	\$34,549,150	\$34,563,243
Expenditures					
Operations	23,619,796	26,475,633	25,408,682	27,432,486	27,431,753
Capital	3,688,861	10,063,107	2,745,621	5,132,379	5,156,048
Total Expenditures	\$27,308,657	\$36,535,770	\$28,154,303	\$32,564,865	\$32,287,801
Net Change in Fund Balance	\$1,546,667	\$1,276,885	\$1,733,965	\$1,984,285	\$1,975,441
Emergency Reserve	4,412,111	4,412,606	4,412,606	4,572,081	4,571,959
Contingency Reserve	2,929,089	4,205,480	4,662,560	6,487,369	6,478,647
Fund Balance (total reserve)	\$7,341,200	\$8,618,085	\$9,075,165	\$11,059,450	\$11,050,606

Marin Transit's capital budget is a balanced budget of \$5,156,048. Marin Transit has several active vehicle procurements and bus stop improvement projects. The purchase of eleven federally funded hybrid vehicles is expected to be completed in late 2015. The State of Good Repair Bus Stop Improvement project will start construction, and the District will continue to work with the City of Novato to renovate the downtown Redwood Blvd and Grant Ave bus stops. Eighty-two percent of the proposed FY 2014/15 capital budget is funded by state and federal grants.

FISCAL IMPACT: None associated with the report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L Gradia". The signature is written in a cursive, flowing style.

Lauren Gradia
Director of Finance and Capital Projects

Attachment



- /// local transit
- /// rural transit
- /// marin access
- /// capital projects

Marin Transit Budget

FY 2014/15



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Marin Transit Budget Overview

The Marin County Transit District (Marin Transit) is responsible for local transit service within Marin County, providing over 3.4 million unlinked passenger trips per year and just over 211,000 revenue hours of service. Marin Transit provides services through contract operators including the Golden Gate Bridge Highway and Transportation District (GGBHTD), Marin Airporter, MV Transportation, and the Marin Senior Coordinating Council (Whistlestop Wheels). 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 SRTP was last adopted by the Marin Transit Board of Directors on September 17, 2012 and is scheduled to be updated in Fall 2014.

Marin Transit's budget uses full accrual basis of accounting to record annual revenue and expenses consistent with Generally Accepted Accounting Principles (GAAP) for special districts and the District's annual audited financial reports. All known revenues and expenditures are recorded in the period they are earned or expended.

The Marin Transit Board of Directors adopts an annual budget for the District'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:

- A. Maintain adopted reserve levels;
- B. Preserve a balance of revenues and expenditures over a ten-year horizon;
- C. Provide for SRTP-adopted service levels; and
- D. Allow for innovative growth.

The following is the timeline for fiscal year July 1, 2014 to June 30, 2015 (FY 2014/15) budget development:

February 14, 2014	Budget kick-off meeting
February–March 2014	Program level budget meetings
April 21, 2014	Draft Budget presented to Board of Directors
May 19, 2014	Adoption of Final Budget

Board adopted budget amendments are required to increase total operating or capital expenditures levels. Budget transfers between District cost centers or program areas can be authorized by the District's General Manager and are reported to the Board of Directors as part of the quarterly budget report.

Budget Summary

The FY 2014/15 Expenditure Budget for Operations and Capital Projects is \$32,587,801 and allows for the return of approximately \$2 million to the Contingency Reserve in accordance with the Board adopted policy (Table 1).

Table 1: Budget Summary

	FY 2011/13 Actual	FY 2013/14 Budget	FY 2013/14 Estimated Actual	FY2014/15 Final Budget
Revenue				
Operations	25,166,463	27,749,548	27,142,647	29,407,195
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Contingency Reserve	2,929,089	4,205,480	4,662,560	6,478,647
Fund Balance (total reserve)	\$7,341,200	\$8,618,085	\$9,075,165	\$11,050,606

District Reserve Balance

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. During the recent economic downturn, the District's sales tax and property tax revenues declined or had limited growth while Marin Transit contract costs continued to escalate. In FY 2010/11 and FY 2011/12, Marin Transit relied on funds from the Contingency Reserve to balance the operations budget. A District appointed Board sub-committee was successful in rebalancing the budget through service reductions of underperforming services, repackaging and competitively bidding the Rural and Muir Woods Shuttle service at a significantly lower cost, continuing to invest in mobility management initiatives to control paratransit demand, and negotiating a new agreement with the Golden Gate Bridge Highway and Transportation District (GGBHTD). The new agreement with GGBHTD that took effect July 1, 2012 reduced the contract rate, shifted the cost structure to revenue hours, reduced the annual escalation rate from 5% to 2.7%, allowed for the shift of lower productivity routes to the District's shuttle service typology, and modified the payment structure for capital costs.

Increased revenues included federal Section 5307 ADA set aside funds for paratransit. Along with increasing revenues from the economic recovery and new revenues, the efforts to control costs allowed the District to contribute to the reserve balance in FY 2012/13 and to begin to restore service levels. The District currently has no debt and, based on estimated actuals for FY 2013/14 and the FY 2014/15 Budget, the District's Contingency Reserve will be equivalent to 2.5 months of operating expenses at the end of FY 2014/15. This amount meets the target level of two to four months operating expenses (Table 1). In the upcoming Short Range Transit Plan update, the District will develop ten year service and financial plans with the intent to maintain the target reserve while maximizing mobility for local transit passengers.

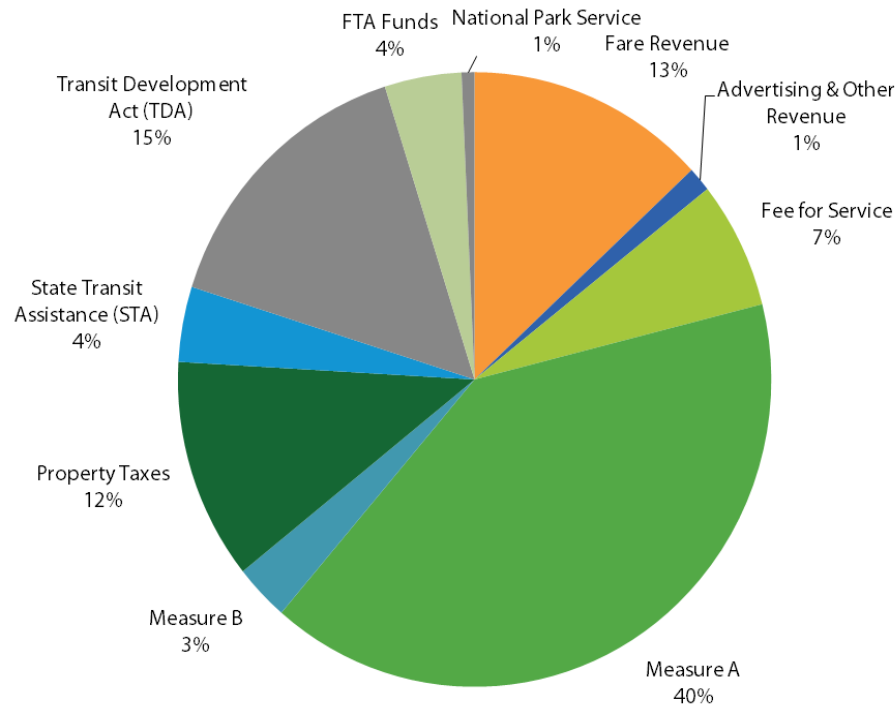
District Revenue

Marin Transit derives its revenues from multiple sources (Figure 1) with no single revenue source making up the majority of the District's operating funds. The primary revenue sources for Marin Transit operations are:

- Measure A sales tax operating funds;
- Transportation Development Act (TDA) funds;
- State Transit Assistance (STA) funds);
- Passenger fares; and
- Property taxes.

The FY 2014/15 Budget includes current Metropolitan Transportation Commission (MTC) revenue projections for State Transit Assistance (STA) and Transportation Development Act (TDA) funds, Transportation Authority of Marin (TAM) allocations for Measure A, and County of Marin estimates for property tax revenue. Passenger fare revenue is budgeted based on current program receipts or estimated using a linear projection if service levels are increasing or decreasing.

Figure 1: Revenue Sources for FY 2014/15 Budget



Local Sales Tax – Measure A

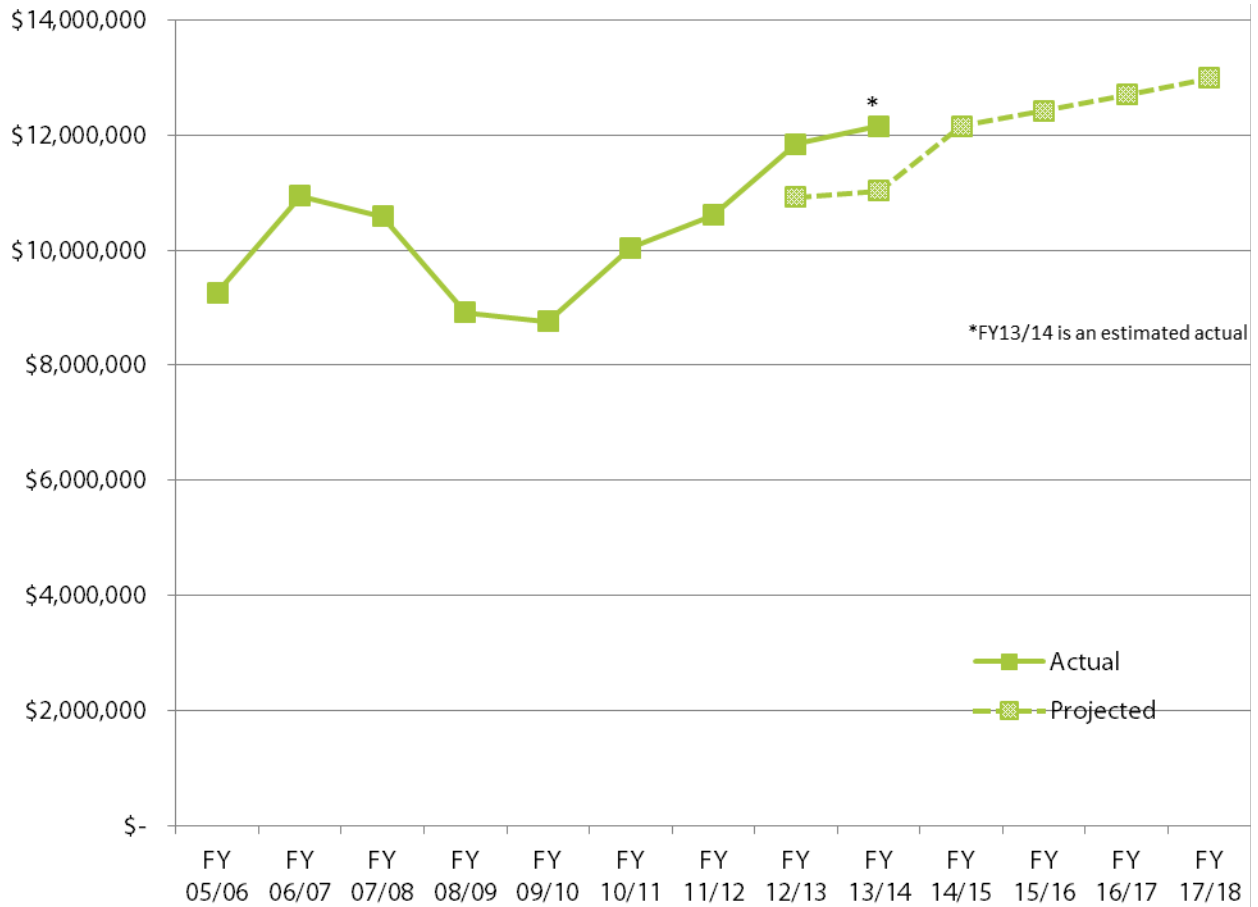
Marin County voters passed a half cent sales tax measure (Measure A) in 2004 to provide local funding and investment for transportation infrastructure and programs. Under the sales tax expenditure plan, fifty-five percent of Measure A is available for local transit service in the following four sub-strategies:

- Maintain and expand local bus transit service (37%);
- Maintain and expand rural bus transit system (3%);
- Maintain and expand transit services for those with special needs (9%); and
- Invest in bus transit facilities for clean and efficient transit system (6%).

Measure A historically provided approximately one-third of Marin Transit's operating revenues. Consequently, the drop in allocations beginning in Fiscal Year 2008 significantly impacted District revenues. As the economy has recovered, sales tax receipts in Marin County have rebounded with actual receipts for FY 2012/13 coming in 13% higher than the prior year. The Measure A revenue available for transit allocation has increased accordingly (Figure 2).

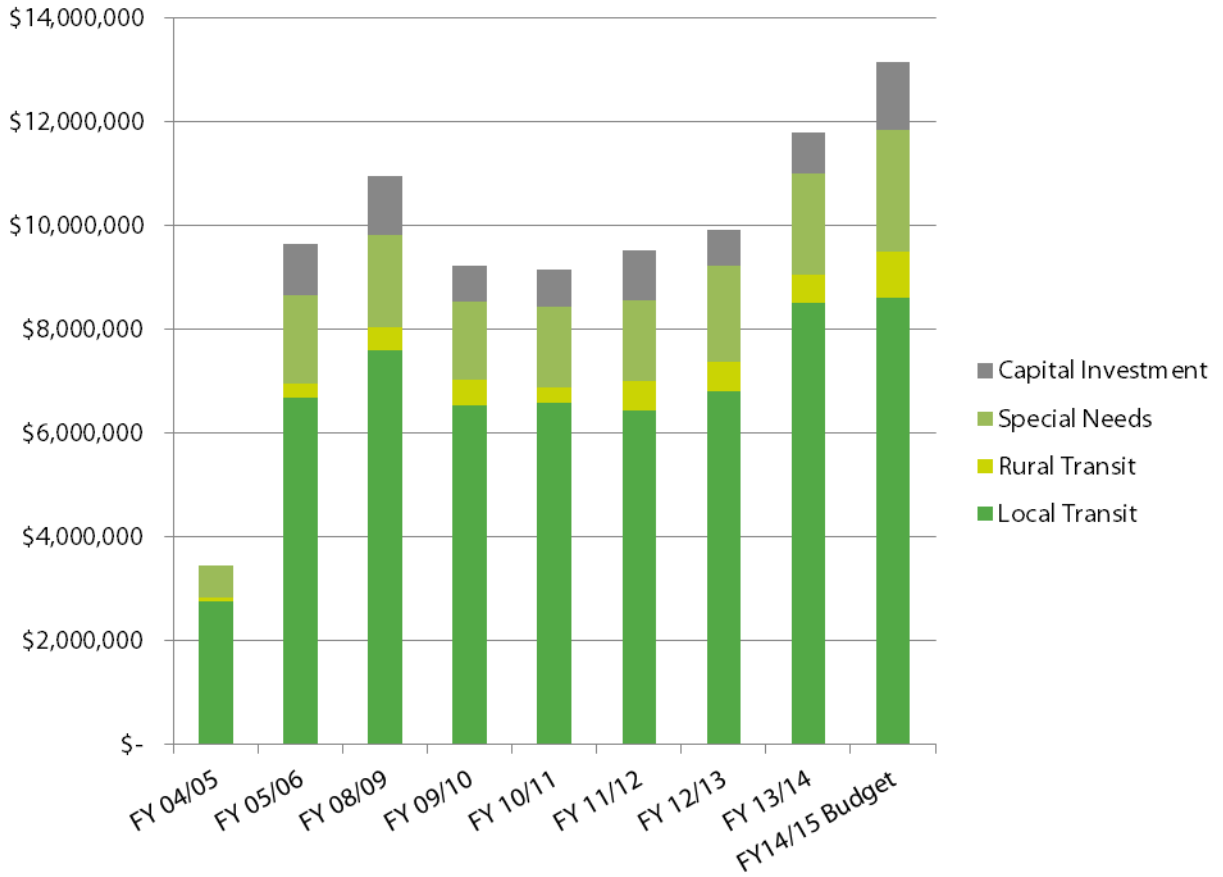
TAM makes Measure A funding available to the District based on projections and adjusts future year balances to account for actual receipts. Since the recovery, TAM has made conservative sales tax projections to protect against future fluctuations. As a result, there has been an increasing carry forward of allocations between years. For example, the actual local transit share of Measure A receipts for FY 2013/14 is expected to exceed the original estimate for FY 2013/14 by an additional \$1 million. For FY 2014/15 TAM is projecting no increase in sales tax receipts over FY 2013/14 estimated actuals.

Figure 2: Transit’s Share of Measure A (Actual Receipts by Fiscal Year)



The District’s actual expenditure of Measure A revenue varies due to the capital replacement cycles and the availability of other grant funding in a particular year (Figure 3). Any unclaimed Measure A revenue in a given year is available for TAM to allocate to Marin Transit in future years. After the allocations for the FY 2014/15 Budget, the District will have a reserve of \$1.1 million of rural and \$2.5 million of capital funds. These reserves are held by TAM and not included in Marin Transit’s Emergency or Contingency Reserve funds. However, Marin Transit programs these funds in the ten year operation and capital budget forecasts included in the adopted SRTP.

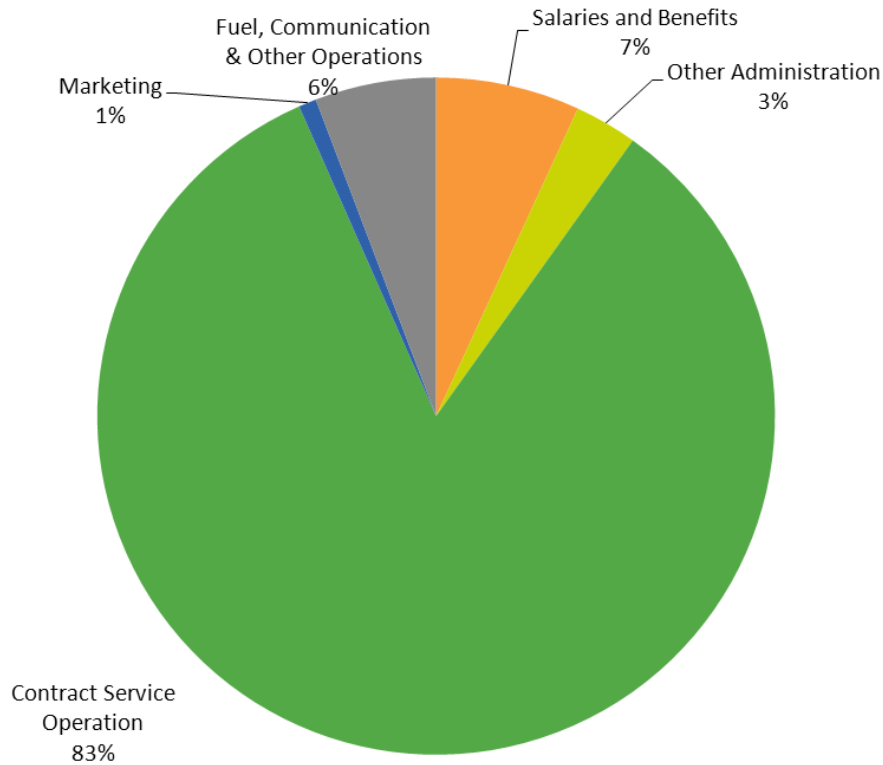
Figure 3: Actual Measure A Expenditures by Fiscal Year



District Expenses

Marin Transit provides local transit service through purchased transportation contracts. Under this structure the majority of district operations expenses are for contract service operation (83%) and associated fuel expenses (6%) (Figure 4).

Figure 4: Operations Expenses for FY 2014/15 Budget



Operations Budget

Marin Transit's FY 2014/15 operations budget (page 11) provides for operation of the following services:

Local Large Bus Fixed Route ¹	87,500 revenue hours
Community Shuttles	38,648 revenue hours
Local Supplemental School Service	4,259 revenue hours
Muir Woods Shuttle	3,917 revenue hours
Novato Dial-A-Ride	2,650 revenue hours
West Marin Stagecoach Service	16,049 revenue hours
Tomales Service	375 revenue hours
Local Paratransit Service	58,302 revenue hours ²
Regional Paratransit Service	10,150 revenue hours ³
Catch A Ride	16,320 trips
Volunteer Driver	24,160 trips

The operating expense budget of \$27,431,753 is a 4% increase over the FY 2013/14 budget (Table 2) and provides for an overall increase in service hours over the prior year of 4% (7,566 hours). This is primarily the result of increases to the rural and paratransit programs in the current budget year.

The operating revenue budget of \$29,407,195 is a 6% increase over the FY 2013/14 budget (Table 2). This increase in revenue is primarily due to an increase in Transportation Development Act (TDA) Funding and Measure A funds that are both generated from sales tax receipts.

Information and trends on the operations budget for Administration, Local Service, Rural Service, and Marin Access are described in the following sections.

¹ Excludes all supplemental school service

² Revenue hours have been adjusted over prior year figures to align with National Transit Database (NTD) definitions

³ Contract managed on behalf of GGBHTD, and all direct costs are funded by GGBHTD

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

	FY 2013 Actual	FY 2014 Budget	FY 2014 Estimated Actuals	FY 2015 Final Budget	% Change in Budget from FY 2014
Fare Revenue	3,720,004	3,736,866	3,894,889	3,840,267	2.76%
Advertising & Other Revenue	334,864	222,092	344,984	344,984	55.33%
Fee for Service	53,839	1,950,103	1,889,003	1,970,793	1.06%
Interest	2,575	1,000	1,800	1,800	80.00%
Measure A	9,240,683	11,212,890	10,166,965	11,814,374	5.36%
Measure B	534,025	808,178	616,428	897,986	11.11%
Property Taxes	3,190,322	3,213,918	3,306,913	3,423,216	6.51%
Development Fees	39,437	24,000	15,361	15,361	-36.00%
State Transit Assistance (STA)	1,602,754	1,378,824	1,378,824	1,162,845	-15.66%
Transit Development Act (TDA)	3,591,333	3,908,269	3,908,269	4,478,090	14.58%
Other State	19,893	20,071	19,610	19,589	-2.40%
FTA Funds	1,070,210	1,108,337	1,490,231	1,230,899	11.05%
National Park Service	126,276	165,000	127,370	206,991	25.44%
Cost Center Transfers	<u>(82,301)</u>	<u>0</u>	<u>(18,000)</u>	<u>0</u>	0.00%
Total Revenue	25,166,463	27,749,548	27,142,647	29,407,195	6.01%
Salaries and Benefits	1,566,667	1,751,181	1,548,508	1,757,190	0.34%
Consultant Services	357,317	490,796	434,602	568,903	15.91%
Customer Service	0	0	0	121,340	-
Indirect County Overhead	36,888	50,000	36,888	36,888	-26.22%
Mobility Management Support Programs	20,359	64,420	36,818	59,000	-8.41%
Office Supplies	92,225	107,170	97,898	107,233	0.05%
General Insurance	25,433	28,000	25,738	28,840	3.00%
Contract Service Operation	20,496,961	22,331,974	21,732,999	22,910,222	2.58%
Membership & Prof Development	24,087	27,000	22,106	27,000	0.00%
Mileage and Travel	13,524	18,400	11,982	18,400	0.00%
Marketing	71,972	225,068	133,434	228,460	1.51%
Communication	61,345	107,751	93,179	121,903	13.13%
Fuel	953,177	1,339,094	1,306,078	1,572,001	17.39%
Misc. Services	27,249	25,000	22,211	30,000	20.00%
Office - Rental and Overhead	110,847	95,000	89,354	95,000	0.00%
Cost Center Transfers	<u>(238,256)</u>	<u>(188,191)</u>	<u>(183,112)</u>	<u>(250,627)</u>	33.17%
Total Expenses	23,619,796	26,472,663	25,408,683	27,431,753	3.62%
Net Revenue Over Expenditures	<u>1,546,667</u>	<u>1,276,885</u>	<u>1,733,964</u>	<u>1,975,441</u>	54.70%

Administration

The administration budget (page 13) includes revenues and expenses that are shared by all program areas. While these items are budgeted and recorded in administration, expenses are allocated to the program budgets based on a program's resource usage (i.e. billed staff time). This allows Marin Transit to track the full cost of programs.

Revenue in the administration budget includes property taxes and development fees. The revenue projections are based on estimates from the County of Marin and anticipate a growth in property tax of 3.5% over FY 2013/14 estimates.

Expenses in the administration budget include staff salaries and benefits, audit fees, insurance, travel costs, professional development expenses, office rental, and other associated costs. Marin Transit relocated to new office space in November 2012 with a three-year lease. The successful move allowed the District's activities and staff to enjoy new expanded space and save overhead costs.

The District transitioned to a single source employment model in FY 2013/14 with all staff employed as direct Marin Transit employees. The District no longer has staff employed by the County of Marin or Local Government Services. The transition has provided the District with greater control over human resources (HR) decisions, simplified employment policies and procedures, consolidated payroll procedures, and reduced HR-related consulting costs. Based on preliminary estimates, the change in employment model has saved the district 10-15% in payroll expenditures and \$80,000 in consulting services costs. As anticipated during the transition, some of the savings is needed to fund additional human resources staff support. The FY 2014/15 budget allows for an additional administrative support position and a part-time planner for an increase from 11 to 12.5 full-time equivalent positions (Figure 5).

Based on the employment framework adopted by your Board in August 2013, top salary ranges for each classification will increase by the consumer price index (CPI) of 2.4%. This does not affect individual salaries. Any potential salary increases for cost of living and merit are subject to the agency review process and will be in accordance with employment policies scheduled to be brought to the District's Board for approval in Summer 2014.

Figure 5: Marin Transit FY 2015 Organization Structure

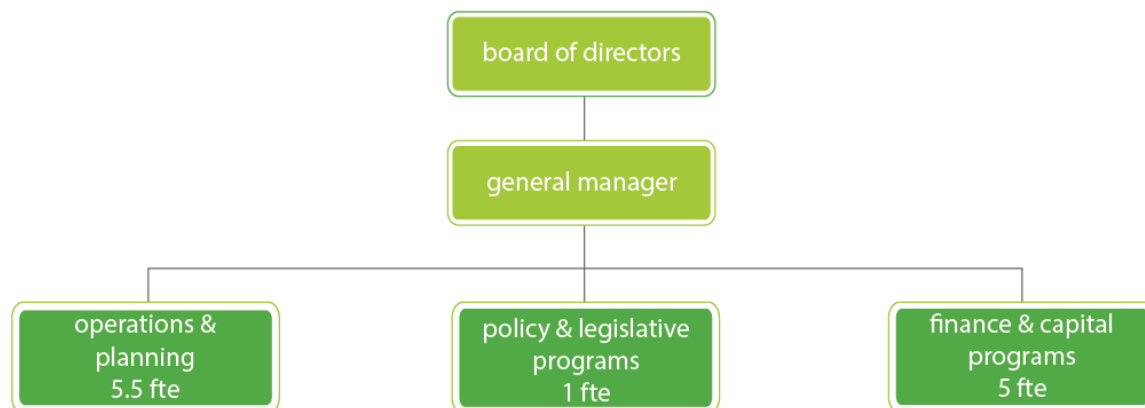


Table 3: Administration Budget

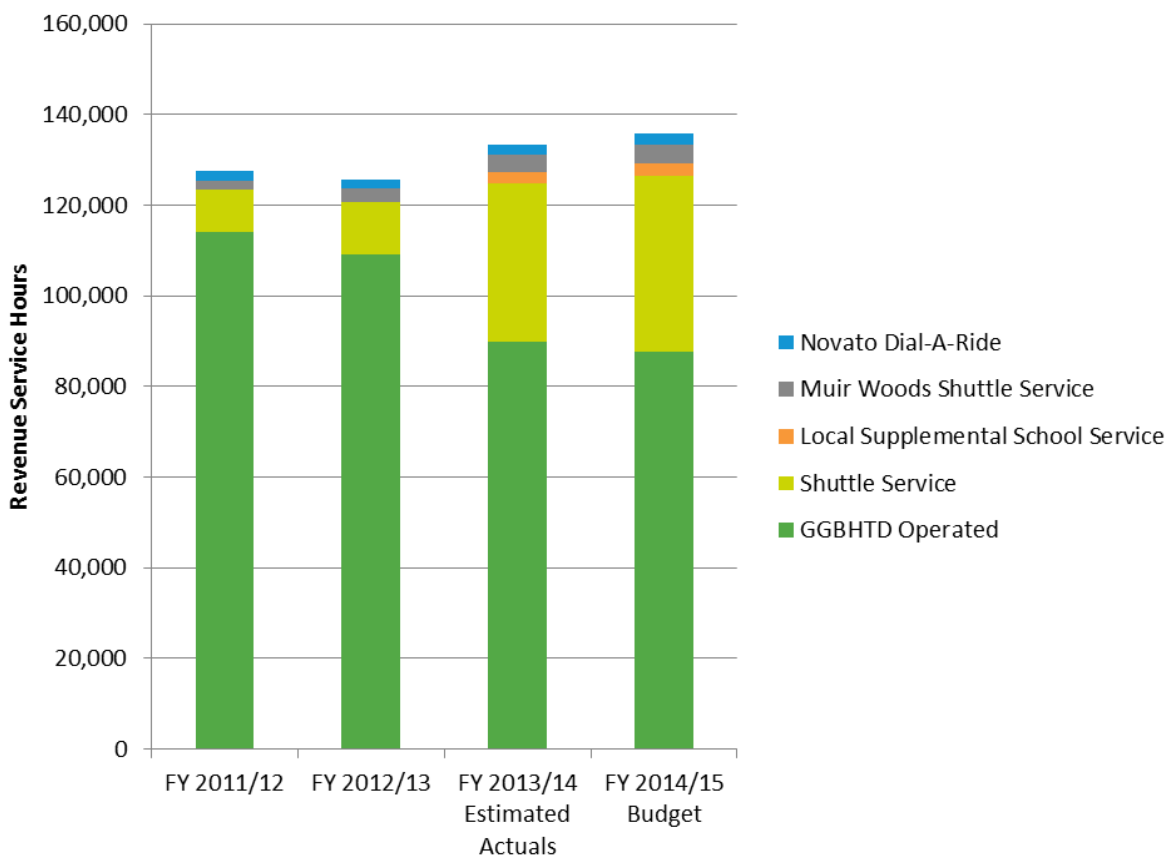
		FY 2013 Actual	FY 2014 Budget - Revised	FY 2014 Estimated Actuals	FY 2015 Budget
Revenue					
4070400	Interest	2,575	1,000	1,800	1,800
4079950	Development Fees	18,098	0	11,309	11,309
4079954	Residual ABX 126	21,340	24,000	4,052	4,052
4080101	PropTax-CurrntSecured	2,819,607	2,843,660	2,927,679	3,044,786
4080102	County Fee-SV2557Admin Basic Tax	(45,483)	(46,849)	(46,356)	(45,483)
4080103	Property Tax-Unitary	27,371	25,366	26,121	27,166
4080104	PropTax-CurrntUnSecur	62,270	64,479	63,984	62,270
4080105	Educ Rev Augm Fund-Redist	279,315	289,221	286,191	286,191
4080106	PropTax-Supp CY SECR	41,794	30,641	41,794	42,839
4080107	PropTax-Supp Unsecured	232	400	1,146	232
4080108	PropTax-Redemption	2,382	3,000	2,382	2,382
4080109	Property Tax-Prior Unsecured	2,833	4,000	3,972	2,833
4119940	Other State	232	210	253	232
4601001	Misc.-Reimbursement	<u>4,631</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Revenue		3,237,197	3,239,128	3,324,327	3,440,609
4700001	Property Tax Transfer	<u>(1,075,423)</u>	<u>(1,962,245)</u>	<u>(1,043,467)</u>	<u>(1,337,624)</u>
Net Revenue		2,161,774	1,276,883	2,280,860	2,102,985
Expense					
5010200	Salaries and Benefits	1,546,366	1,730,881	1,527,206	1,748,190
5030301	Consultant Services	169,562	213,000	118,562	145,163
5030304	Prof Svcs - Legal	572	0	57,088	85,000
5030305	Prof Svcs - Accounting and Audit	29,500	27,260	30,260	31,115
5049901	Office Supplies	5,080	10,000	6,000	8,000
5049902	Small Furn/Equip	11,014	12,000	5,000	6,000
5049903	Software Maintenance Agreements	40,869	44,267	49,699	55,000
5049904	Copier Suppl & Srvc	8,287	10,300	6,494	8,000
5049905	Postage	2,528	4,000	1,218	2,500
5049906	Computers	8,047	10,000	12,730	10,300
5050201	Communication - Phone	12,380	22,248	18,788	22,915
5060301	Insurance - Gen Liability	25,433	28,000	25,738	28,840
5090101	Membership & Prof Development	24,087	27,000	22,106	27,000
5090202	Mileage and Travel	13,524	18,400	11,982	18,400
5090801	Marketing	7,079	23,074	7,170	23,766
5100401	County Transfer - Special District	36,888	50,000	36,888	36,888
5121200	Office Rental	<u>110,847</u>	<u>95,000</u>	<u>89,354</u>	<u>95,000</u>
Subtotal Expense		2,052,063	2,325,430	2,026,283	2,352,077
5100100	Cost Center Salary/Benefit Transfers	(1,084,386)	(1,691,543)	(1,116,698)	(1,754,090)
5100101	Cost Center Transfer Overhead	<u>(362,402)</u>	<u>(633,887)</u>	<u>(362,688)</u>	<u>(470,443)</u>
Net Expense		605,276	0	546,897	127,544

Local Service

The local service budget (page 16) includes all revenue 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 (GGBHTD contract), Community Shuttle service, Supplemental School, Muir Woods seasonal shuttle, and Novato Dial-A-Ride. All services are operated under contract, and the direct contract service costs are 87% of budgeted expenses. Other major expenses are consultant services (ride checks, service contract audits, grant-funded studies), directly purchased fuel costs, communication, marketing, and staff time for contract oversight. Costs and revenues for special projects such as the youth pass, Homeward Bound tickets, and supplemental school services are included under the local fixed route program.

The local service budget for FY 2014/15 is \$18,372,566. This budget is a 1.3% increase from the prior year budget and provides for a 2% increase in transit revenue service hours (Figure 6). In accordance with recent service planning, the budget includes expansion of Muir Woods shuttle hours and a shift of some additional supplemental school service between contract operators.

Figure 6: Local Revenue Service Hours by Program



Local service is funded with a combination of fare revenue, advertising revenue, Measure A local sales tax funds, State Transit Assistance, and limited federal grants. Measure A budgeted for local service is \$8,614,531, which consists of \$8,112,727 in FY 2014/15 allocations and \$501,804 in carryover of FY 2013/14 receipts.

Marin Transit expects to expend the following grant awards for local service in FY 2013/14:

\$90,000	School Service Study	Federal Planning Funds
\$116,728	Youth Pass	Lifeline – State Transit Assistance

Within the local budget, contract service operations make up 87% of the expenses. Figure 7 shows the contract expenses by program. With the transition to direct federal recipient, Marin Transit staff reviewed all transit service contracts to ensure the District is accurately reporting data. Based on this review, the staff is implementing changes to the method for calculating and reporting revenue hours that affect the current contract with GGBHTD. Both Districts are working to minimize the financial and operational impacts of this change, but the transition may require a Board approved contract amendment that would include approval of any associated financial impact.

Figure 7: Local Contract Services Expense by Program

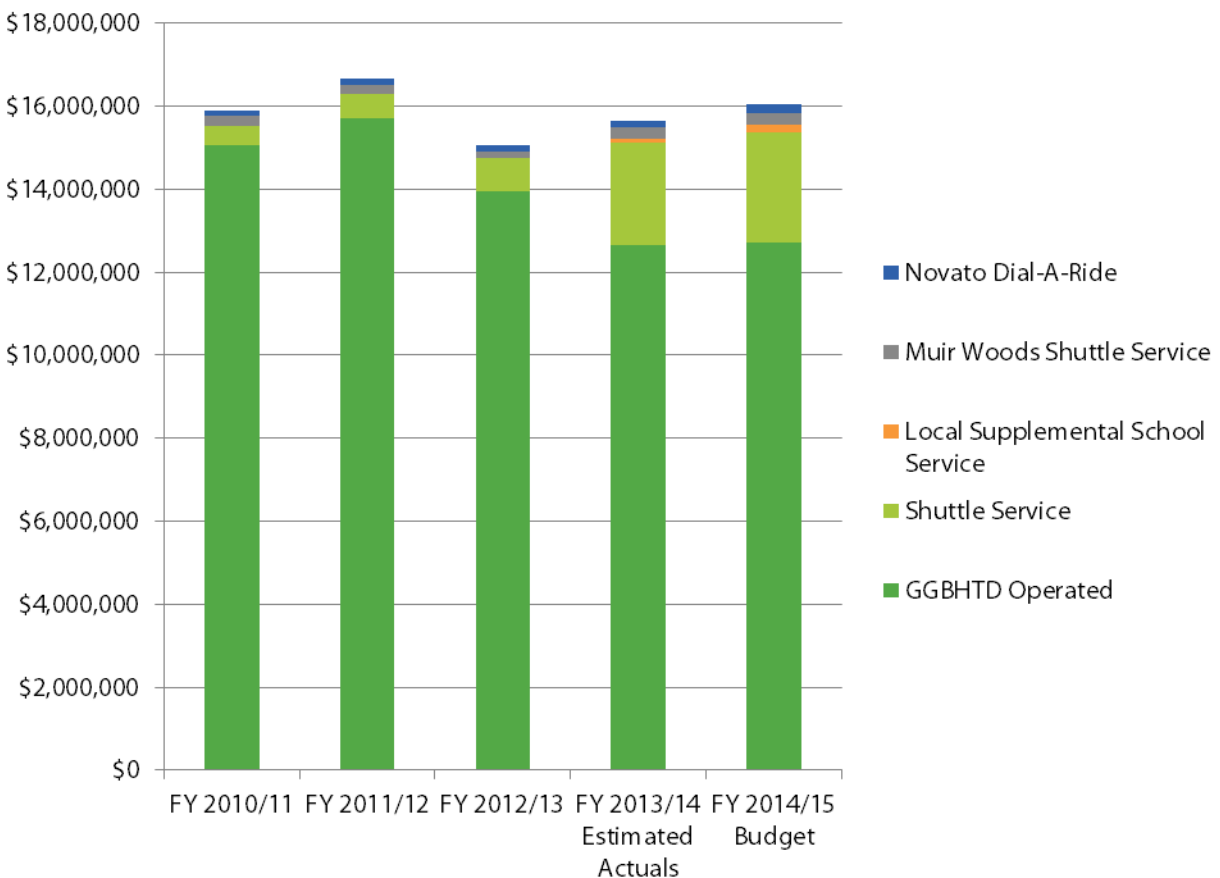


Table 4: Local Service Budget

		FY 2013 Actual	FY 2014 Budget - Revised	FY 2014 Estimated Actuals	FY 2015 Budget
4060301	Advertising Revenue	271,784	222,092	323,928	323,928
4070301	Lease of Property	63,080	0	21,056	21,056
4090101	Fee For Service	9,687	0	0	0
4092001	Measure A Sales Tax	6,811,502	8,505,530	7,668,987	8,614,531
4110101	State Transit Assistance	1,159,697	1,083,613	1,083,613	1,086,276
4110102	Transit Development Act (TDA)	3,591,333	3,908,269	3,908,269	4,478,090
4110103	State Transit Assistance - Lifeline	361,602	215,001	215,001	0
4139912	Fed-FTA 5307 STP	0	0	99,289	0
4139913	Fed-FTA 5307 CMAQ	0	0	0	116,728
4139931	Fed-FTA 5316 JARC	0	52,960	238,867	0
4139951	National Park Service	126,276	165,000	127,370	156,329
4139961	Fed-FTA 5304 State Planning	100,372	10,000	32,673	90,000
4140100	Fare Revenue	<u>3,305,007</u>	<u>3,290,626</u>	<u>3,467,833</u>	<u>3,385,628</u>
Subtotal Revenue		15,800,340	17,453,091	17,186,886	18,272,566
4700001	Property Tax Transfer	170,151	794,207	0	0
4700002	Program Revenue Transfer	<u>92,300</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total Revenue		16,062,791	18,347,298	17,286,886	18,372,566
Expense					
5010200	Salaries and Benefits	20,301	20,300	21,302	9,000
5030301	Consultant Services	132,230	162,386	107,103	185,000
5030304	Prof Svcs - Legal	16,538	0	0	0
5030602	Custodial Service	6,565	5,150	10,512	15,000
5040101	Fuel	148,422	434,672	468,054	564,519
5050205	Communication-AVL	11,553	41,175	33,920	43,702
5050206	Communication-Data	120	0	1,000	10,000
5080101	Purchased Transportation - In Report	14,944,503	16,042,994	15,666,494	16,041,997
5090801	Marketing	42,147	90,000	85,000	92,700
5122010	Signs	<u>27,249</u>	<u>25,000</u>	<u>22,211</u>	<u>30,000</u>
Subtotal Expense		15,349,628	16,821,677	16,415,596	16,991,918
5100100	Salary/Benefit Transfers	543,010	1,022,793	651,554	977,161
5100101	Overhead Transfer	<u>170,154</u>	<u>502,827</u>	<u>219,736</u>	<u>403,487</u>
Total Expense		16,062,791	18,347,297	17,286,886	18,372,566

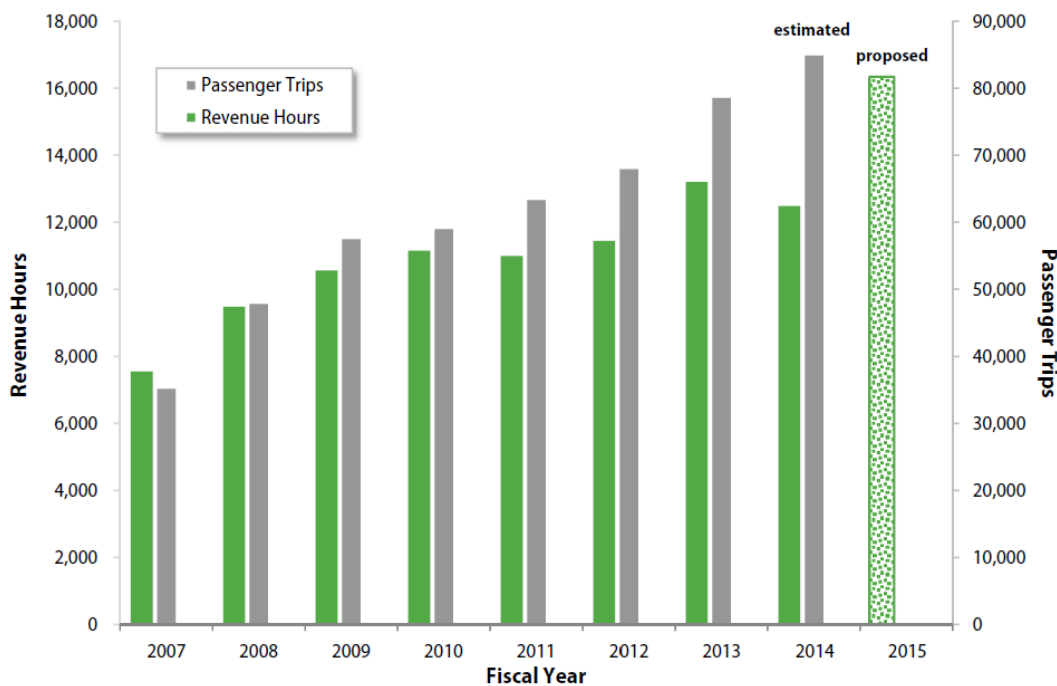
Rural Service

Rural Service is operated as the West Marin Stagecoach and includes northern route 68 and southern route 61. The rural service budget (page 18) 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 funding. The District has a reserve of \$1.1 million in prior year Rural Measure A funds held by the Transportation Authority of Marin. These funds have grown due to a reduced rate for contracted services dating back to January 2012, fluctuating FTA funds for rural operations, and recent increases in Measure A sales tax receipts. Section 5311 funding is programmed through MTC based on rural populations and service hours. MTC's recent programming changes have created a multi-year program that increases the predictability of funding.

Ridership and productivity (passengers per revenue hour) have continued to grow on the rural service (Figure 8). The Board approved a significant expansion of rural service in March 2014 designed to respond to service demand on the north route (Route 68), add a National Park funded pilot of a seasonal expansion of the south route (Route 61) to Fort Baker, and test a new rural connection in Tomales. The West Marin Stagecoach Routes 68 and 61, including the service to Fort Baker, will be operated under contract with MV Transportation. The pilot program to Tomales will be operated under contract with Whistlestop Wheels.

Figure 8: Rural Service Level Trends and Assumptions



Marin Transit receives an annual allocation of 3% of Measure A sales tax funds (\$657,789 for FY 2014/15) for rural service. In addition to the current year allocation, the rural service budget (Table 5) includes the expenditure of \$238,184 of unspent prior year rural Measure A funding. The expansion increases revenue service hours by 39%, and the associated increase in spending is anticipated to allow the District to fully expend the reserve funds over a five-year time frame. This expenditure rate will allow the District to make future service level adjustments based on performance and future funding levels.

Table 5: Rural Service Budget

		FY 2013 Actual	FY 2014 Budget- Revised	FY 2014 Estimated Actuals	FY 2015 Budget
Revenue					
4092001	Measure A Sales Tax	554,086	757,786	548,404	895,973
4139920	Fed-FTA 5311 Rural	267,436	176,262	251,673	246,109
4139951	National Park Service	0	0	0	50,662
4140100	Fare Revenue	<u>102,414</u>	<u>96,000</u>	<u>107,752</u>	<u>122,897</u>
Total Revenue		923,937	1,030,048	907,829	1,315,640
Expense					
5030301	Consultant Services	0	15,000	10,000	15,450
5040101	Fuel	154,353	177,975	148,730	255,609
5049905	Postage	212	0	0	0
5050204	Communication-MERA Radio	114	0	0	0
5050205	Communication-AVL	14,837	16,013	11,179	14,567
5080101	Purchased Transportation - In Report	642,845	654,917	623,610	899,337
5090801	Marketing	<u>17,502</u>	<u>25,000</u>	<u>16,568</u>	<u>25,000</u>
Subtotal Expense		829,863	888,905	810,087	1,205,963
5100100	Salary/Benefit Transfers	70,509	118,015	75,042	81,430
5100101	Transfer Overhead	<u>23,564</u>	<u>23,128</u>	<u>22,700</u>	<u>24,247</u>
Total Expenditures		923,937	1,030,048	907,829	1,315,640

Marin Access (Paratransit and Mobility Management)

The Marin Access budget (page 21) includes Marin Access Paratransit Services for both local and regional trips (intra- and inter-county) and the associated costs (fuel, communications, and marketing). The Marin Access budget also includes Marin Transit's Mobility Management Office and Mobility Management Center. The Mobility Management Office purpose is to increase the mobility for the county's senior, disabled, and low-income residents and to help manage the increasing demand for paratransit services. While demand for paratransit in Marin County has continued year-over-year growth, Marin Transit has been extremely successful in increasing mobility options for senior and paratransit riders through special programs (Figure 9).

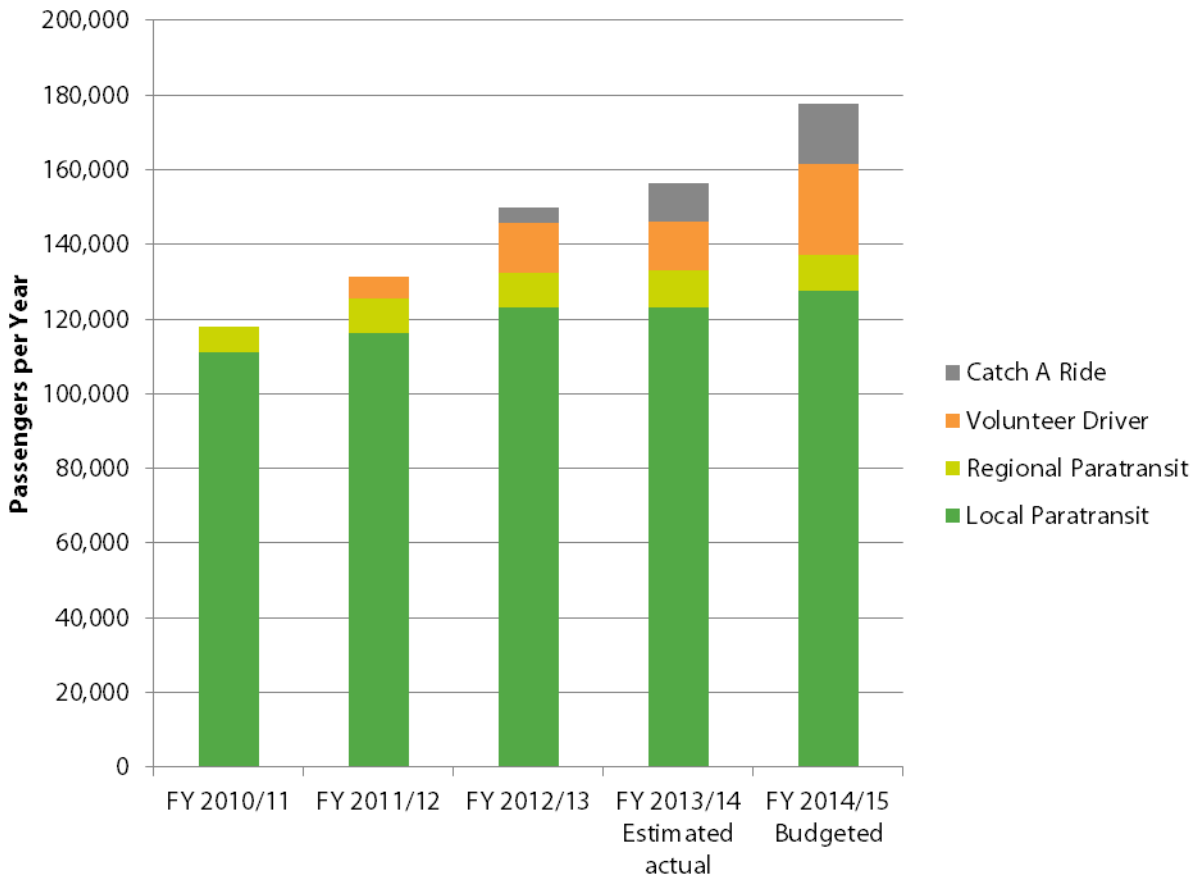
Marin Transit's Marin Access programs are funded through a combination of property tax, sales tax, vehicle registration fees, GGBHTD contributions and reimbursements, state funds and federal grants. Marin Access receives 9% of Measure A sales tax revenue. Starting in FY 2011/12, Marin Transit also receives 35% of the Measure B vehicle license fee to support the mobility management initiatives.

The FY 2014/15 budget for Marin Access is \$7.6 million, which is a 7% increase over the FY 2013/14 budget. The budget increase includes a 5% increase in local paratransit revenue service hours over the estimated actuals for FY 2012/13 and an expansion of the volunteer driver program funded by a federal New Freedom Grant for a project to increase mobility for isolated populations. Consultant service increases in FY2014/15 due to a shift in volunteer driver program coordinator costs to the Marin Access contract.

Marin Transit expects to expend the following grant awards in FY 2014/15:

\$75,000	Premium ADA	Federal New Freedom
\$76,000	Senior Guide & Mobility Management	Federal New Freedom
\$114,940	Mobility for Isolated Populations	Federal New Freedom

Figure 9: Marin Access Passengers by Program



Marin Access Paratransit Service (Local)

The local component of the Marin Access paratransit service provides demand-response trips to passengers that are certified as unable to use the fixed route system. This includes trips mandated under the Americans with Disabilities Act (ADA) federal law as well as trips that go beyond the ADA. As Marin County’s population ages, Marin Transit has seen an increasing demand for paratransit trips. The budget includes a 5% increase in revenue service hours and a 2% increase in contract costs. Fuel for the paratransit program is purchased directly from the County of Marin. The fuel budget has increased 9% over FY 2013/14 estimated actuals due to the volatility of fuel prices. Other items included in the local paratransit budget include marketing and a share of operating costs for communications. Marin Transit continues to look for innovative ways to increase mobility while limiting the growth of expenses.

Local paratransit is primarily funded by local sources including Measure A and property tax. GGBHTD makes an annual contribution to local paratransit (in addition to fully funding regional paratransit) in recognition of the shared transit service area. Fare revenue makes up approximately 5% of the budget. Staff will evaluate whether to increase paratransit fares based on a comparison with paratransit fares charged by other transit agencies in the Bay Area. Starting in FY 2012/13, Marin Transit has been able to use Federal Transit Administration Section 5307 funding to support paratransit operations. This source now accounts for 7% of Marin Access revenue.

Table 6: Marin Access Budget

		FY 2013 Actual	FY 2014 Budget - Revised	FY 2014 Estimated Actuals	FY 2015 Budget
Revenue					
4090101	Fee For Service	1,762,070	1,950,103	1,878,780	1,970,793
4092001	Measure A Sales Tax	1,875,095	1,949,574	1,949,574	2,303,870
4099950	Measure B	534,025	808,178	616,428	897,986
4110101	State Transit Assistance	81,455	80,210	80,210	76,569
4119910	State Prop Tx Relief HOPTR	19,661	19,861	19,357	19,357
4139910	Fed-FTA 5307 Urbanized Area Formula	673,378	677,860	677,860	512,122
4139941	Fed-FTA 5317 New Freedom	29,024	191,255	189,869	265,940
4140100	Fare Revenue	312,582	350,240	319,304	331,742
4601001	Misc.-Reimbursement	<u>0</u>	<u>0</u>	<u>10,223</u>	<u>0</u>
Subtotal Revenue		5,287,290	6,027,281	5,741,605	6,378,379
4700001	Property Tax Transfer	822,971	1,168,038	1,025,467	1,337,624
4700002	Program Revenue Transfer	<u>(92,300)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Total Revenue		6,017,961	7,095,319	6,667,072	7,616,003
Expense					
5030301	Consultant Services	2,350	68,000	101,077	213,515
5040101	Fuel	650,401	726,447	689,294	751,873
5049903	Software	15,812	16,603	16,757	17,433
5049905	Postage	329	0	0	0
5050203	Communication- Mobile Data Terminal	4,131	9,260	3,455	3,600
5050204	Communication-MERA Radio	18,210	19,055	18,707	19,319
5050206	Communication-Data	0	0	6,130	7,800
5080101	Purchased Transportation - In Report	3,951,260	4,543,623	4,389,745	4,856,550
5080102	Purchased Transportation - Regional	958,354	1,090,440	1,053,150	1,112,338
5090801	Marketing	5,291	86,994	24,696	86,994
5098001	Misc-Exp Transit User Training	7,242	14,420	6,518	9,000
5098002	Gap Grant	4,098	40,000	19,300	40,000
5098003	Low Income Rider Scholarships	<u>9,020</u>	<u>10,000</u>	<u>11,000</u>	<u>10,000</u>
Subtotal		5,626,498	6,624,842	6,339,829	7,128,422
5100100	Salary/Benefit Transfers	300,775	393,382	249,502	407,150
5100101	Transfer Overhead	<u>100,519</u>	<u>77,094</u>	<u>77,740</u>	<u>80,431</u>
Total Expense		6,027,792	7,095,318	6,667,071	7,616,003

Mobility Management

Marin Transit's Mobility Management Office is focused on increasing the mobility for the County's senior, disabled, and low-income residents and helping to manage the increasing demand for paratransit services. Initially funded with a Federal New Freedom Grant, Marin County voters passed the Measure B vehicle license fee in November 2010, which included funding for this program. Marin Transit is budgeting \$897,986 of Measure B funding in FY 2014/15 which includes \$167,186 in unspent prior year allocations.

Mobility Management initiatives in the FY 2014/15 budget include: Marin Access Mobility Management Center, travel training, the Catch-A-Ride (Paratransit Plus) discounted taxi ride program, low income rider scholarships,

volunteer driver programs, and the Gap Grants initiative. The Mobility Management Office has created the travel navigator program to provide one location for program and eligibility information for mobility programs. The program is creating a grant funded county-wide transportation guide for Marin County seniors, low income, and persons with disabilities. Travel training includes local informational presentations, a new ambassador program, and a weekly training bus for the developmentally disabled.

The Catch-A-Ride program launched for seniors in FY 2012/13 and was expanded to ADA eligible riders under a federal New Freedom Grant. The volunteer driver program will expand to include a new model targeting isolated populations under a new grant.

Marin Transit also provides free tickets to Marin County's Homeward Bound program for homeless residents traveling to work that are valued at \$100,000 per year.

Capital Budget

Marin Transit's capital budget (page 26) provides funding for transit vehicles, bus stop and transit hubs improvements, transit technology projects, and other capital expenses. The FY2014/15 capital budget is a balanced budget of \$5,156,048. All projects meeting the requirements of the District's capital asset policy are capitalized and depreciated over the defined life for the associated asset type. The capital budget is presented in Table 7 in a multiyear project format that will allow the actual expenditures to more closely tie to the budget. Eight-two percent of the proposed FY 2014/15 capital budget is funded by state and federal grants. The following capital projects will be active for FY 2014/15.

Vehicles

Seven 40ft Hybrid Replacement Vehicles – This purchase of seven 40ft hybrid vehicles will replace vehicles beyond their useful life previously operated by GGBHTD. The vehicles are programmed for \$4,057,605 in federal 5307 funding and \$1,014,427 of state infrastructure bond funds (PTMISEA) for the local match. Marin Transit expects to order the vehicles in FY 2014/15. Given the lead time required by bus manufacturers, vehicle delivery is not expected until FY 2015/16.

Four 30ft Hybrid Replacement Vehicles – This purchase of four 30ft hybrid vehicles will replace vehicles beyond their useful life previously operated by GGBHTD. The vehicles are programmed for \$2,235,772 federal 5307 funding and \$536,228 in Measure A sales tax for the local match. If additional PTMISEA funds become available, Marin Transit will program these for the local match. Marin Transit expects to order the vehicles in FY 2014/15 for delivery in FY 2015/16.

Three Paratransit Vehicle Replacement – Marin Transit will replace up to three paratransit vehicles in FY 2014/15. The expenditure of \$244,872 for the vehicles will be funded with 80% FTA 5307 funding and a 20% local match of Measure A funds.

Thirteen Paratransit Vehicle Replacement – Marin Transit expects to combine this replacement with the three vehicle paratransit replacement listed above. The expenditure of \$1,114,173 for these vehicles will be a paid for with federal 5307 funding and a 20% local match of Measure A funds.

Muir Woods Vehicle Lease – Marin Transit will lease one to two vehicles for the 2014 Muir Woods Shuttle season to provide the spares needed to support increased service.

Bus Stop Improvements & Transit Hubs

Bus Stop Improvements – This project phase will construct bus stop improvements including improved accessibility and passenger amenities at approximately 23 locations throughout Marin County. This \$2 million project is funded with a \$1.6 million federal discretionary grant.

Downtown Novato Transit Hub – In partnership with the City of Novato, GGBHTD, and the County of Marin, Marin Transit will complete the design phase for this project in FY 2014/15. The design phase is funded by the County of Marin, the Transportation Authority of Marin, and Marin Transit (Measure A funds). Marin Transit was awarded \$985,000 PTMISEA funds for the construction phase through the Metropolitan Transportation Commission's regional

Lifeline Program. Additional funding is still needed for construction. Marin Transit will apply for grant funding and working with partners to identify additional funding.

Muir Woods Shuttle Infrastructure – Marin Transit received \$638,000 in Federal Transit in the Parks (Paul S Sarbanes) funding for additional capital improvements related to the Muir Woods Shuttle. Marin Transit is working with the National Park Service to plan and construct improvements at major Shuttle stop locations.

Technology Projects

Automated Vehicle Location (AVL) – Marin Transit will continue investing in AVL technology to support the District’s real time bus information system currently available on the Shuttle and Rural Stagecoach services.

Mobile Data Terminals – This system provides the communication backbone for the Paratransit system. The budget includes annual system costs and equipment expenses.

Mobility Management Technology Backbone – This technology project adds to Marin Transit’s technological capabilities for ride matching, mobility management, and electronic fare payments. The project is funded with \$300,000 in Federal Job Access Reverse Commute (JARC) funding and is matched with local Measure A funds.

Clipper – Marin Transit will contribute towards the regional implementation of Clipper on the Community Shuttle, Muir Woods Shuttle and Stagecoach services.

Other Capital Expenses

Other capital and infrastructure expenses include: the MERA radio capital bond, the capital contribution to GGBHTD (as required under contract), major vehicles repair, farebox equipment expenses, and bus stop maintenance expenses.

Table 7: Capital Budget by Project

		Total Project	Prior Years	FY 2014/15 Budget	Future Years	Measure A / Local Funding	State Funding	Federal Funding
LV	Replace Seven 40ft Hybrid Vehicles	5,072,000	20,000	200,000	4,813,000	0%	19%	81%
LX	Replace 4 30ft Hybrid Vehicles	2,772,000	0	50,000	2,722,000	19%	0%	81%
PV	Replace Three Paratransit Vehicles	244,872	0	244,872	0	20%	0%	80%
PZ	Replace Thirteen Paratransit Vehicles	1,114,173	0	1,114,173	0	20%	0%	80%
MW	Lease Muir Woods Vehicles	<u>24,000</u>	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>100%</u>	<u>0%</u>	<u>0%</u>
	<i>Subtotal Vehicles</i>	<i>9,227,179</i>	<i>20,000</i>	<i>1,633,045</i>	<i>7,535,000</i>	<i>9%</i>	<i>11%</i>	<i>80%</i>
					0			
BI	Bus Stop Improvements SGR	2,000,000	607,605	1,392,395	0	0%	20%	80%
NH	Downtown Novato Hub - Design	368,046	238,046	130,000	0	100%	0%	0%
BW	Muir Woods Infrastructure Improvements	<u>638,000</u>	<u>54,847</u>	<u>583,153</u>	<u>0</u>	<u>0%</u>	<u>0%</u>	<u>100%</u>
	<i>Subtotal Bus Stop Improvements</i>	<i>3,006,046</i>	<i>900,498</i>	<i>2,105,548</i>	<i>0</i>	<i>12%</i>	<i>13%</i>	<i>74%</i>
AV	Automated Vehicle Location Equipment	40,000	0	40,000	0	100%	0%	0%
FB	Fareboxes	30,000	0	30,000	0	100%	0%	0%
TB	Mobility Management Technology Backbone	375,000	15,000	360,000	0	20%	0%	80%
MD	Mobile Data Terminals	11,004	0	11,004	0	100%	0%	0%
ME	MERA (County Radio System)	26,000	0	26,000	0	100%	0%	0%
TC	Clipper Installation on Stage and Shuttles	<u>137,000</u>	<u>90,000</u>	<u>47,000</u>	<u>0</u>	<u>100%</u>	<u>0%</u>	<u>0%</u>
	<i>Subtotal Technology Projects</i>	<i>619,004</i>	<i>105,000</i>	<i>515,500</i>	<i>0</i>	<i>52%</i>	<i>0%</i>	<i>48%</i>
GG	Golden Gate Capital Costs	413,007	0	413,007	0	100%	0%	0%
BM	Bus Stop Maintenance	100,000	0	100,000	0	100%	0%	0%
VR	Major Vehicle Repairs	100,000	0	100,000	0	100%	0%	0%
IF	Infrastructure Support	<u>288,948</u>	<u>0</u>	<u>288,948</u>	<u>0</u>	<u>100%</u>	<u>0%</u>	<u>0%</u>
	<i>Subtotal Ongoing Capital Expenses</i>	<i>901,955</i>	<i>0</i>	<i>901,955</i>	<i>0</i>	<i>100%</i>	<i>0%</i>	<i>0%</i>
	Total Expense	13,754,184	1,025,498	5,156,048	7,535,000	18%	10%	72%

