



711 grand ave, #110
san rafael, ca 94901

ph: 415.226.0855
fax: 415.226.0856
marintransit.org

June 7, 2021

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

SUBJECT: Marin County Transit District Final Operating and Capital Budget for FY 2021/22

board of directors

kate colin
president
city of san rafael

judy arnold
vice president
supervisor district 5

stephanie moulton-peters
2nd vice president
supervisor district 3

damon connolly
director
supervisor district 1

eric lucan
director
city of novato

katie rice
director
supervisor district 2

dennis rodoni
director
supervisor district 4

brian colbert
alternate
town of san anselmo

Dear Board Members:

RECOMMENDATION: Adopt FY 2021/22 budget.

SUMMARY: At the March 15, 2021 Board Workshop, two key aspects of the service plan for next fiscal year were discussed: ridership and revenues. The discussion informed the preparation of the annual budget and service plan for FY 2021/22.

Marin Transit's draft budget for July 1, 2021 to June 30, 2022 was presented at your Board's May 3, 2021 meeting. Staff is requesting that your Board adopt the final FY2021/22 budget today. The final budget document is attached to this board letter and includes no changes from the draft budget.

The FY 2021/22 Expenditure Budget for Operations and Capital Projects of \$49.2 million is balanced with the planned expenditure of capital reserve funding (Table 1). The expenditure budget fully funds the Emergency Reserve (two months operating expenses) and Contingency Reserve (four months of operating expenses) while setting aside \$11.5 million in Capital Reserves.

The COVID-19 pandemic will continue to impact the next fiscal year, and the draft FY2021/22 budget is based on a projected recovery and the return of school and recreational services. While state and local revenues are anticipated to recover, many are not expected to meet pre-pandemic projections. Marin Transit is budgeting \$4 million in federal relief funds to backfill lost revenues and fund cost increases to provide additional service and continue enhanced vehicle cleaning.

The operating expense budget of \$35.3 million is a one percent increase over the FY2020/21 budget and allows for the maximum level of fixed route service possible with the existing vehicle fleet and service delivery infrastructure. As Marin recovers from the COVID-9 pandemic, there is still significant uncertainty regarding how service

needs may have changed. The budget is based on a proposed service plan that redistributes increased fixed route service hours in the current year from supplemental backup service back to supplemental school service, rural service, and core fixed route services. Staff will continue to provide updates to your Board and revise the service plan as needed to best serve post-pandemic needs.

Facility costs for Rush Landing (Local Operations) and Kerner (Paratransit Maintenance) are included in the operations budget. The operations budget continues to fund costs for cleaning supplies and COVID-19 protocols. After no increases in the prior year, District staff wages and administrative cost will increase to accommodate merit-based salary increases and are sufficient to allow for a possible additional staff member.

Table 1: Budget Summary

	FY2019/20 Actual	FY2020/21 Revised Budget	FY2020/21 Estimated Actual	FY2021/22 Budget
Revenue				
Operations	35,850,387	34,501,986	30,610,753	36,948,095
Capital	15,853,562	8,694,494	8,700,453	8,158,442
Total Revenue	\$51,703,949	\$43,196,480	\$39,311,206	\$45,106,537
Expenditures				
Operations	31,066,346	34,962,322	29,452,185	35,381,744
Capital	15,858,925	10,762,336	8,515,716	13,838,442
Total Expenditures	\$46,925,271	\$45,724,658	\$37,967,901	\$49,220,186
Net Change in Fund Balance	\$4,778,678	-\$2,528,178	\$1,343,305	-\$4,113,649
Emergency Reserve	5,594,559	5,852,845	5,852,845	5,896,957
Contingency Reserve	11,189,118	11,705,690	11,705,690	11,793,915
Capital Reserve	15,229,829	11,926,793	15,798,276	11,552,290
Fund Balance (total reserve)	\$32,013,506	\$29,485,328	\$33,356,811	\$29,243,162
Expenditure of Capital Reserve	0	2,067,842	0	5,680,000

The budget document attached to this report provides additional information and trends for the operations budget for Administration, Local Service, Yellow Bus Service, Rural Service, and Marin Access.

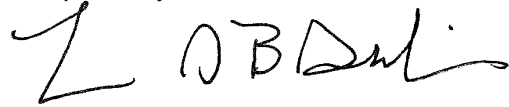
Marin Transit's capital expenditure budget is \$13.6 million to fund transit vehicles, bus stop improvements, transit technology projects, and other capital expenses. In FY2021/22 Marin Transit will complete the purchase of four 40ft electric vehicles, two 35ft rural vehicles, and five paratransit vehicles. The District will initiate a mid-life hybrid battery replacement project and a procurement for electric paratransit vehicles. These projects will be primarily funded with Federal Transit Administration Section 5307 funding matched with local and state funds. The FY2021/22 budget includes expenditure of \$5.7 million in capital reserves for improvements at the Rush Landing and Kerner facilities and to purchase additional land for vehicle parking.

Final Budget Compared to Draft Budget

The proposed final operations and capital budget for FY 2021/21 includes no changes from the draft budget.

FISCAL IMPACT: Board action will authorize FY2021/22 operations and capital expenditure levels.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L Gradia', written over the typed name.

Lauren Gradia
Director of Finance and Capital Projects

Attachment



MARIN TRANSIT BUDGET FY 2021/22



Table of Contents

Marin Transit Budget Overview	3
Relevant Financial Policies	4
Budget Summary.....	5
District Fund Balance.....	7
Local Sales Tax – Measure A and Measure AA	8
Operations Budget	11
COVID Impacts	11
District Revenue	15
District Expenses.....	20
Administration	23
Local Service	25
Yellow Bus Service.....	31
Rural Service	33
Marin Access (Paratransit and Mobility Management)	36
Facility Budget.....	38
Capital Budget.....	43
Vehicles	44
Bus Stop Improvements	45
Administrative and Operations Facilities	45
Technology Projects	46
Other Measure A/AA Capital Expenses.....	46

Tables

Table 1: Budget Summary	7
Table 2: Operations Budget (Admin, Local, Yellow Bus, Rural & Marin Access).....	14
Table 3: Projections of Revenues Significantly Affected by COVID-19 Pandemic.....	16
Table 4: Federal Relief Funds	17
Table 5: Revenue Variances in Operations Budget	19
Table 6: Expense Variances in Operations Budget	21
Table 7: Personnel Counts	22
Table 8: Administration Budget	24
Table 9: Local Budget Service Levels	27
Table 10: Local Service Budget.....	30
Table 11: Yellow School FY 2021/22 Budgeted Program	32
Table 12: Yellow School Bus Budget.....	33
Table 13: Rural Service Levels	34
Table 14: Rural Service Budget.....	36
Table 15: Marin Access Service Levels	37
Table 16: Marin Access Budget.....	39
Table 17: Capital Budget.....	48

List of Figures

Figure 1: Programmed Measure A/AA Transit Funds by Fiscal Year (TAM Projection & Actual Receipts).....	9
Figure 2: Local Sales Tax Expenditures by Fiscal Year (Measure A/AA)	10
Figure 3: Fixed Route Ridership By Fiscal Year	13
Figure 4: Demand Response (Paratransit) Ridership By Fiscal Year.....	13
Figure 5: Revenue Sources for FY 2021/22 Budget.....	20
Figure 6: Operations Expenses for FY 2021/22 Budget.....	21
Figure 7: Marin Transit FY 2021/22 Organization Structure	22
Figure 8: Local Revenue Service Hours by Program	27
Figure 9: Local Passenger Trips by Program	28
Figure 10: Rural Service Level and Ridership Trends.....	34
Figure 11: Marin Access Passengers by Program	40
Figure 12: Marin Access Revenue Hours by Program.....	41
Figure 13: Capital Project Budget by Type.....	44

Marin Transit Budget Overview

The Marin County Transit District (Marin Transit) is responsible for local transit service within Marin County, and pre-COVID provided over 3.2 million unlinked passenger trips per year and over 250,000 revenue hours of service. During the pandemic, Marin Transit retained a higher percentage of its riders than most transit agencies in the bay area. Essential workers and the transit dependent continued to rely on Marin Transit core services. With capacity restrictions on vehicles to help prevent the spread of COVID-19, Marin Transit re-deployed school and recreational service hours and added additional fixed route service in FY2020/21 to reduce passenger pass-ups on core services. With this FY2021/22 budget, Marin Transit is planning for another year of recovery. Significant federal relief act funding from CARES, CRRSSA, and now the American Rescue Plan Act will allow Marin Transit to budget for the maximum service allowed for with the existing vehicle fleets and service delivery infrastructure.

Marin Transit delivers services through contract operators. These include: Golden Gate Bridge Highway & Transportation District (GGBHTD), Marin Airporter, MV Transportation, Marin Senior Coordinating Council (dba Vivalon, operated as Whistlestop), and Michael's Transportation. Marin Transit's Short Range Transit Plan (SRTP) is the primary service and financial planning document for the District and includes ten years of financial projections for operations and capital programs. The District's Board adopted the most recent SRTP on February 3, 2020. Due to the disruptions during the COVID-19 pandemic the FY2021/22 service plan has been modified from the SRTP. Marin Transit has developed these modifications incrementally during the pandemic to respond to rapidly changing conditions. In an effort to limit pass-ups due to capacity restrictions, the FY2021/22 budgeted fixed route service levels are elevated to the maximum amount of service Marin Transit can provide with existing capital resources and service contracts.

Staff will continue to bring quarterly financial reports to the Marin Transit Board and budget revisions may be needed as the pandemic recovery progresses and the financial landscape and service demand are better understood.

Budget Process and Timeline

The budget process begins in late February as a review of District and program level goals and objectives with finance and operations staff. This year, the Board held a workshop in mid-March to understand the pandemic current impacts on ridership and revenues, and to discuss service plans options and assumptions for revenue projections. Following the board workshop, staff held meetings focused on each program area. The Director of Finance compiled all the program data and developed a draft budget to present to the Board of Directors at the May meeting. The final budget will incorporate any changes from the draft version, and the Board considers adoption of the budget at their June meeting.

The following is the timeline for fiscal year July 1, 2021 to June 30, 2022 (FY2021/22) budget development:

February 23, 2021	Budget kick-off meeting
March 15, 2021	Board Workshop
March-April 2021	Program level budget meetings
May 3, 2021	Draft presented to Board of Directors
June 7, 2021	Adoption of final budget

Relevant Financial Policies

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

Basis of Accounting

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

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

Annual Budget Adoption

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

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

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

Budget Amendment

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

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

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

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

Reserve Policy

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

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

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

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

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

Indirect Costs

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

Budget Summary

The FY 2021/22 expenditure budget for operations and capital projects is \$49.2 million. The expenditure budget allows for a fully funded Emergency Reserve (two months operating expenses), a Contingency Reserve of four months of operating expenses, and a Capital Reserve of \$11.6 million. The proposed budget continues to be impacted by the COVID-19 pandemic and is based on a projected recovery and the gradual return of school and

recreational services. While state and local revenues are anticipated to recover, many are not expected to meet pre-pandemic projections and Marin Transit is budgeting \$4 million in federal relief funds to backfill lost revenues and to fund cost increases needed to address capacity limitations and cleaning requirements.

There continues to be significant uncertainty regarding the pandemic recovery timeline, transit needs, and revenue projections. Marin Transit was in a strong financial position before the COVID-19 pandemic, and this provides the District resources to address immediate needs and prevents the need to reduce services.

As the District looks to FY2021/22, staff is continuing to review financial projections, operations requirements, and transit demand on a regular basis. Marin Transit provides a critical lifeline service in Marin County that will be maintained, and the District needs to be prepared to restore services that provide recreational trips, social trips, traffic relief and school transportation when appropriate. Staff will continue to bring quarterly financial reports to the Board with additional information on service plans, revenue projections, and if needed, proposed budget amendments. The proposed schedule for budget updates is as follows:

October/November 2021	FY2021 Annual Financial Report
December 2021	FY2022 First Quarter Financial Report and Update
March 2022	FY2022 Second Quarter Financial Report and Update
May 2022	FY2023 Draft Budget and Financial Update
June 2022	FY2023 Final Budget and FY2022 Third Quarter Financial Report and Update

Capital expenditures include continued investments in the revenue service vehicles, bus stop improvements, and operations facilities. The Capital budget includes the expenditure of \$5.7 million in capital reserves for improvements at the Rush Landing facility, improvements at the Kerner facility and the for the purchase of additional land for vehicle parking.

Table 1: Budget Summary

	FY 2019/20 Actual	FY 2020/21 Revised Budget	FY 2020/21 Estimated Actual	FY 2021/22 Budget
Revenue				
Operations	35,850,387	34,501,986	30,610,753	36,948,095
Capital	15,853,562	8,694,494	8,700,453	8,158,442
Total Revenue	\$51,703,949	\$43,196,480	\$39,311,206	\$45,106,537
Expenditures				
Operations	31,066,346	34,962,322	29,452,185	35,381,744
Capital	15,858,925	10,762,336	8,515,716	13,838,442
Total Expenditures	\$46,925,271	\$45,724,658	\$37,967,901	\$49,220,186
Net Change in Fund Balance	\$4,778,678	-\$2,528,178	\$1,343,305	-\$4,113,649
Emergency Reserve	5,594,559	5,852,845	5,852,845	5,896,957
Contingency Reserve	11,189,118	11,705,690	11,705,690	11,793,915
Capital Reserve	15,229,829	11,926,793	15,798,276	11,552,290
Fund Balance (total reserve)	\$32,013,506	\$29,485,328	\$33,356,811	\$29,243,162
Expenditure of Capital Reserve	0	2,067,842	0	5,680,000

District Fund Balance

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

Marin Transit was in a strong financial position before the COVID-19 pandemic, and this helped prevent the need to make service cuts based on preliminary projections of revenues losses. Prior to the pandemic, Marin Transit has been able to rebuild the District’s fund balance based on strategic efforts to lower service contract rates and control administrative costs combined with revenues from a strong economy.

The next step in financial stability for the District is transitioning from leased operations and maintenance facilities to a District-owned location. To this end, Marin Transit purchased a two-and-half acre parcel in Novato in FY2019/20 for vehicle parking, and is under contract to purchase a maintenance site in San Rafael for paratransit maintenance.

Marin Transit has a balanced operations budget for FY2021/22 using one-time Federal relief funding and carryforward balances of local and state funding. While the FY2021/22 Budget maintains a fully funded operating reserve, there is a net reduction of \$4.1 million to the District’s fund balance. The reduction is due to the planned investment of \$5.7 million in capital reserve funds on significant facility improvement projects and for the purchase of additional land for transit vehicle parking.

Local Sales Tax – Measure A and Measure AA

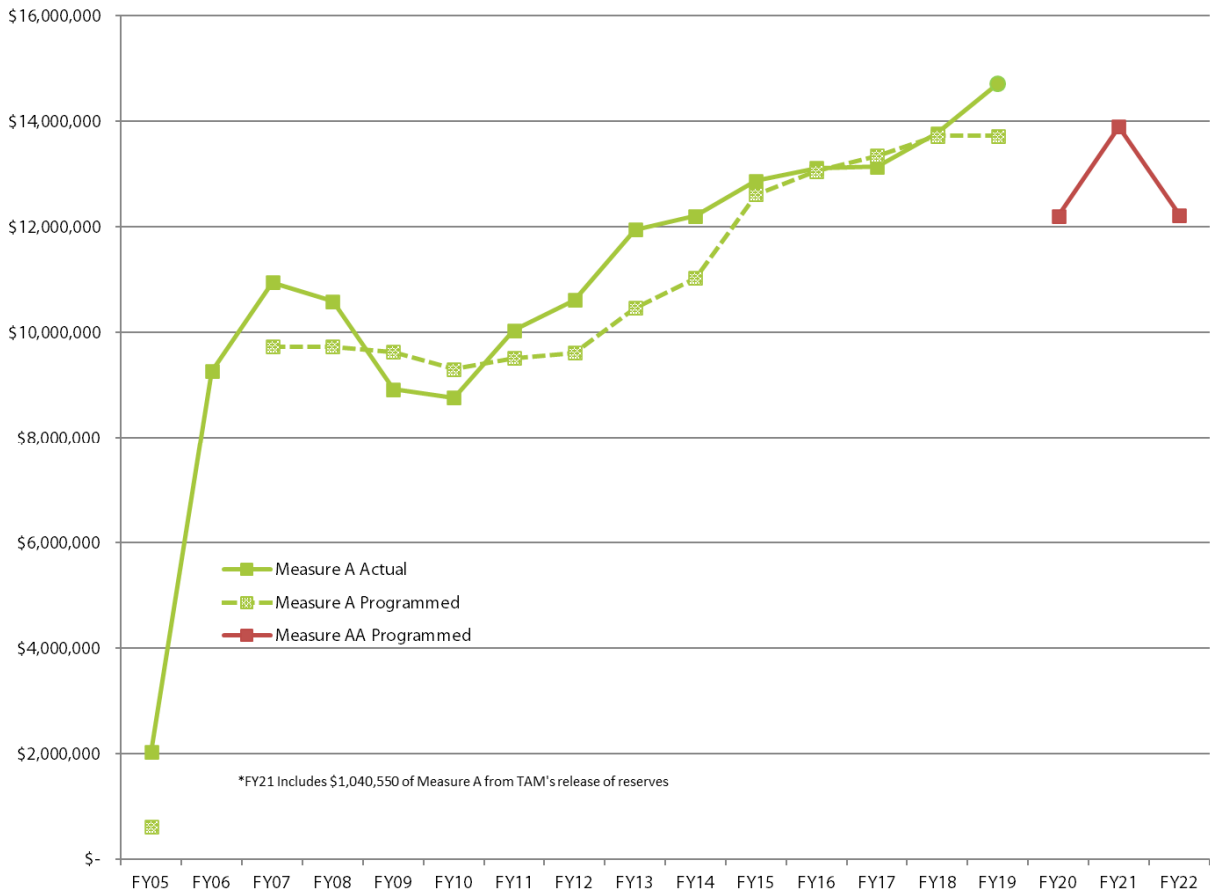
On November 6, 2018, Marin County voters passed Measure AA, a renewal to the county's ½-cent transportation sales tax and new expenditure plan. The first ½-cent sales transportation sales tax (Measure A) was a 20-year measure passed in 2004 and FY2024/25 would have been the last year of the sales tax. The renewal measure (Measure AA) is a 30-year extension effective April 2019. Local sales tax funding provides approximately 34% of Marin Transit's operating revenues. The sales tax also provides a share of capital funds needed to match federal and state grant funding for vehicles. As shown in the District's 2017 Short Range Transit Plan, without the sales tax funding Marin Transit would need to cut service levels significantly and end programs like the community shuttles, West Marin Stagecoach, Muir Woods Shuttle and school bus service.

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

The Transportation Authority of Marin (TAM) programs Measure A/AA funding to the District based on projections and adjusts future year balances to account for actual sales tax receipts. Based on the programmed amounts, Marin Transit requests annual allocations of funds from TAM. Figure 1 shows Marin Transit's share of Measure A and Measure AA projected revenues and actual receipts. TAM established a reserve fund under Measure A to account for potential economic declines that could adversely impact sales tax collections.

TAM initially forecasted severe declines in sales tax revenue at the start of the pandemic. Sales tax based revenues have not declined as precipitously as expected and revised projections are more optimistic, albeit still less than projected prior to the pandemic. To maintain program levels in FY2020/21, TAM released some of the prior Measure A reserve and suspended the collection of Measure AA reserves. This increased Marin Transit's annual allocation of Measure A/AA to \$13.9 million in FY2020/21. For FY2021/22 TAM has projected revenue similar to FY2019/20 levels and has restarted collection of the Measure AA reserves. This results in a decrease of the amount of annual revenue available to Marin Transit by \$1.7 million. In FY2021/22, \$12.2 million in annual revenue is available to Marin Transit.

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

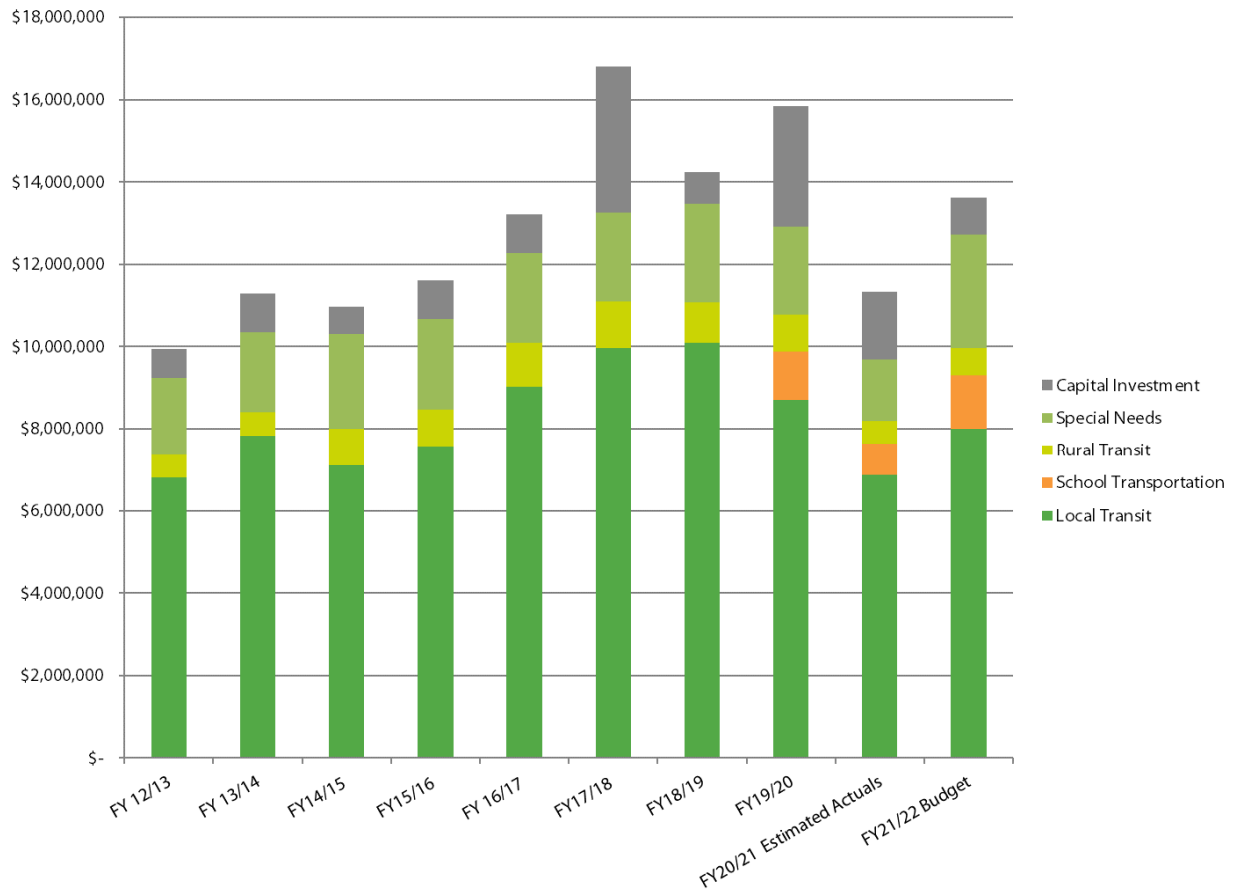


The District's actual expenditure of Measure A/AA revenue varies due to capital replacement cycles and the availability of other grant funds in a particular year (Figure 2). In any given year, unclaimed Measure A/AA revenue is available for TAM to allocate to Marin Transit in future years.

With the FY2021/22 requested allocations, Marin Transit will have an estimated carryover in the Local Service sub strategy of \$1 million. TAM holds these unallocated funds, and they are not included in Marin Transit's Emergency or Contingency Reserve funds. Instead, Marin Transit programs these funds in the ten-year operation and capital financial forecasts in the adopted SRTP. Figure 2 shows the annual expenditure of local sales tax funds by category. Consistent funding availability is critical to maintaining transit service operations.

¹ TAM 2021 Measure AA SPU

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



Operations Budget

Marin Transit’s FY2021/22 operations budget provides for operation of the following services:

Local Basic and Local Trunkline	118,200 revenue hours
Local Connector (Community Shuttles)	44,800 revenue hours
Supplemental School and Partnership	9,000 revenue hours
Muir Woods Shuttle	4,440 revenue hours
Novato Dial-A-Ride	2,600 revenue hours
Yellow School Bus Service	6 buses
West Marin Stagecoach Service	20,000 revenue hours
Rural Dial-A-Ride Service	400 revenue hours
Local Paratransit Service	40,700 revenue hours
Regional Paratransit Service	4,400 revenue hours
Catch-A-Ride	9,800 trips
Volunteer Driver	13,500 trips
Transit Connect	6,120 revenue hours

The operating expense budget of \$35.3 million is a one percent increase over the FY2020/21 budget and provides for a similar level of fixed route service with supplemental back up service hours re-distributed to rural service, supplemental school service, and core fixed route services. The budget provides for seventy percent of pre-COVID paratransit service hours. There are no major cost increases this year due to constraining costs during the pandemic and a projection of a slow recovery of paratransit demand. Facility costs for Rush Landing (Local Operations) and Kerner (Paratransit Maintenance) are now included in the operations budget. The operations budget continues costs of cleaning supplies and new protocols needed in response to COVID-19. After no increases in the prior year, District staff wages and administrative cost increase to accommodate merit-based increases and an additional staff member on the finance team.

COVID Impacts

Marin Transit riders, contractors, drivers, and direct staff have all been affected by the shelter in place order and the actions needed to prevent the spread of COVID-19. The COVID-19 pandemic has challenged transit agencies to provide service under unprecedented conditions. Shelter-in-place orders initiated in March 2020 drastically reduced ridership. Economic conditions and ridership losses due to the pandemic reduced transit revenues. Marin Transit quickly responded to these changing conditions over the past year and will need to continue to adjust and adapt in the upcoming fiscal year.

Marin Transit continues to provide transit service to those who need it most during this pandemic. Due to physical distancing requirements, the number of passengers on transit vehicles is limited to approximately 25 percent of the vehicle's normal seated capacity. Passengers waiting for a bus are passed-up if the bus reaches its capacity limit of about nine passengers per bus. Marin Transit re-deployed and added supplemental back-up bus service or regular service multiple times over the past year to avoid passing up waiting passengers on our most heavily travelled routes. Service levels in our highest ridership areas now operate as frequently as every five minutes. The supplemental service has reduced pass-ups and helped ensure that riders can reliably catch a bus without significant delays.

Marin Transit suspended Supplemental School services, Yellow Bus, and the Muir Woods Shuttle at the onset of the pandemic. These services accounted for approximately 25 percent of our ridership in past years. The available buses and service hours from these suspended services were reallocated to supplemental (back-up) service in high ridership areas of the County. The supplemental service reduced pass-ups of passengers due to capacity restrictions on buses needed to maintain social distancing. The District recently reinstated certain Supplemental School routes as some high schools returned to in-classroom learning in February and March. The District anticipates restarting the Muir Woods shuttle service in summer 2021.

Marin Transit is currently experiencing a 58 percent decline in systemwide ridership compared to the prior year. Fixed route ridership dropped significantly early in the pandemic and rose steadily as riders returned to work in essential services and made essential trips. Ridership on paratransit and demand response services has suffered the greatest losses and remains low at just 26 percent of ridership last year. The budget is based on a projected return of fixed route ridership to 60 percent pre-COVID levels in the first half of FY2021/22 and increases to 80 percent of pre-COVID levels at the end of FY2021/22 (average of 70 percent pre-COVID) (Figure 3). The budget also projects that demand response ridership returns to 50 percent pre-COVID levels in the first half of FY 2021/22 and returns to 70 percent of pre-COVID levels by the end of the fiscal year (average of 60 percent of the pre-COVID level) (Figure 4). The budgeted service plan assumes vehicle capacities will increase as the County advances through the State's tiered risk levels. It is assumed that by June 2021, vehicles will be able to accommodate 50% of vehicle capacities and supplemental back-up services will no longer be needed.

Figure 3: Fixed Route Ridership By Fiscal Year

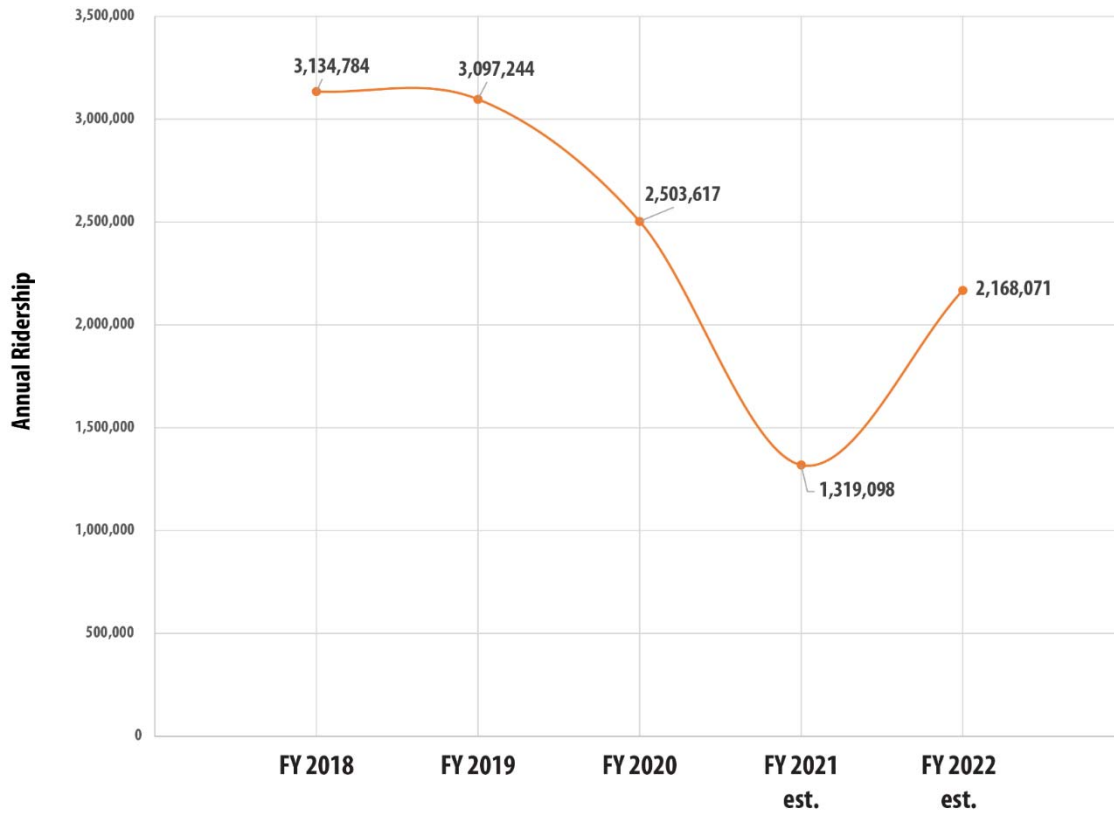


Figure 4: Demand Response (Paratransit) Ridership By Fiscal Year

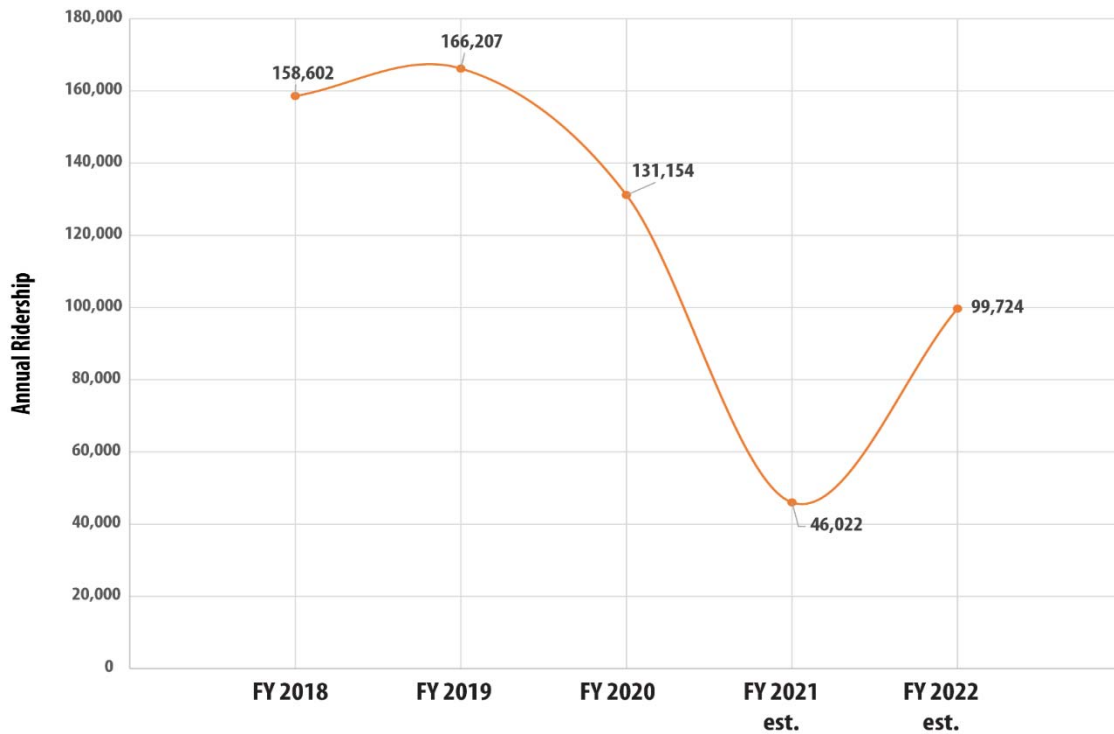


Table 2: Operations Budget (Admin, Local, Yellow Bus, Rural, & Marin Access)

	FY 2019/20 Actual	FY 2020/21 Budget Revised	FY 2020/21 Estimated Actuals	FY 2021/22 Final Budget	% Δ from FY2020/21 Budget
Revenue					
Fare Revenue	3,233,295	3,157,591	1,503,341	3,017,579	-4%
Advertising & Other Revenue	520,168	594,048	410,608	610,447	3%
Reimbursements (GGBHTD)	1,897,214	2,074,256	1,375,491	1,342,481	-35%
Interest	353,735	200,700	222,630	160,700	-20%
Measure A/AA	12,911,936	12,722,302	9,712,534	12,726,002	0%
Measure A Interest	85,000	0	0	0	-
Measure B	956,701	1,075,000	1,109,293	944,943	-12%
Property Taxes	4,755,734	4,471,001	4,998,799	4,940,101	10%
Development Fees	54,204	45,500	69,148	45,500	0%
State Transit Assistance (STA)	2,047,902	1,498,871	1,680,191	2,384,860	59%
Transit Development Act (TDA)	5,225,171	3,817,097	3,817,097	5,871,942	54%
Other State	18,958	16,300	22,164	32,300	98%
FTA Funds	3,475,476	5,713,288	9,204,456	5,294,542	-7%
National Park Service	370,399	16,033	0	418,694	2511%
Transfers to Capital Budget	(55,505)	(900,000)	(3,515,000)	(841,996)	-6%
Total Revenue	35,850,388	34,501,987	30,610,752	36,948,095	7%
Expenses					
Salaries and Benefits	2,470,182	2,675,000	2,517,183	2,806,721	5%
Professional Service	277,828	574,508	314,384	590,752	3%
Professional Service- Legal	25,385	100,000	19,467	103,000	3%
Security and Maintenance	261,864	330,130	405,916	388,631	18%
Customer Service	637,447	659,555	685,538	678,352	3%
Mobility Management Support Programs	9,812	72,000	0	92,360	28%
Grants to Other Agencies	435,485	435,485	218,129	410,406	-6%
Materials and Supplies	289,124	369,618	369,736	397,352	8%
COVID Cleaning and Supplies	70,168	375,076	243,325	342,000	-9%
General Insurance	48,404	68,200	66,090	72,928	7%
Contract Service Operation	24,172,094	26,050,929	22,851,788	25,960,597	0%
Membership & Prof Development	22,955	52,318	16,600	53,888	3%
Mileage and Travel	16,015	25,000	341	25,750	3%
Marketing	126,142	199,042	83,195	178,411	-10%
Communication	158,029	228,670	198,581	264,888	16%
Fuel	2,111,976	2,967,168	1,646,998	3,124,622	5%
Utilities (Facility)	12,547	34,200	32,000	65,000	90%
Vehicle and Vehicle Parking Leases	19,019	25,472	0	26,236	3%
Office - Rental and Overhead	137,817	142,000	139,853	146,260	3%
Partner Agency Pass Through	85,000	0	0	0	-
Transfers to Capital Budget	(320,948)	(422,049)	(356,940)	(346,410)	-18%
Total Expenses	31,066,345	34,962,322	29,452,184	35,381,744	1%
Net Revenue Over Expenditures	<u>4,784,043</u>	<u>(460,335)</u>	<u>1,158,568</u>	<u>1,566,351</u>	

The economic impacts of the COVID-19 will have significant and long-term impacts on Marin Transit financials. Fare revenue accounts for eleven percent of Marin Transit's budget, and revenues based on sales tax and diesel tax account for a total of 61 percent. The Metropolitan Transportation Commission's (MTC) and Transportation Authority of Marin (TAM) initially forecasted severe declines in sales tax based revenues. Marin County sales tax revenue has not declined as precipitously as expected but the budget levels are less than pre-pandemic projections. As more economic data becomes available the District will need to monitor and adjust revenue projections. Significant federal relief funds have been critical in back-filling lost revenues and maintaining contract operations.

District Revenue

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

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

To develop revenue projections for the FY 2021/22 budget, staff referred to Metropolitan Transportation Commission (MTC) revenue projections for STA and TDA, used TAM's allocation numbers for Measure AA, and presented assumptions to the Board of Directors at a March 15, 2021 board workshop. Due to the rapidly changing economic conditions from the COVID-19 response, all financial projections have a higher-than-normal uncertainty. All revenue projections will need to be reviewed quarterly and budget adjustments may be needed.

Revenue Declines

The operating revenue budget of \$36.9 million is a 7% increase from the prior year budget (table 3). Since this revenue includes carryforward revenue from prior year surpluses and one-time Federal funding, it masks the underlying declines of significant revenue sources. Table 3 shows projected losses of major revenue sources compared to the pre-pandemic projections included in the District's SRTP. The table includes the projected losses included in the FY2020/21 budget, the updated projected losses for FY2020/21 based on new information, and projected changes for FY2021/22. Due to the significant one-time federal relief funding through the CARES Act and the CRRSAA, Marin Transit is able to fully backfill all revenue losses and fund the additional service costs that were needed.

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

Revenue	Source	FY2021 Project Revenue Impacts		Projected FY2022 Change (compared to pre-COVID estimate)	Notes
		Projected in FY2021 Budget	Updated Projection		
Fares	Passengers	\$ (729,929)	\$(848,273)	\$ (865,263)	Fare revenue is still impacted by lower ridership
Measure AA	Marin County Sales Tax	\$(1,474,176)	\$(1,617,267)	\$(2,702,355)	Sales tax revenues have remained stable but annual revenue is lower due to slow growth and TAMs restarting the collection of their reserve
State Transit Assistance	Diesel Fuel Tax	\$(1,107,870)	\$(999,056)	\$(1,018,666)	Projected lower revenue based on lower fuel consumption and prices. Marin Transit has prior year Revenue Based funds available. Amount in Budget shows the combined prior year and current year amounts.
Transportation Development Act	State sales tax	\$(1,272,366)	\$(817,403)	\$ 21,273	Sales tax funding is less impacted than initially projected
Education Revenue Augmentation Funds	Property Tax	\$ (260,000)	\$ -	\$ -	Based on prior recessions this source is volatile and is not available in recessions
GGBHTD payment for Paratransit	GGBHTD	\$ -	\$ -	\$(761,900)	Reduce due to drop in GGBHTDs Marin County fixed route ridership and lower projected costs.
Federal Relief Funds	Federal Fuel Taxes	\$ 4,500,000	\$8,120,184	\$ 4,178,69	CARES and CRRSAA funding
Total		\$ (344,341)	\$3,838,185	\$(1,148,220)	

Federal Relief Funds

Marin Transit is receiving timely and significant federal funding for transit operations. The federal government has passed three relief bills that provide significant one-time funding for transit operators. These bills are Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (CRRSAA), and the American Rescue Plan Act of 2021 (table 4). The funding is provided at a 100 percent federal share, with no local match required. The funding is available to support capital, operating and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. The Federal Transit Administration (FTA) has allocated the formula funding to regions and states through the Section 5307 urbanized program and the Section 5311 rural program.

The Metropolitan Transportation Commission (MTC) is the recipient of Section 5307 funds for the Bay Area. MTC worked quickly with all Bay Area transit agencies to develop a sub-allocation of the region’s funding that reflects the initial needs of the transit agencies during this crisis and focused on restoring revenue losses for all operators. Funding through the Section 5311 program has been allocated by Caltrans. The allocation amounts in table 4 include both the Section 5307 and Section 5311 funds.

Marin Transit anticipates expending all \$10.2 million in CARES act funding in FY2019/20 and FY2020/21. All \$4.2 million in allocated CRRSAA funding is budgeted for FY2020/21 for local and rural services. The final federal funding, the American Rescue Plan Act includes almost twice the amount of funding to support transit as the CRRSAA act. MTC is working with transit operators to ensure all Bay Area agencies have sufficient funding to restore services and adapt to new conditions post pandemic. Marin Transit can use this additional federal funding to continue service levels and to address new needs as they develop.

Table 4 Federal Relief Funds

Federal Relief Bill	Marin Transit Allocation	Anticipated Expenditure Year
Coronavirus Aid, Relief, and Economic Security (CARES) Act	\$10,176,307	FY2020, FY2021
Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (CRRSAA)	\$4,178,691	FY2022
American Rescue Plan Act of 2021	TBD	FY2022, FY2023

Revenue Variances

All budgeted revenues that change more than \$100,000 compared to the prior budget are listed in table 5.

Fare revenue is tied closely to the return of ridership which is projected to be 70% of pre-COVID levels for fixed route service and 60% for demand response. This about twice current fare revenue but is \$865,000 below pre-pandemic fare revenue.

Marin Transit's is projecting a lower reimbursement rate from GGBHTD for the operation of local paratransit. This reimbursement rate is based on the relative amount of Marin County fixed route riders each agency carries in the prior year. GGBHTD's typical share is about 25%, but due to drops in ridership on regional services, staff anticipates this may drop to 11%. The lower reimbursement rate reduces this revenue by \$730,000.

Measure B revenue decreases in the FY2021/22 budget compared to the prior year budget due to less prior year carryforward revenue.

Property tax revenue increases 10% in the FY2021/22 budget compared to the prior year since current year collections have shown this revenue source has not been significantly affected by the pandemic. The budget includes a modest three percent growth and a restoration of the volatile Education Revenue Augmentation Funds.

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

STA revenue in the FY2021/22 budget increases 59% compared to the prior year. This is due to the low projection in FY2020/21 and due to the planned expenditure of prior year revenue-based funds. While there was a significant drop in vehicle miles traveled during the pandemic, the collapse of global oil prices and the resulting lower price of diesel fuel impacted STA funding more significantly. In recent months, the price of fuel prices has rebounded but projected STA annual revenue allocations remain below the District's SRTP projections.

Similar to Measure AA local sales tax revenue, Transportation Development Act (TDA) funding is also generated from sales tax have been less impacted by the pandemic than projected. The FY2020/21 budget included a 25% decrease in TDA while the current estimated actual is only an 11% decline. The County Auditor Controller is projecting another 3% decrease in TDA revenue for FY 2021/22. However, Marin Transit will receive 43.12% of Marin County TDA funds in FY 2020/21, which is a one percent increase over the prior year based on increased ridership and service relative to SMART and GGBHTD. The increased share of county revenue results in a 1% increase in TDA funds for Marin Transit relative to the prior year estimated actuals and a 54% increase over the prior year budget.

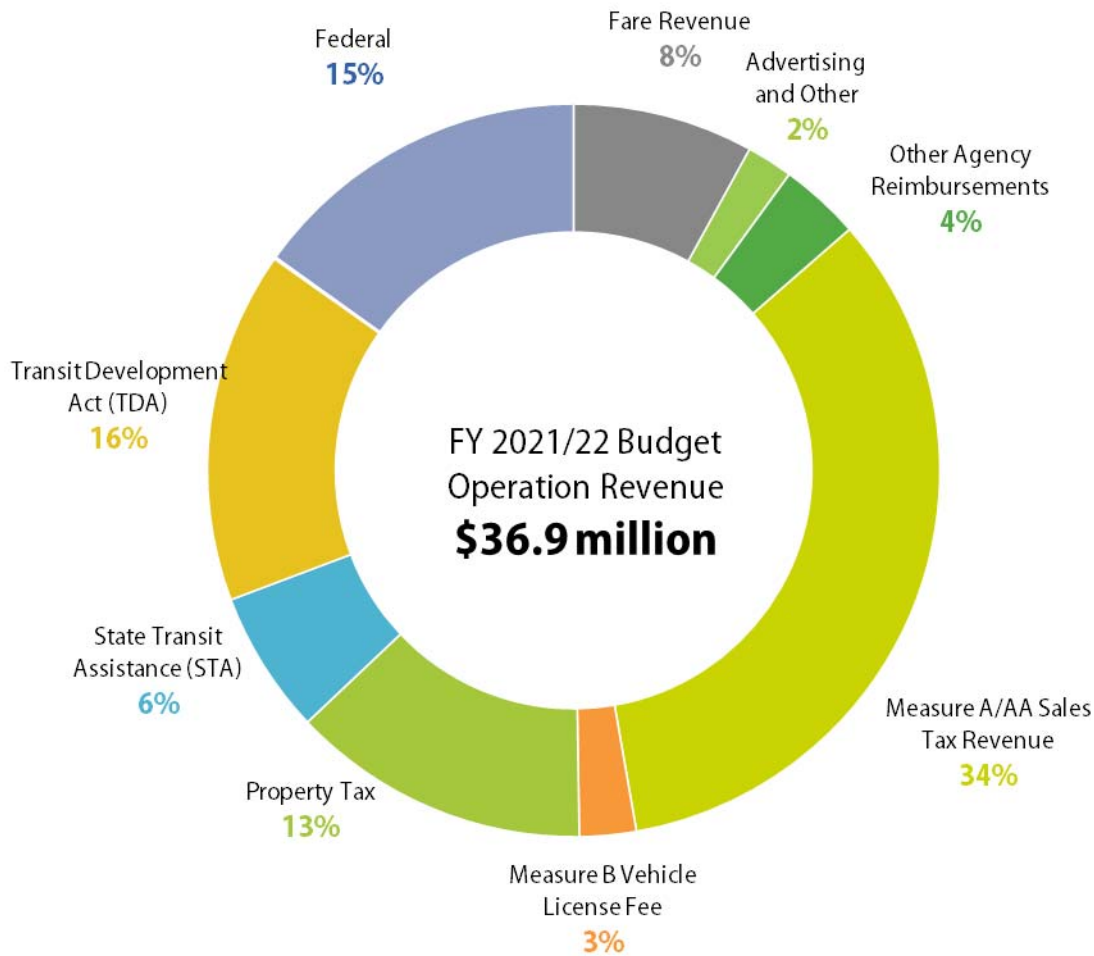
FTA funding primarily consists of federal relief funds and decreases seven percent in the FY2021/22 budget. Additional federal relief funding may be available through the American Rescue Plan Act. The budget includes the

restoration of National Park Service funding for the Muir Woods Shuttle. This funding is dependent on the return of service this summer.

Table 5: Revenue Variances in Operations Budget >\$100,000 over prior year

Revenue Category	FY 2021/22 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Fare Revenue	\$3,017,579	(\$140,000)	-4%	Projected fare revenue is projected to be 75% of pre-pandemic (FY2019 fares). This is 4% less than the FY2020/21 budget and twice the FY2020/21 estimated actual.
Reimbursements (GGBHTD)	\$1,342,481	(\$731,775)	-35%	The project share of local paratransit costs paid by GGBHTD decreases significantly since GGBHTD carried fewer passengers in FY2020/21 relative to Marin Transit.
Measure B	\$944,943	(\$130,057)	-12%	Lower amounts of prior year carryforward funds are available
Property Tax	\$4,940,101	469,100	10%	Prior year property tax revenues included a projected revenue drop in volatile augmentation funds. Property tax revenue continues to grow. This budget returns this fund source to a pre-pandemic level. Property tax revenue is projected to have a modest 3% growth.
State Transit Assistance	\$2,046,902	\$885,989	59%	This budget restores STA revenue to a pre-pandemic level, but is below Short Range Transit Plan projections that included annual growth.
Transportation Development Act	\$5,294,542	\$2,054,845	54%	This budget restores TDA revenue to a pre-pandemic level and includes prior year carry forward revenue since the projected decline in sales tax revenue did not occur.
FTA Funds	\$5,294,542	(\$418,746)	-7%	The current budget includes CRRSAA relief funding but the expended federal relief funding in FY2021/22 will be significantly less than FY2020/21 unless additional funding from the American Rescue Plan is allocated.
National Park Service	\$418,694	\$402,661	2511%	The budget includes resuming operation of the Muir Woods Shuttle. The budget includes the corresponding NPS funding.

Figure 5: Revenue Sources for FY 2021/22 Budget



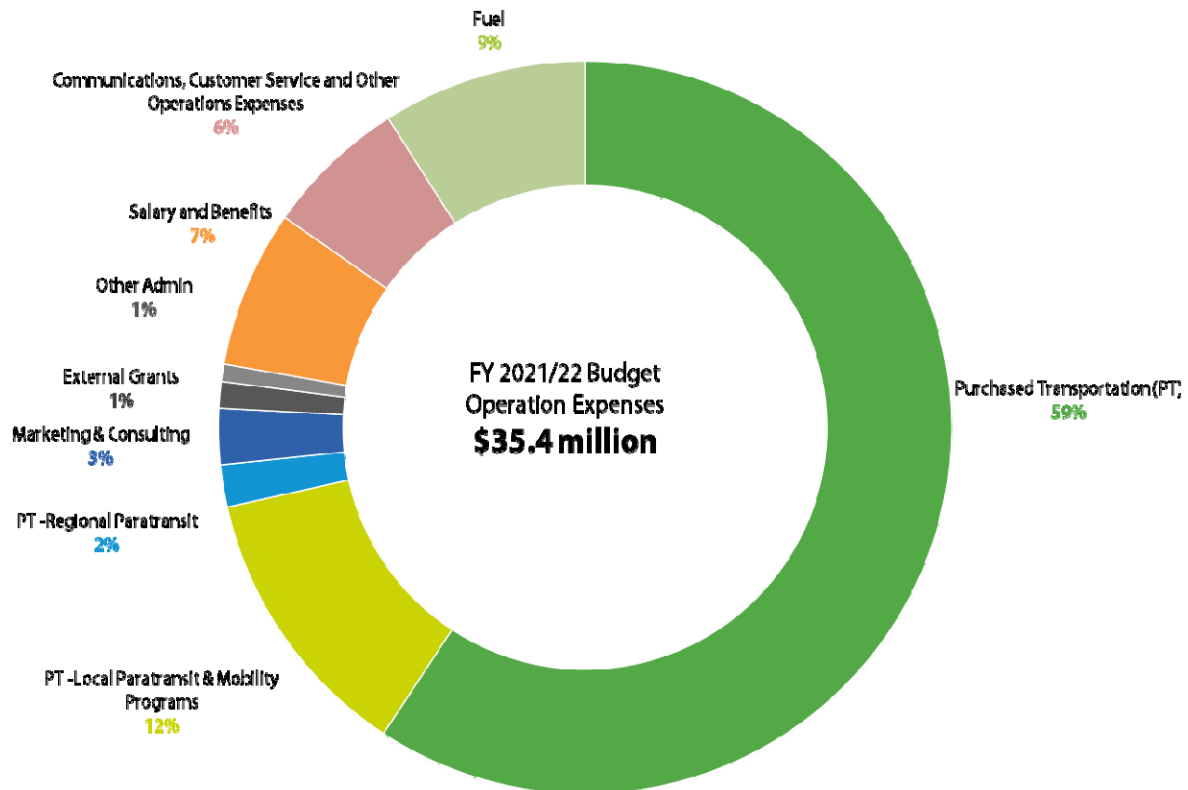
District Expenses

Marin Transit provides local transit service through purchased transportation contracts. Under this structure, the majority of district operations expenses (Figure 4) are for contract service operation (73%) and associated fuel (9%) and other operations expenses (6%). Contract service operations includes local paratransit, regional paratransit and fixed route purchased transportation. The following sections discuss information and trends on general agency costs including staffing, consulting, fuel, and marketing. More detailed operations and service costs are discussed in later sections that correspond to the District’s program areas: local service, yellow bus, rural service, and Marin Access. The District’s operations budget is within 1% of the FY2020/21 budget and 12% higher than FY2020/21 estimated actuals. The budget doesn’t have the typical annual growth compared to the prior year due primarily to lower paratransit service demand. Categories with variances greater than \$100,000 are summarized in table 6.

Table 6: Expense Variances in Operations Budget (>\$100,000)

Expense Category	FY 2021/22 Budget	Variance from Prior Year Budget		Notes
		Amount (\$)	%	
Salaries and Benefits	\$2,806,721	\$131,721	5%	No increases to this budget were made in FY2020/21 to control costs during the pandemic. This increase allows for merit-based salary increases and provides for one additional financial analyst position.
Fuel	\$3,189,622	\$222,454	7%	This increase reflects recent increases in fuel prices and some increases for expanded service levels

Figure 6: Operations Expenses for FY 2021/22 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. Due to the pandemic and revenue uncertainty, Marin Transit froze the salary and benefits budget at the prior year level and did not make performance-based salary adjustments.

The FY2020/21 budget includes a 5% increase to salary and benefits that will allow for salary increases and would allow for increasing staffing by one position to 17.4 regular full-time equivalent positions (Table 7 and Figure 5). Marin Transit currently has one vacant position.

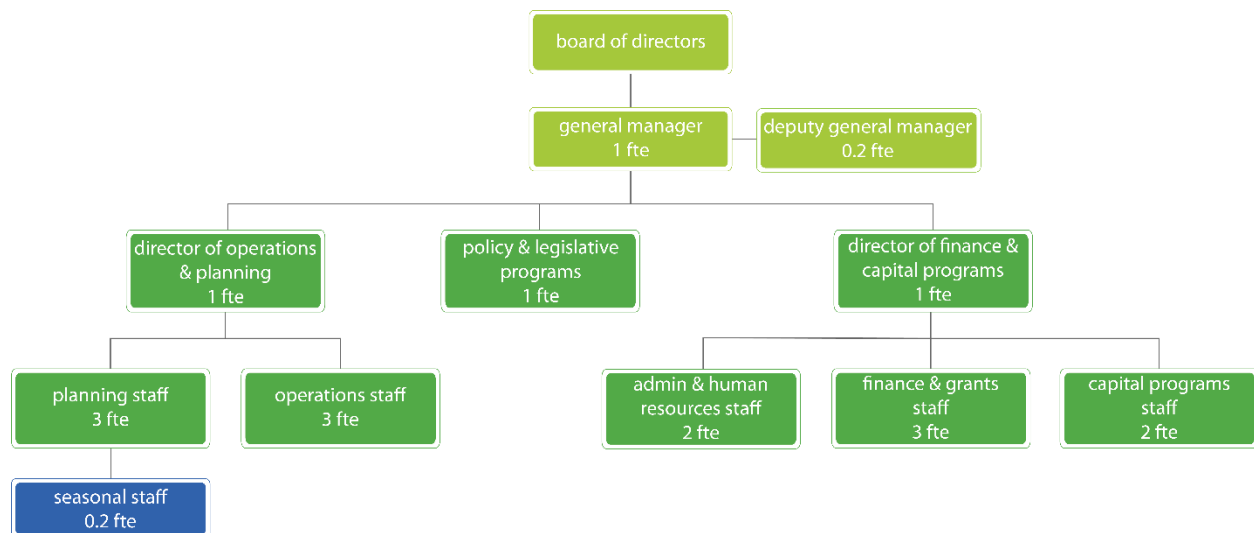
Based on the District’s employment framework, top and bottom of the salary ranges for each classification can be increased by the consumer price index (CPI)² as of February of each year. Last fiscal year, due to economic uncertainties, no increases were made to salary band levels. For this year, CPI was 1.6% in February and salary bands will be increased accordingly.

Benefit costs are on a calendar year and health insurance benefit rates decreased 5% in 2021 after increasing 8.3% in 2020. There is capacity in the budget to accommodate some benefit rate adjustments in 2022.

Table 7: Personnel Counts (FTE)

	FY 2019/20	FY 2020/21	FY2021/22
Budget	16.4	16.4	17.4
Actual	15.5	16.0 (estimate)	

Figure 7: Marin Transit FY 2021/22 Organization Structure



² Bay Area CPI February 2021– 1.6%, bls.com

Fuel

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

The method for purchasing fuel varies among contracts depending on the volume of service, existing infrastructure, and location of service. GGBHTD maintains its own fuel contract and delivery system. Two contractors fuel their vehicles at the County of Marin facility, and a fourth contractor uses a combination of commercial pumps and onsite delivery. In general, the bulk contract purchases by the County of Marin and GGBHTD provide a lower cost per gallon and result in a delayed market effect. As the District identifies future facility locations, the potential for fuel savings should be considered.

After the District's fuel expenses increased 17% in FY 2018/19, fuel prices were stable in the first half of FY2019/20 and then fell dramatically with as global demand plummeted. In FY2020/21 fuel prices re-bounded to pre-pandemic levels and it is likely they will continue to increase as the global demand for fuel increases with the pandemic recovery. The FY2021/22 budget includes a 5% increase in projected fuel prices.

The budget also includes electric power costs for the District's electric buses. Two vehicles are currently operated by GGBHTD, where the vehicles are charged overnight during off-peak hours to reduce utility demand charges. The vehicle chargers have a submeter in GGBHTD's San Rafael maintenance yard, allowing for segmentation of the utility costs from the larger facility. The budget includes \$2,085 per month for electrical power to charge each vehicle. Four new electric buses will be delivered in FY2021/22 and will be charged in the District's Rush Landing facility. A partial year of electrical power is included in the budget for these vehicles.

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 8) 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.

In the current fiscal year, many administrative line-item budgets, like salaries, office supplies, and equipment are fixed at the prior year levels. In some cases, where the District had been frequently under budget, budgets were reduced. Items tied to multi-year contracts that increase annually like the administrative office lease and auditing services are increased according to contracted rates. For FY2021/22, three percent increases have been made to most administrative budgets to accommodate general inflation across the current and budget years (two years). Salary and Benefits budget increases 5% to accommodate a new position and merit based salary increases (see staffing, page 22). Insurance costs increased to include insurance costs on parking and maintenance facilities.

Marin Transit's current office lease began in June 2018 and extends for five years, through June 2023.

Table 8: Administration Budget

		FY 2020 Actual	FY2021 Budget- Revised	FY 2021 Estimated Actuals	FY2022 Budget	% Δ From FY 2021 Budget
Revenue						
4070400	Interest	353,735	200,700	222,630	160,700	-20%
4079950	Development Fees	22,103	20,500	24,766	20,500	0%
4079954	Residual ABX 126	32,101	25,000	44,383	25,000	0%
4080101	PropTax-CurrntSecured	4,143,282	4,200,000	4,342,160	4,472,425	6%
4080102	County Fee-Admin Basic Tax	(55,828)	(66,499)	(62,492)	(68,494)	3%
4080103	Property Tax-Unitary	38,244	39,000	-	40,170	3%
4080104	PropTax-CurrntUnSecur	86,244	80,000	148,666	80,000	0%
4080105	Educ Rev Augm Fund-Redist	441,482	120,000	530,035	320,000	167%
4080106	PropTax-Supp CY SECR	92,303	90,000	29,758	90,000	0%
4080107	PropTax-Supp Unsecured	3,583	1,000	2,165	1,000	0%
4080108	PropTax-Redemption	3,291	2,000	4,315	2,000	0%
4080109	Property Tax-Prior Unsecured	3,133	5,500	4,192	3,000	-45%
4089901	Other Federal	154	150	-	150	0%
4119940	Other State	239	300	435	300	0%
Subtotal Revenue		5,164,066	4,717,651	5,291,013	5,146,751	12%
4700001	Property Tax Transfer	(467,196)	(3,495,075)	(3,876,173)	(3,098,005)	11%
Net Revenue		4,696,870	1,222,576	1,414,840	2,048,746	16%
Expense						
5010200	Salaries	1,586,784	1,710,720	1,669,554	1,800,921	5%
5020000	Benefits	883,398	964,280	847,630	1,005,800	4%
5030301	Consultant Services	119,809	200,000	87,768	206,000	3%
5030304	Prof Svcs - Legal	25,385	100,000	19,467	103,000	3%
5030305	Prof Svcs - Audit	28,535	35,898	35,898	37,693	5%
5049901	Office Supplies	7,784	13,000	2,215	13,390	3%
5049902	Small Furn/Equip	2,123	10,000	13,573	10,300	3%
5049903	Software Maintenance	69,213	65,000	84,096	90,000	38%
5049904	Copier Suppl & Srvc	8,784	9,725	8,315	10,017	3%
5049905	Postage	2,349	3,278	3,222	3,377	3%
5049906	Computers	10,065	21,500	5,478	22,145	3%
5050201	Communication - Phone	3,057	-	1,123	-	-
5060301	Insurance - Gen Liability	28,111	32,500	24,850	33,475	3%
5090101	Memberships & Prof Dev.	48,404	68,200	66,090	72,928	7%
5090202	Mileage and Travel	22,955	52,318	16,600	53,888	3%
5090801	Marketing	16,015	25,000	341	25,750	3%
5100401	County Fee - Special District	12,747	13,506	2,158	13,911	3%
5121200	Office Rental	137,817	142,000	139,853	146,260	3%
Subtotal Expense		3,013,335	3,466,925	3,028,231	3,648,855	5%
5100100	Salary/Benefit Transfers	(2,345,658)	(2,497,265)	(2,465,441)	(2,654,451)	6%
5100101	Transfer Overhead	(658,288)	(629,039)	(551,415)	(563,590)	-10%
Net Expense		9,389	340,621	11,375	430,814	26%

Local Service

The local service budget (table 10) includes all revenues and expenses related to the provision of fixed route service and general purpose dial-a-ride, excluding rural service. Major programs in the local service budget include local fixed route, Community Shuttle service, supplemental school, Muir Woods seasonal shuttle, and Novato Dial-A-Ride. In FY 2020/21, revenues and expenses for yellow bus service were included in the local service budget. Other major expenses in the local service budget include consultant services for stop-level ride checks, service contract audits and reviews, communications, marketing, and staff time for contract oversight. This budget also includes costs and revenues for special projects such as the youth pass, and Homeward Bound tickets.

The local service budget for FY 2021/22 is \$24 million. It represents a 6.5% increase over the prior year revised budget and is based on returning service levels by program to the District's pre-pandemic service plan. The service plan includes the gradual return of Muir Woods Shuttle service, the return of supplemental school service and ending most of the supplemental back up service added to accommodate social distancing during the pandemic (Table 8). If current social distancing measures are not relaxed or if service demand changes, Marin Transit will need to modify the service plan.

Fixed route ridership is projected to return to 60% pre-COVID levels in the first half of FY2021/22 and increase to 80% of pre-COVID levels at the end of FY2021/22 (average of 70% pre-COVID).

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

Several contract amendments were made by the Marin Transit Board to address impacts of the COVID-19 pandemic. New expenses for cleaning and servicing vehicles were added to the GGBHTD, Marin Airporter, and MV Transportation contracts for a total annual cost of \$245,000. Since MV Transportation began operating additional hours for supplemental service needed for distancing required during the pandemic, their contract was amended to increase the fixed fee amount by \$60,000 per year to provide additional maintenance services. These services will continue until hours are reduced. Each contract also includes an annual price escalation of 2.7 -3%. As a result, the purchased transportation budget increases 5% in FY2021/22 compared to the prior year budget. Hourly rates for services are shown in table 9.

Table 9: Local Budget Service Levels

Service Type	FY 2021/22 Budgeted Service (Rev Hrs)	Average Contract Cost Per Hour (without fuel)	Notes
Local Basic and Trunk Line	118,200	\$112.21	Service levels increased 3% compared to prior year revised budget; service provide by two contractors; blended contract rate remains similar to prior year due to a shift or service between contractors in FY 2020/21.
Community Shuttles	44,800	\$80.58	Service level increased 2.5% compared to prior year revised budget; contract rate increases 3%.
Supplemental School and Partnership	6,700	\$115.18	Service level decreases 66% from prior year revised budget but is 34% higher than the pre-COVID service level.
Muir Woods Shuttle	6,500	\$147.72	Gradual return to pre-pandemic service levels
Novato Dial-A-Ride	2,600	\$81.4	Operated by paratransit contractor

Local service is funded with a combination of fare revenue, advertising revenue, Measure A/AA local sales tax funds, Transportation Development Act (TDA), State Transit Assistance (STA), and federal grants. Measure AA sales tax funds in the local budget include both sub-strategy 4.1 Local Bus funding and sub-strategy 4.4 - School Service funds for providing supplemental school service to middle and high schools. Total local sales tax revenues budgeted for local service are \$8.7 million and includes \$1.7 million in prior year carryforward funds. Measure AA funding is 36% of budgeted revenues for local service and at a similar funding level to the prior year budget.

In anticipation of a large drop in available state operations funding from TDA and STA and in accordance with guidance from MTC, Marin Transit budgeted for a 40% drop in state operations revenues in FY2020/21. Revenues did drop but not as significantly as feared. Annual allocations are not at pre-pandemic levels but combined with carryforward revenues, the local budget for STA and TDA increase 62% and 54% from the prior year budget.

Fare revenues are budgeted based on ridership and average fare per passengers. FY2021/22 ridership is expected to be 70% of pre-pandemic levels. Marin Transit also provides two major fare subsidy programs that reduce fare revenue. These are the youth pass program for free fixed route transit to low-income youth and Homeward Bound that provides free fixed route transit to people participating in County programs. The 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.

Marin Transit is budgeting \$3.6 million of Federal relief funds to backfill lost revenues and fund annual service cost increases.

Figure 8: Local Revenue Service Hours by Program

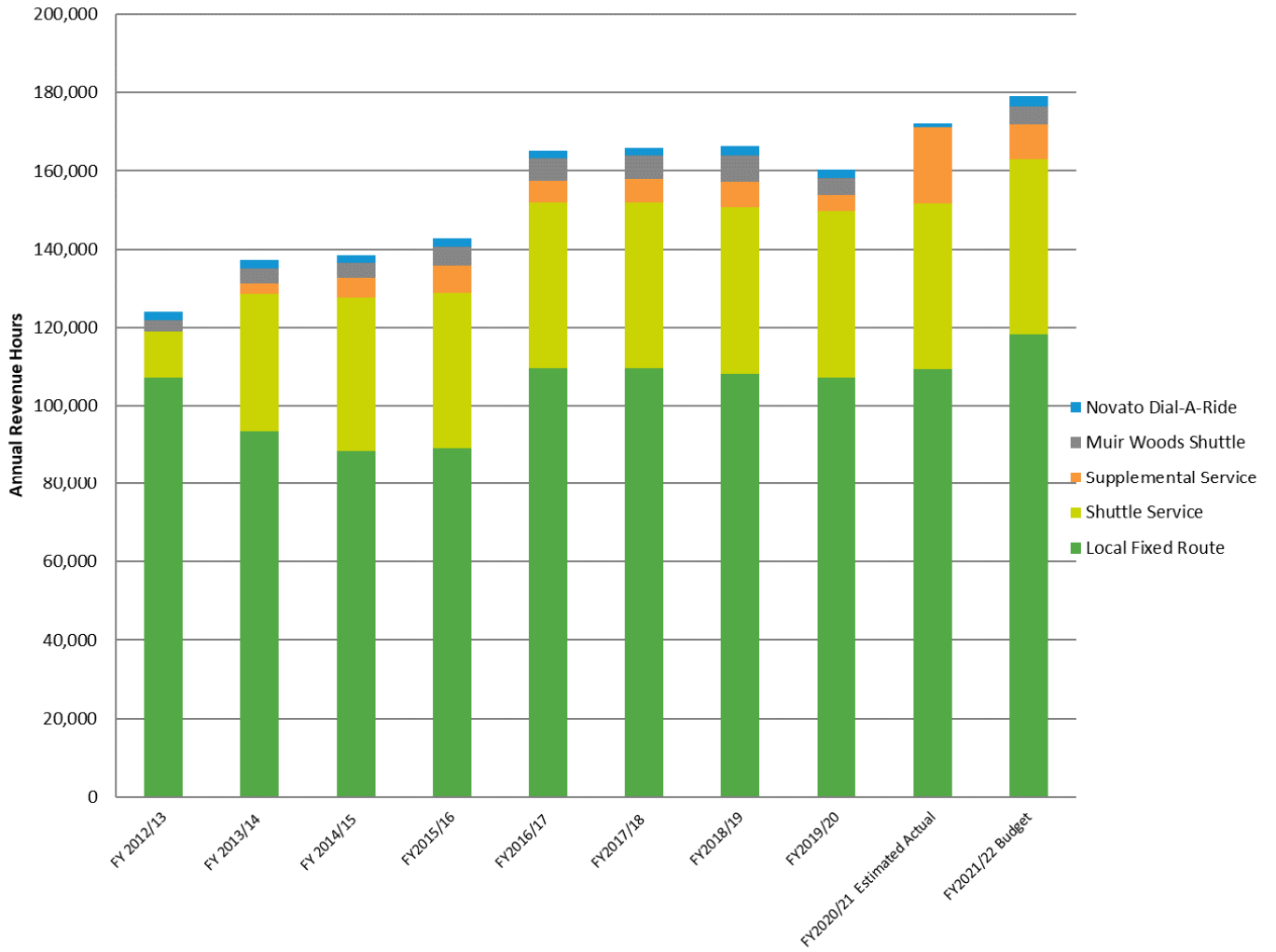


Figure 9: Local Passenger Trips by Program

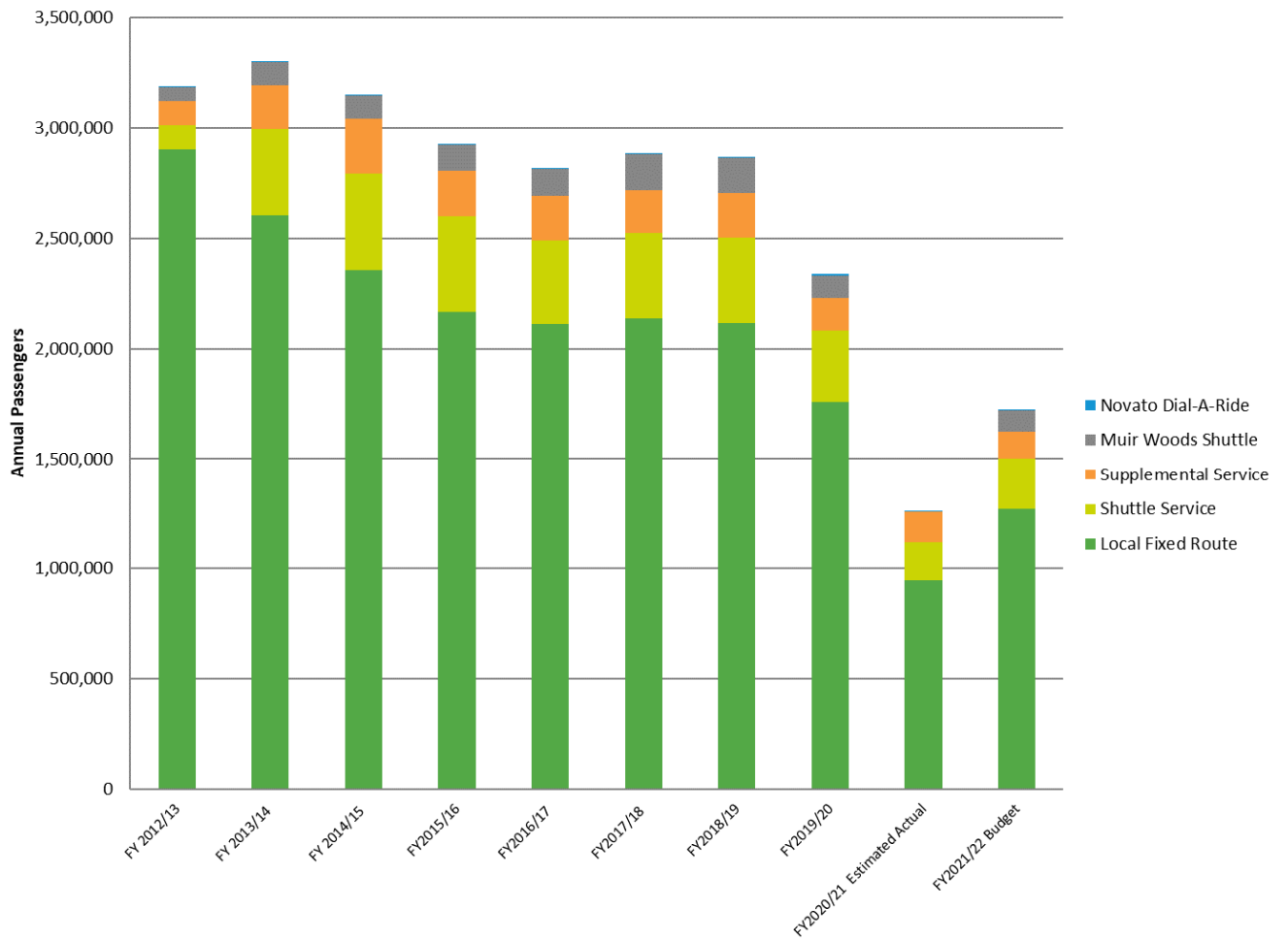


Table 10: Local Service Budget

		FY 2020 Actual	FY2021 Budget- Revised	FY 2021 Estimated Actuals	FY2022 Budget	% Δ From FY 2021 Budget
Revenue						
4060301	Advertising Revenue	237,238	265,740	245,548	273,712	3%
4070301	Lease of Property	282,930	328,308	165,060	336,735	3%
4090101	Other Gov Agency Payments	30,000	0	0	0	-
4092001	Measure A Sales Tax	1,699,572	565,432	944,535	0	-100%
4092003	Measure A Sales tax - Interest	85,000	0	0	0	-
4092005	Measure AA Sales Tax	7,703,546	8,899,994	6,456,642	8,680,992	-2%
4110101	State Transit Assistance (STA)	1,594,383	1,438,871	1,620,191	2,324,860	62%
4110102	Transit Development Act (TDA)	5,225,171	3,817,097	3,817,097	5,871,942	54%
4110103	STA - Lifeline	391,151	0	0	0	-
4119911	State SREC Credits	0	0	16,167	16,000	-
4139910	Fed-FTA 5307	0	70,520	70,520	0	-100%
4139912	Fed-FTA 5307 Relief Funds	1,500,608	3,000,000	6,760,570	3,654,814	22%
4139951	National Park Service	370,245	15,883	0	418,544	2535%
4140100	Fare Revenue	1,964,027	1,786,534	1,177,939	1,563,217	-13%
4020000	Special Fares - Paid by Agency	510,430	373,010	213,970	556,323	49%
Subtotal Revenue		21,594,301	20,561,389	21,488,239	23,697,139	15%
4700001	Property Tax Transfer	39,176	1,500,000	-	300,000	-80%
4700002	Program Revenue Transfer	66,604	80,000	52,000	80,000	0%
Total Revenue		21,700,081	22,141,389	21,540,239	24,077,139	9%
Expense						
5030301	Consultant Services	55,024	224,000	154,110	210,000	-6%
5030310	Fare Processing Charges	14,523	17,510	11,742	18,035	3%
5030320	Customer Service	310,030	330,000	355,982	338,910	3%
5030602	Custodial Service	12,133	37,613	3,000	68,291	82%
5030701	Security Services	248,254	290,560	402,916	298,324	3%
5040101	Fuel	1,405,450	1,983,935	1,258,546	2,268,597	14%
5040160	Electrical Power	28,906	60,000	32,944	120,000	100%
5040180	Utilities (facility)	12,547	34,200	32,000	35,000	
5049902	Small Equipment	3,983	10,000	0	10,000	0%
5049904	Software	38,311	42,000	75,168	43,260	3%
5049911	COVID-19 Supplies and Cleaning	45,828	300,000	183,525	244,927	-18%
5050205	Communication	59,692	114,740	114,106	128,454	12%
5080101	Purchased Transportation	17,191,268	17,770,564	17,010,974	18,374,221	3%
5090801	Marketing	72,320	98,403	49,770	90,000	-9%
5100404	Expense Transfer - GGT Wave	85,000	0	0	0	-
Subtotal Expense		19,583,269	21,313,525	19,684,783	22,248,019	4%
5100100	Salary/Benefit Transfers	1,592,126	1,601,698	1,717,610	1,801,776	12%
5100101	Overhead Transfer	428,123	424,382	382,748	307,752	-27%
Total Expense		21,603,518	23,339,605	21,785,141	24,357,547	4%

Yellow Bus Service

The yellow bus program was suspended for FY2020/21 in response to the COVID-19 pandemic and there are still many unknowns for the FY2021/22 school year. Many schools are anticipating re-opening with more typical schedules in 2021 but there is still uncertainty about exact schedules and how social distancing requirements will impact daily academics.

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

- (A) Operation of the Ross Valley yellow bus program at 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.

In prior years, Marin Transit staff provided planning and operations support to the Mill Valley and Tiburon yellow bus programs. The City of Mill Valley suspended their program in FY2020/21. Marin Transit is anticipating more limited staff role in the Tiburon bus program now that it is more established.

(A) Management of the Ross Valley yellow bus program - In FY 2021/22 Marin Transit anticipates continuing to manage operations, service contracts, and pass sales for six yellow buses serving Ross Valley schools. Annually, Marin Transit makes several assumptions to develop the budget and price the passes for the upcoming school year 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. Due to uncertainties about academic schedules in the 2021/22 school year, Marin Transit does not anticipate the program parameters can be finalized until mid-summer, when the school district has more information about schedules and the JEPA has determined service levels, pass prices and subsidy levels. The FY 2021/22 budget includes revenue and expense assumptions based on pre-pandemic services. 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. Marin Transit is not receiving new funding, but funding that was previously in the Local Transit and Capital Funding sub-strategies now make up the new sub-strategy. Marin Transit has always spent Measure A sales tax on school transportation, including supplemental school service, the youth pass program and bus service to Ross Valley schools.

In January 2019, the Marin Transit board approved a three-year program to distribute \$600,000 a year in Measure AA funding to eligible home to school "yellow bus" programs. Due to the pandemic, only about half of these funds are anticipated to be expended in FY 2020/21. The remaining un-spent funds, approximately \$290,000, will be available for supplemental allocations for re-mobilization costs or other cost resulting from the year-long suspension. The Marin Transit board approved the annual allocation of \$542,362 of FY2021/22 funds in February 2021 to the yellow bus programs as shown in table 11. This is the final year of the three-year program and the Board will be considering extending and updating the program in the fall and winter.

(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.

Table 11: FY 2021/22 Measure AA Yellow School Bus Grant Allocations

	Ross Valley School District	Mill Valley School District (discontinued)	Reed Union School District	San Rafael Elementary School District	Miller Creek ESD
Program Structure					
Does Marin Transit directly contract with a yellow bus operator?	Yes	No	No	No	No
Contract Type	Marin Transit owns contract with service provider	Marin Transit provides Operational Support	Marin Transit provides Operational Support	None	None
Service Provider	Michael's Transportation	Michael's Transportation	First Student	First Student	Self-performs
FY 2017/18 Program Data					
Number of Buses	6	2	7	12	6
Number of Schools Served	3	3	3	8	4
One-way Passes	1,013	214	1,316	2,792	605
FY 2021/22 Measure AA Distribution					
Formula Results	\$232,085	\$0	\$135,877	\$232,085	\$42,244

Table 12: Yellow School Bus Service Budget

	FY 2020 Actual	FY2021 Budget- Revised	FY 2021 Estimated Actuals	FY2022 Budget	% Δ From FY 2021 Budget
Revenue					
4030000 Yellow Bus Fares- Paid By Other	151,010	151,000	0	151,000	0%
4090101 Local Government Payments	92,497	106,483	0	109,677	3%
4092005 Measure AA Sales Tax	471,339	600,000	229,520	613,200	2%
4140105 Fare Revenue - Yellow Bus	301,192	422,665	0	422,665	0%
Subtotal Revenue	1,016,038	1,280,148	229,520	1,296,542	1%
4700001 Property Tax Transfer	8,849	19,668	2,855	13,219	-33%
Total Revenue	1,024,887	1,299,816	232,375	1,309,761	1%
Expense					
5030301 Consultant Services	5,595	0	1,400	0	-
5030310 Fare Processing Charges	13,330	18,650	1,558	19,210	3%
5030602 Custodial Service	1,337	1,957	0	2,016	3%
5049902 Small Furn/Equip	136	1,800	0	1,800	0%
5049903 Software	400	0	0	0	-
5050205 Communication-AVL	11,550	15,852	0	16,327	3%
5050206 Communication-Data	8,210	9,785	0	10,079	3%
5080103 Yellow Bus School Service	426,087	662,256	0	682,124	3%
5090801 Marketing	193	3,000	0	3,000	0%
5098050 Grants to Yellow Bus Programs	435,485	435,485	218,129	410,406	-6%
5120401 Leases and Rentals	19,019	25,472	0	26,236	3%
Subtotal Expense	921,342	1,174,257	221,087	1,171,198	0%
5100100 Salary/Benefit Transfers	81,603	101,681	9,283	106,584	5%
5100101 Transfer Overhead	21,943	29,905	2,005	31,980	7%
Total Expenses	1,024,888	1,305,843	232,375	1,309,762	0%

Rural Service

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

Since most of the Rural service provides lifeline connections to rural communities, these services continued to operate throughout the COVID-19 pandemic. In September 2020, Marin Transit added 1,050 service hours to Route 61 to convert the seasonal peak/off-peak schedules to a consistent year-round schedule at the historic peak service level. These hours also allow for a new extension (Route 61m) to connect Mill Valley to Stinson Beach on weekends and holidays.

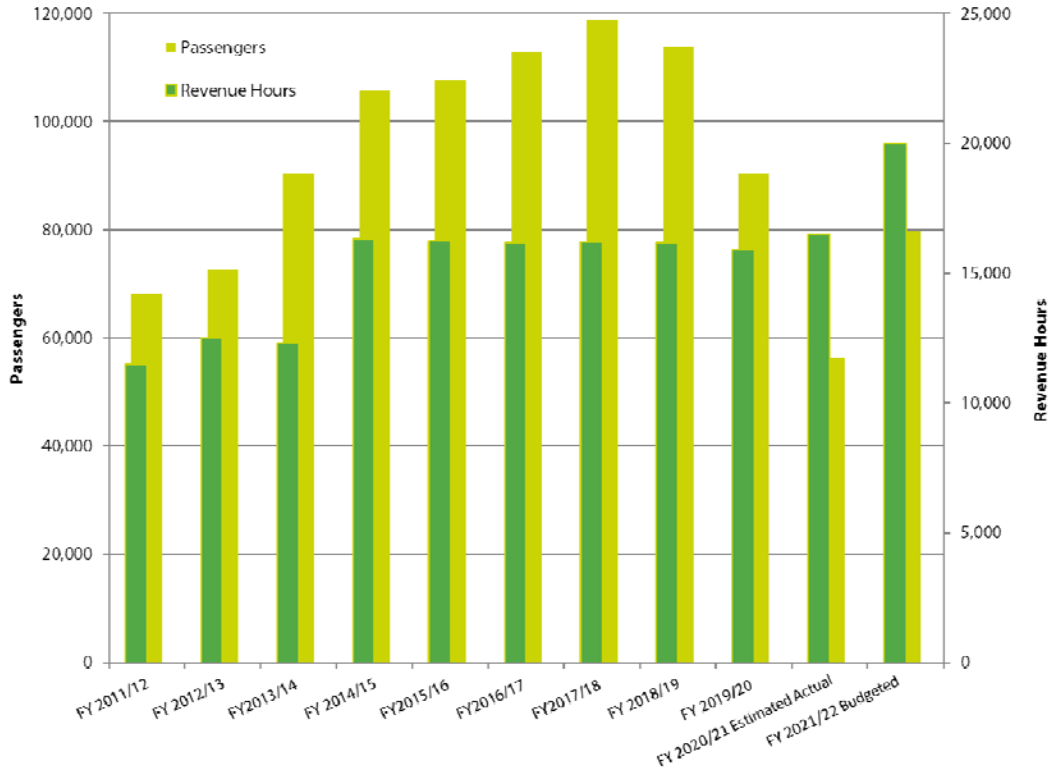
The FY2021/22 budget temporarily increases the budgeted Stagecoach service hours by 15%, from 17,450 annual hours to 20,000 annual hours (table 13). The budgeted hours are the maximum hours that can be operated based on the available equipment and facilities. Actual hours will be determined based on the service level needed to minimize pass-ups on seasonal services and to retain drivers until the full return of school and Muir Woods shuttle services. The additional service will be funded with a combination of federal CRRSAA relief funding and local property tax. Marin Transit will continue to monitor service demand and vehicle distancing requirements to evaluate if service levels should be adjusted. Similar to local fixed routes services, ridership for FY2021/22 is projected to be 70% of the pre-pandemic level (Figure 7).

The FY2021/22 budget includes operation of the Rural Dial-A-Ride at current levels. This includes one round trip per week from Tomales and Dillon Beach to Petaluma and two round trips per month from Point Reyes to Novato.

Table 13: Rural Budget Service Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
West Marin Stagecoach	20,000	\$94.33	Allows for a temporary increase of services levels by re-allocating Muir Woods service hours to prevent pass-ups on seasonal services and retain drivers for return of services.
Rural Dial-A-Ride	400	\$82.36	Continue service twice a month between Point Reyes and Novato and weekly between Dillon Beach/Tomales and Petaluma

Figure 10: Rural Service Level and Ridership Trends



The rural service budget (table 14) includes contract service operations, marketing, fuel, communications, and Marin Transit staff expenses. Additional costs have been added for COVID related cleaning and maintenance.

Rural service is funded with a combination of local sales tax funds and Federal Transit Administration (FTA) Section 5311 rural funding. Marin Transit is receiving \$523,877 in CRRSAA funding that will help fund the temporary increase in services and will help backfill drops in other revenue sources. Fare revenue is projected to be 70% of pre-pandemic levels as riders return to transit and capacity limits on vehicles are reduced.

Marin Transit receives the same 3% annual allocation of local sales tax funds under Measure AA as Measure A.

Table 14: Rural Service Budget

		FY 2020 Actual	FY 2021 Budget	FY 2021 Estimated Actuals	FY 2022 Budget	% Δ from FY2021 Budget
Revenue						
4092001	Measure AA Sales Tax	0	27,059	27,059	0	-100%
4092005	Measure A Sales Tax	900,000	564,320	570,204	664,630	18%
4139920	Fed-FTA 5311 Rural	231,638	220,302	224,902	231,649	5%
4139951	Fed-FTA 5311 Relief Funds	239,772	109,772	800,000	523,877	377%
4140100	Fare Revenue	81,649	81,423	49,886	81,474	0%
Subtotal Revenue		1,453,059	1,002,876	1,672,051	1,501,630	50%
4700001	Property Tax Transfer	362,105	995,407	318,459	1,158,429	16%
Total Revenue		1,815,164	1,998,283	1,990,510	2,660,059	33%
Expense						
5030301	Consultant Services	4,472	15,450	2,305	15,914	3%
5040101	Fuel	199,554	256,962	160,198	257,829	0%
5049902	Small Equipment	132	5,000	3,283	5,000	0%
5049911	COVID-19 Supplies and Cleaning	0	0	0	13,073	-
5050205	Communication-AVL	13,756	17,652	25,775	18,182	3%
5050206	Communication-Data	831	1,093	831	1,126	3%
5080101	Purchased Transportation	1,457,241	1,688,096	1,667,540	1,909,351	13%
5090801	Marketing	8,073	34,132	8,672	20,000	-41%
Subtotal Expense		1,684,059	2,018,385	1,868,604	2,240,475	11%
5100100	Salary/Benefit Transfers	103,321	109,503	99,676	124,348	14%
5100101	Transfer Overhead	27,783	32,205	22,229	37,310	16%
Total Expenses		1,815,163	2,160,093	1,990,509	2,402,133	11%

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, communications, scheduling software, and marketing. The Marin Access budget also includes Marin Transit’s Mobility Management 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 Mobility Management services (table 15) include the Catch-A-Ride subsidized taxi program, volunteer driver reimbursement programs, the “Marin Transit Connect” on demand service, the Travel Navigator eligibility and information center, and travel training.

Table 15: Marin Access Budget Service and Program Levels

Service Type	Service Level (Revenue Hours)	Contract Cost Per Hour (without fuel)	Notes
Local Paratransit	40,700	\$82.40 ¹	Budgeted hours 70% of pre-COVID service demand.
Regional Paratransit	4,400	\$149.80	Budgeted hours are reduced to reflect reduced service demand
Connect (Pilot)	6,120	\$87.80	Same day accessible service with limited service area near the 101 Corridor in Marin County. Budget includes two vehicles operating weekdays from 6 am to 7 pm.

Service/Program	Service Level (Projected Ridership)	Funding Level	Notes
Catch A Ride	9,800	\$410,000	Passenger demand projected at 70% of the pre-COVID level, partially funded with Measure B.
Volunteer Driver	13,500	\$140,000	Program at similar service level to pre-COVID demand. Fully funded by Measure B.
Innovation Incubator / Gap Grants	NA	\$80,000	Provides support to external agencies for innovation projects; program has been on hold due to the pandemic
Low Income Fare Assistance Program	NA	\$85,000	Provides fare assistance for low-income riders. Fare assistance is funded with Measure B.

Notes:

- 1) This is the effective rate at the projected service level under the current contract based on tier 2 rates. Actual costs are billed as a fixed monthly administrative cost with a \$49.65 hourly rate. Costs for January 1, 2022-July 31, 2022 are anticipated to be under a new contract.
- 2) This is the effective rate at the projected service level. Actual costs are billed as a fixed monthly administrative cost with a \$ 48.95 hourly rate. Costs for January 1, 2022-July 31, 2022 are anticipated to be under a new contract.

The FY 2021/22 budget for Marin Access (table 16) is \$6.9 million, which funds the service and programs shown in table 15 and is a 12% decrease compared to the prior year budget. The budget provides for local paratransit service levels that are 70% of pre-COVID levels. The budget also includes the Marin Transit Connect pilot program that continues to test on demand, accessible transit service.

Marin Access activities in the FY 2021/22 budget include:

- Adjustment of mobility management services to reflect changes in community needs due to the COVID-19 pandemic;
- Management of new paratransit maintenance facility (currently under contract for purchase);
- Consolidating Marin Access services under one new contract to become effective January 1, 2022;
- Continued implementation of a modified Marin Transit Connect program using the UBER platform to provide accessible same-day transportation service available to the general public within a limited geographic area;
- Continued implementation of electronic fare payment for all Marin Access programs;
- Additional opportunities to provide gap grant funding to agencies or organizations frequently served by Marin Access to improve the user experience;
- Evaluation of current travel training efforts and expansion of the program to include a volunteer travel ambassador program and eligible rider orientation sessions;
- Continued development of resources to assist local traditional volunteer driver programs;
- Conducting outreach in venues easily accessible and commonly frequented by older adults and people with disabilities; and
- Improving coordination between human service agencies and transportation providers.

Marin Transit plan 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.

Table 16: Marin Access Budget

		FY 2020 Actual	FY2021 Budget- Revised	FY 2021 Estimated Actuals	FY2022 Budget	% Δ From FY 2021 Budget
Revenue						
4092001	Measure A Sales Tax	0	134,574	134,574	0	-100%
4092005	Measure AA Sales Tax	2,137,479	1,930,923	1,350,000	2,767,180	43%
4099950	Measure B	956,701	1,075,000	1,109,293	944,943	-12%
4110101	State Transit Assistance	62,368	60,000	60,000	60,000	0%
4119910	State Prop Tx Relief HOPTR	18,719	16,000	5,562	16,000	0%
4139910	Fed-FTA 5307 Urbanized Area Formula	687,028	697,574	697,574	802,802	15%
4139914	Fed-FTA 5307 Relief Funds	315,743	1,500,000	559,614	0	-100%
4139915	Fed-FTA 5310 Mobility	500,687	115,120	91,276	81,400	-29%
4140100	Fare Revenue	224,988	342,960	61,546	242,900	-29%
4601003	GGBHTD – Local Paratransit Payment	1,036,216	1,148,187	777,005	527,331	-54%
4601004	GGBHTD – Regional Paratransit Payment	738,501	819,586	598,486	705,473	-14%
Subtotal Revenue		6,678,430	7,839,924	5,444,930	6,148,029	-22%
4700001	Property Tax Transfer	1,561	80,000	29,859	784,361	880%
4700002	Program Revenue Transfer	(66,604)	(80,000)	(42,000)	(80,000)	0%
Total Revenue		6,613,387	7,839,924	5,432,789	6,852,390	-13%
Expense						
5030301	Consultant Services	36,680	63,000	19,604	83,900	33%
5030320	Customer Service	327,417	329,555	329,556	339,442	3%
5030602	Custodial Service	0	0	0	20,000	
5040101	Fuel	478,066	666,271	195,310	478,197	-28%
5040160	Utilities (Facility)	0	0	0	30,000	
5049902	Small Furn/Equip	431	5,000	0	10,000	100%
5049903	Software	145,414	183,315	174,386	178,064	-3%
5049911	COVID-Supplies and Cleaning	21,283	75,076	58,677	84,000	12%
5050204	Communication-MERA Radio	20,291	21,598	20,204	22,246	3%
5050206	Communication-Data	15,587	15,450	12,816	35,000	127%
5080101	Purchased Transportation - In Report	4,457,843	5,144,938	3,599,574	4,335,581	-16%
5080102	Purchased Transportation - Regional	639,654	785,074	573,699	659,320	-16%
5090801	Marketing	32,809	50,000	22,596	51,500	3%
5098001	Misc-Exp Transit User Training	7,242	12,000	0	12,360	3%
5098002	Gap Grant	2,570	60,000	0	80,000	33%
Subtotal		6,185,287	7,411,277	5,006,422	6,419,610	-13%
5100100	Salary/Benefit Transfers	337,378	312,866	348,132	355,281	14%
5100101	Transfer Overhead	90,721	92,015	78,233	106,599	16%
Total Expense		6,613,386	7,816,158	5,432,787	6,881,490	-12%

Marin Access Service: Paratransit, Connect, Catch A Ride, and Volunteer Driver Programs

The COVID-19 pandemic has severely impacted Marin Access paratransit, Connect, Catch A Ride and Volunteer Driver program demand. Ridership since April 2020 has been approximately 80% lower than historic levels. Many of

these riders were the first to be eligible for the COVID-19 vaccine but the demand for services has been slow to return. There is still uncertainty about how quickly paratransit demand will rebound once clients are vaccinated. A significant amount of demand is tied to group programs that have not yet re-started.

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

In response to the lower demand and additional needs related to the COVID-19 pandemic, Marin Transit executed four contract amendments with Vivalon in the first 10 months following the shelter in place orders. The contract amendments were designed to help retain workers, allow for additional cleaning costs, allow for community partnership mobility services to be offered, and adjustments to the fixed and variable rate structure to reflect the significant change in demand. In parallel, Marin Transit released a request for proposal (RFP) for a new consolidated Marin Access contract that would be effective January 1, 2022. Unlike the current contract, the RFP includes nearly all services and programs offered under the Marin Access umbrella and also offers prospective bidders paratransit vehicle parking, maintenance facilities, administrative office space and all software needed to perform the contract. The contract fixed and hourly rates will be based on a tiered structure to address the continued uncertainty about demand for paratransit services.

The FY2021/22 budget includes the new direct facility costs but no cost increases for the anticipated new consolidated Marin Access contract. The results of this procurement may have a significant impact on the costs for Marin Access and a mid-year budget amendment may be needed to reflect the final cost structure.

The **Connect pilot program** started a new phase of the pilot beginning July 1, 2020. Connect provides same-day on demand services in a limited service area along the highway 101 corridor within 2.5 miles of SMART stations. The program provides two accessible vans on weekdays that are operated by the paratransit contractor and scheduled and dispatched through the UBER platform. The program budgets for 6,120 hours and is projected to provide 17,100 passengers trips in FY2021/22. While focused on Marin Access riders, Connect is also intended to provide first-last mile connections to SMART through employer partnerships. Evaluation of this pilot has been extended due to the COVID-19 pandemic.

Marin Transit's **volunteer driver program** allows Marin County residents that are 65+ or ADA eligible to identify trusted drivers and provide mileage reimbursements for up to 100 miles per month (400 miles in West Marin). In FY2020/21, the reimbursement rate for the volunteer driver programs was increased from \$0.35 to \$0.60 per mile. Staff projected the increased reimbursement rate would lead to an increase in program participation, but the impact is unclear due to the drop in ridership related to the COVID-19 pandemic. While there are currently fewer riders, the remaining riders have reported that they appreciate the rate increase and they have increased their reimbursement requests up to the new allowable monthly mileage limits.

Catch-A-Ride is a subsidized taxi program for Marin County residents that are 65+ or ADA eligible. Riders can take up to 10 trips per month at a subsidy of up to \$14 per trip after a base fare of \$4. Catch-A-Ride trips are scheduled and dispatched through Marin Transit's contractor and provided by local Marin County taxis. In FY2020/21, the base fare of \$4.00 was added to the Catch-A-Ride fare as part of the Marin Access fare restructuring and staff anticipated

program usage would decline. FY2020/21 ridership did decline (64% from FY2019/20), but most of the decline is likely attributable to the COVID-19 pandemic. In FY2021/22, staff will continue to monitor Catch-A-Ride usage and evaluate the impact of adding the base fare and identify opportunities to streamline operations.

Regional paratransit, fully funded by GGBHTD, continues to experience about an 80% decline in requests for ADA mandated trips in FY 2020/21. The FY 2021/22 budget includes 4,400 revenue hours for regional paratransit service which is 60% of the pre-COVID demand.

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

Marin Transit purchases fuel directly from the County of Marin for the paratransit program. The FY 2021/22 fuel budget allows for a return to pre-pandemic prices plus a 5% price increase.

Figure 11: Marin Access Passengers by Program

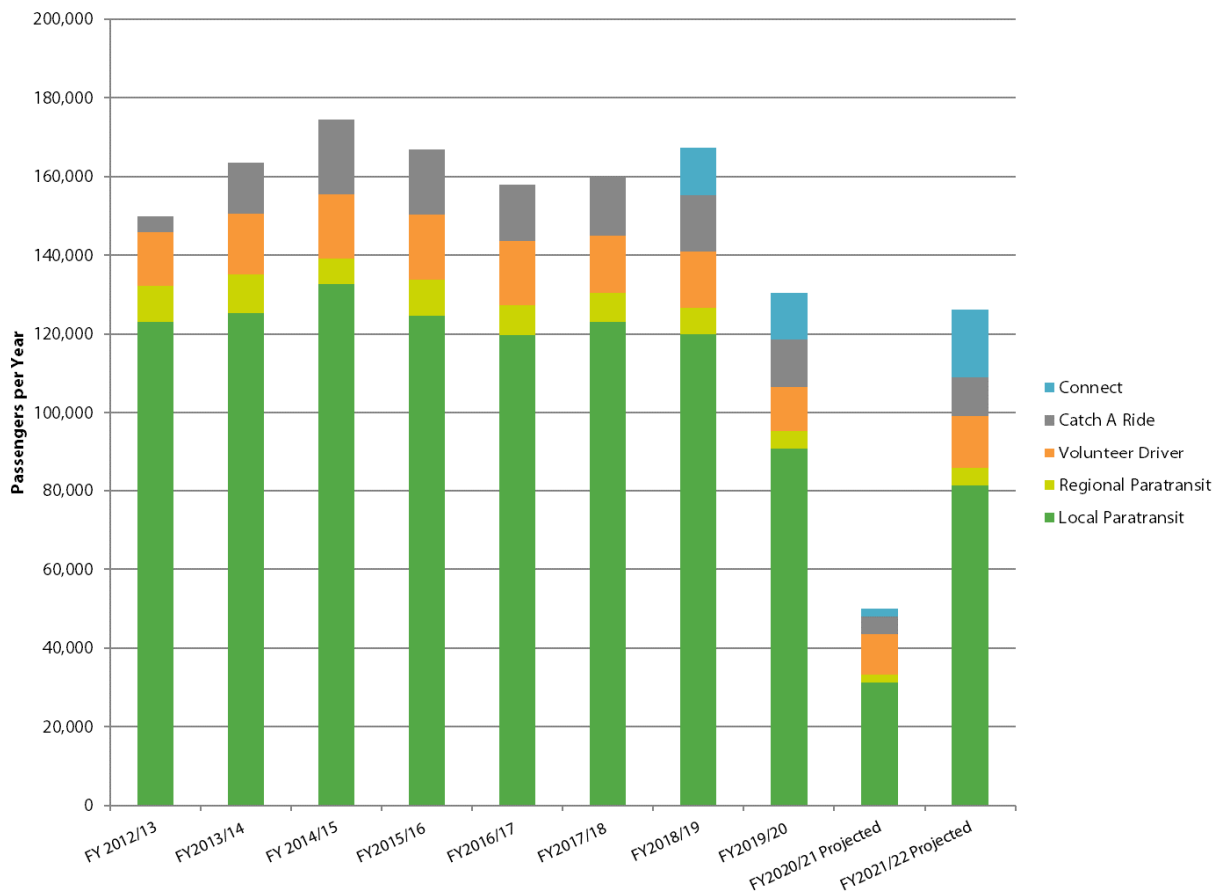
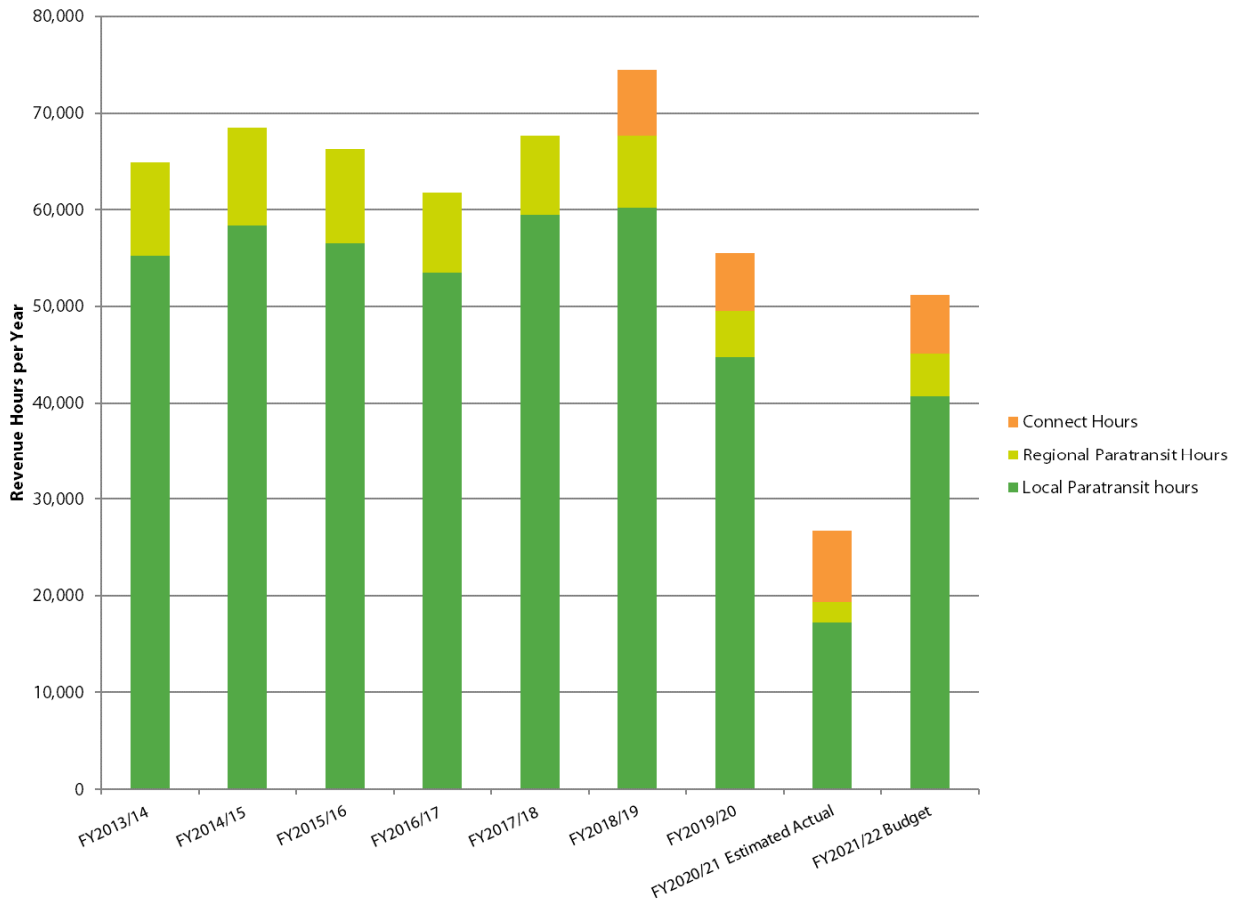


Figure 12: Marin Access Revenue Hours by Program



Mobility Management

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

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

Marin Access Revenue

Marin Access programs are primarily funded by local sources including Measure AA, Measure B and property tax. Marin Access receives 9.5% of Measure AA sales tax revenue or around \$2.0 million per year. As of FY 2011/12, Marin Transit receives 35% of the Measure B vehicle license fee to support the mobility management initiatives. Marin Transit is budgeting \$944,943 of Measure B funding in FY 2021/22, which includes an estimated \$180,000 in unspent prior year allocations.

Marin Transit expended \$560,00 in Federal Section 5307 CARES Act funding in FY2020/21 on Marin Access programs to help sustain contractors and services. No federal relief funds are budgeted for FY2021/22. Marin Transit projecting that the existing revenues will be sufficient to fund the projected demand for services. If riders return more quickly to Marin Access programs, additional revenue will be needed.

Marin Transit restructured paratransit fares and other mobility management program fees as of July 1, 2020. The changes were designed to make fares and subsidy levels commensurate with the type of service offered. The changes included a 50% fare increase on paratransit and adjustments to other mobility management program fees. Distance-based fares were added on Connect for non-Marine Access clients in February 2020. These fares significantly increase per trip fare revenue on Connect. Total Marin Access fare revenue was anticipated to increase, but due to the significant decline in demand due to the pandemic, it is difficult to determine the impact of the fare changes. Fare revenue for FY2021/22 is projected to be 29% below the pre-pandemic projection but over twice the estimated actual for FY2021/22 due to the anticipated return of ridership.

In FY 2021/22, Marin Transit expects to expend the following state and federal grant awards for Marin Access:

<u>FY2021/22</u>	<u>Total Grant Award</u>	<u>Program</u>	<u>Source</u>
<u>Expenditure</u>			
\$81,400	\$162,800	Mobility Management – Additional Staffing	Federal Section 5310 FY18-19

GGBHTD pays for all costs related to regional paratransit along with their share of mandated local paratransit based on their share of transit in Marin County (currently 24%). The agency share for local paratransit is calculated based on each agency's prior year Marin County fixed route ridership on routes with complementary paratransit obligations. Since the pandemic has impacted GGBHTD's ridership more significantly, they may pay for a lower share of FY2021/22 local paratransit costs. As of FY 2015/16, GGBHTD directly reports the ridership, fares, and costs associated with their share of paratransit to the National Transit Database (NTD) and the State Controller's Office.

Under the 2015 GGBHTD contract, Marin Transit's share of Federal Transit Administration Section 5307 for Marin County paratransit operations increased from 50% to 80%. This source accounts for 12% of Marin Access revenue.

Facility Budget

The facility operations revenues and expenses for Rush Landing, included in a separate Facility's budget in the FY2020/21 Budget, have been moved to the local operations budget (table 10). New facility operations costs for the maintenance facility that is currently being purchased are included in the Marin Access budget (table 16).

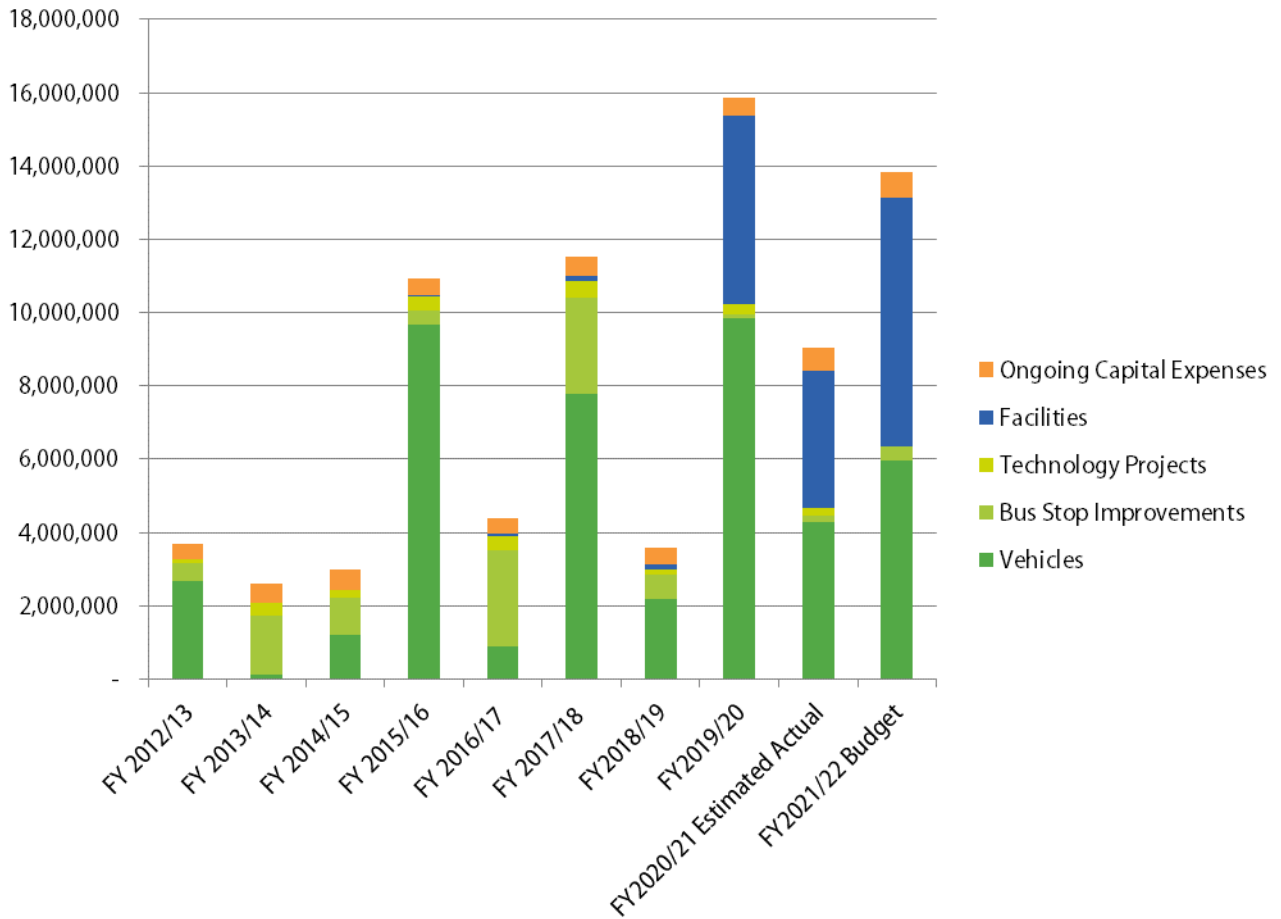
Capital Budget

Marin Transit's annual capital budget (table 17) of \$13.8 million provides funding for transit vehicles, bus stop improvements, transit technology projects, and other capital expenses. Figure 9 provides capital expenditures and budget by project type to show the significant variation in expenditures by year. Marin Transit successfully purchased a two-and-a-half-acre parcel (Rush Landing) in FY2019/20 with a federal discretionary Section 5339 grant and is currently under contract to purchase a locally funded maintenance facility in San Rafael in FY2020/21. These purchases will provide vehicle parking for only a portion of the fleet and the maintenance facility is anticipated to only provide a maintenance location only for the paratransit service. Additional facilities and facility improvements are needed to accommodate Marin Transit's full parking and maintenance needs. Marin Transit will continue to look to purchase additional land in FY2021/22 and work on improvement projects and both new facility sites. Facility improvements include installation of electric vehicle charging infrastructure and upgrades to the facilities such as fencing and lighting. Marin Transit has lower investment in technology projects and increased investment in bus stop improvements planned for FY2021/22.

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

In the FY2021/22 budget, state and federal grants fund 25% of capital project costs (table 17). The budget includes the expenditure of \$5.6 million capital reserves (prior year property tax revenues) to fund facility improvements and purchase of additional land for vehicle parking.

Figure 13: Capital Project Budget by Type



Vehicles

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

Purchase Five Paratransit Replacements (PD) – Marin Transit will purchase five paratransit vans to replace existing vehicles. An additional ten vehicles are eligible for replacement but are being deferred due to lower paratransit demand and therefore less vehicle use and need during the pandemic. Marin Transit is replacing these cutaway vehicles with accessible vans since a smaller vehicle size allows more maneuverability and is more fuel efficient than the larger cutaways. The vehicles are funded with Section 5307 funds with a local match from Measure AA local sales tax funds. Marin Transit expects to execute the purchase and receive the vehicles in FY2021/22.

Purchase One Electric Paratransit Vehicle (PE) – Marin Transit will purchase one locally funded fully electric paratransit vehicle. This purchase is dependent on availability of a vehicle with sufficient range to allow for basic operations and will be the first zero emissions vehicle in the paratransit service.

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

Hybrid Battery Replacement (HY) – Marin Transit will make mid-life replacements of batteries of seven 2015 40ft hybrid electric vehicles in accordance with industry practice. These vehicles are currently operated by Marin Airporter. Federal funds for 80% of the replacement are anticipated to be programmed in the FY2021/22 regional Transit Capital Priorities (TCP) plan and work would begin in spring 2022.

Staff Car (NR) – Marin Transit will purchase an electric staff car to replace the retired active vehicle. This project was delayed from FY2020/21 since staff were working remotely during the COVID-19 pandemic.

Bus Stop Improvements

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

County Wide 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.

Administrative and Operations Facilities

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

Maintenance Facility Purchase – Kerner Blvd (FA) – Marin Transit is completing the purchase of a maintenance facility for the paratransit program. Marin Transit is currently conducting due diligence on a property in San Rafael and expects to finalize the purchase in FY2021/22. This purchase is funded with Marin Transit's capital reserve funds from property tax revenues.

Facility Improvements – Kerner Blvd (FD) – This project will provide basic facility improvements at the new paratransit maintenance site. Improvements include fencing, lighting, and upgrades to the building to allow for vehicle maintenance and provide an accessible office space.

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

Real Time Signage (RT) – This project will add 20 Real Time Information signs to high and medium ridership stops in the Canal and Novato. Nineteen signs have been installed. The final sign will be installed by the City of San Rafael in conjunction with their sidewalk and crosswalk improvements at Medway and Mill Street in the Canal.

Other Measure A/AA Capital Expenses

Other capital and infrastructure expenses include: The capital contribution to GGBHTD as required under contract, major vehicle repairs, and bus stop maintenance expenses. Expenditures that do not meet the District's policy for capitalization will be included as operations expenses on financial statements.

Table 17: Capital Budget by Project

		Total Project Budget	Prior Year Expenditures	FY2021/22 Budget	Future Years	Measure A / Local Funding	State Funding	Federal Funding
EA	Replace 2 Artics with 4 - 40ft Electric	4,366,507	8,592	4,357,915	0	0%	39%	61%
PD	Purchase 5 paratransit replacements	505,000	0	505,000	0	20%	0%	80%
PE	Purchase 1 electric paratransit replacement	300,000	0	5,000	295,000	100%	0%	0%
XC	Purchase 2 XHF Replacements	906,241	6,147	900,094	0	23%	0%	77%
HY	Hybrid Battery Replacements	300,500		150,000	150,500	20%	0%	80%
NR	Staff Car	49,000	0	49,000	0	4%	96%	0%
	Subtotal Vehicles	6,427,248	14,739	5,967,009	445,500	10%	39%	62%
BN	Novato Bus Stop Shelters	61,115	0	61,115	0	20%	0%	80%
BP	County Wide Bus Stop Improvements	303,000	0	303,000	0	20%	0%	80%
	Subtotal Bus Stop Improvements	364,115	0	364,115	0	20%	0	80%
FS	Facility - Rush Landing Improvements	2,800,000	120,000	2,680,000	0	96%	0%	4%
FA	Facility- Maintenance Facility Purchase	3,625,000	3,525,000	100,000	0	100%	0%	0%
FD	Facility - Kerner Improvements	1,100,000	100,000	1,000,000	0	100%	0%	0%
YF	Yellow Bus Parking Facility	3,000,000	0	3,000,000	0	100%	0%	0%
	Subtotal Facility	10,525,000	3,745,000	6,780,000	0	84%	0%	1%
RT	Realtime Signs	212,394	182,076	30,318	0	18%	0%	82%
	Subtotal Technology Projects	212,394	182,076	30,318	0	18%	0%	82%
GG	Golden Gate Capital Costs (GG)	17,000	16,696	17,000	0	100%	0%	0%
BM	Bus Stop Maintenance (BM)	120,000	104,728	120,000	0	100%	0%	0%
VR	Major Vehicle Repairs (VR)	200,000	125,000	200,000	0	100%	0%	0%
IF	Infrastructure Support (IF)	360,000	442,182	360,000	0	100%	0%	0%
	Subtotal Ongoing Capital Expenses	697,000	NA	697,000	0	100%	0%	0%
	Total Expenditures	18,225,757	3,941,815	13,838,442	445,500	65%	9%	25%