



DATE: July 8, 2019

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming Manager

SUBJECT: Allocate FY 19/20 Measure A and Measure AA Transportation Sales Tax Funds to Marin Transit (Action), Agenda Item No. 9

RECOMMENDATION

Allocate \$6,404,063 in Measure A funds and \$12,800,000 Measure AA funds to the Marin County Transit District (Marin Transit) from Strategy 1 and Category 4 of the respective Strategic Plans for FY 19/20 for a total of \$19,204,063.

BACKGROUND

Measure A

Strategy 1 of the Measure A Expenditure Plan is to develop a seamless local bus transit system that improves mobility and serves community needs, including special transit for seniors and the disabled (paratransit services), as well as rural transit service. The Measure A Expenditure Plan provides a dedicated source of local funds for public transit which Marin Transit uses to plan and implement services for the County's residents. Strategy 1 includes four sub-strategies, which are:

- 1.1 - Maintain and expand local bus transit service
- 1.2 - Maintain and expand the rural bus transit system
- 1.3 - Maintain and expand transit services and programs for those with special needs
- 1.4 - Invest in bus transit facilities for a clean and efficient transit system

TAM has annually allocated Measure A funds to Marin Transit according the available amounts shown in the Measure A Strategic Plan. Funds not requested or funds unused after each fiscal year are carried over as available the following fiscal year.

Since TAM stopped collecting Measure A revenue on March 30, 2019, this allocation of Measure A funds represents the last allocation of regularly collected funds. Future allocation of Measure A funds will come from nominal amounts of unused funds that had been previously allocated and from Measure A reserve funds that will be released when new reserve funds are collected from Measure AA under the new Reserve Policy adopted by the TAM Board on July 27, 2019.

Measure AA

Category 4 of the Measure AA Expenditure Plan is to maintain and expand efficient and effective local transit services in Marin County to reduce congestion and meet community needs, including services to

schools and specialized service for seniors and persons with disabilities, to reduce congestion and meet community needs. Category 4 includes four sub-categories, which are:

- 4.1 - Maintain & improve existing transit service in areas that can support fixed-route service
- 4.2 - Maintain & expand the rural and recreational bus services, such as the West Marin Stagecoach
- 4.3 - Maintain & expand transit services and programs for those with special needs
- 4.4 - Provide transit services to schools to reduce local congestion
- 4.5 - Invest in bus transit facilities for a clean and efficient transit system
- 4.6 - Expand access to ferries and regional transit, funds to be requested and managed by GGBHTD

TAM started collecting Measure AA funds on April 1, 2019. This is the first allocation of Measure AA funds to transit. Measure AA funds not requested or funds unused after each fiscal year are carried over as available the following fiscal year.

FUNDS AVAILABLE

The latest Measure A and Measure AA Strategic Plans show more than \$21.8 million total available for allocation to Marin Transit in in FY 19/20. The breakdown is shown in the following table:

	Estimated Carryover	Estimated Unallocated FY 18/19 Funds	Estimated Unallocated FY 19/20 Funds	Estimated Total Available	Requested Amount	Estimated Carryover
Measure A						
1.1 Maintain and Expand Local Bus Transit Services	\$2,015,572	\$0	\$0	\$2,015,572	\$2,015,572	\$0
1.2 Maintain & Expand Rural Bus Transit System	\$0	\$0	\$0	\$0	\$0	\$0
1.3 Maintain & Expand Transit Special Need Services	\$0	\$0	\$0	\$0	\$0	\$0
1.4 Invest in Bus Transit Facilities	\$4,388,491	\$0	\$0	\$4,388,491	\$4,388,491	\$0
Measure AA						
4.1 Maintain and Expand Existing Transit Services	\$0	\$2,024,138	\$7,332,000	\$9,356,138	\$7,800,000	\$1,556,138
4.2 Rural and Recreational Services	\$0	\$184,013	\$666,545	\$850,558	\$900,000	(\$49,442)
4.3 Services with Special Needs	\$0	\$582,706	\$2,110,727	\$2,693,434	\$2,800,000	(\$106,566)
4.4 Transit Services for Schools	\$0	\$306,688	\$1,110,909	\$1,417,597	\$1,300,000	\$117,597
4.5 Bus Transit Facilities	\$0	\$245,350	\$888,727	\$1,134,077	\$0	\$1,134,077
Total for Marin Transit	\$6,404,063	\$3,342,895	\$12,108,908	\$21,855,866	\$19,204,063	\$2,651,803

Marin Transit is requesting \$6,404,063 in Measure A funds and \$12,800,000 in Measure AA funds for a total request of \$19,204,063. The remaining unrequested amount of \$2,651,803 in Measure AA will be carried over as available next fiscal year.

As shown in the above table, Marin Transit is requesting more funds from Categories 4.2 and 4.3 than shown as available. If Marin Transit draws down the entire allocated amounts from Categories 4.2 and 4.3, there will be small deficits in both Categories. These small deficits can be defrayed when Measure A reserve funds are released the latter part of FY 19/20.

On June 27, 2019, the TAM Board adopted a Measure A Reserve Fund Policy to release Measure A reserve funds and collect Measure AA reserve funds on a 1:1 ratio. The TAM Board also adopted a 5% collection of Measure AA funds for reserve over five years. Based on this rate of collection, approximately \$1.45 million in Measure AA reserve funds will be collected for FY 19/20, which also means that approximately \$1.45 million in Measure A funds will be released to sponsors. Marin Transit will be eligible for 55% of the \$1.45 million in Measure A reserve, which is sufficient to defray the two nominal deficits shown for Categories 4.2 and 4.2.

Please note that the remaining unrequested amount is subject to change, depending on the unused funds from FY 19/20 and the final revenue collection from FY 19/20. Both figures will be finalized by September 2019. Historically, both figures had generally increased because: 1) Marin Transit tended to leave some funds, even if nominal, unexpended and 2) annual revenue collections had been normally higher than our conservative estimates. Therefore, the current remaining unrequested amount of \$2,651,803 could increase when Marin Transit requests for FY 20/21 funds in June 2020. Also, this unrequested amount does not account for the Measure A reserve funds that will be released in FY 19/20, adding to the amount available for allocation.

SCOPE OF SERVICE

Marin Transit is responsible for local transit service within Marin County, providing over 3.2 million unlinked passenger trips per year and just over 250,000 revenue hours of service. Marin Transit provides services through contract operators including the Golden Gate Bridge Highway and Transportation District (GGBHTD), Marin Airporter, MV Transportation, and the Marin Senior Coordinating Council (Whistlestop Wheels).

Since FY 16/17, Marin Transit has added 19% more service. Marin Transit will be modifying service in FY 19/20 that has not met productivity targets, redeploing resources on overcrowding on school routes, and launching a new on-demand service pilot, Transit Connect.

Marin Transit's focus for FY 19/20 is maintaining existing local service and initiating new projects and service enhancements, as described below.

- Transition from Measure A to Measure AA
- Maintain expanded regular local and trunk line services
- Maintain expanded shuttle service
- Continuation and expansion of yellow bus program
- Continuation of rural service expansion implemented in 2014
- Pursue the Purchase of Facility ROW

Details of Marin Transit's work scope for FY 19/20 can be found in Attachment A (Allocation Request Form)

FISCAL IMPACTS

Estimated requested amounts were anticipated in the development of the FY 19/20 TAM Budget and have been incorporated in its scheduled adoption in June 2019. Small administrative changes will be needed to reconcile the estimated requested and the final requested numbers for the FY 19/20 TAM Budget; however, no further TAM Board action is needed at this time.

NEXT STEP

If approved by the TAM Board, a funding agreement for the total approved amount will be issued to Marin Transit.

ATTACHMENT

Attachment A: FY 19/20 Marin Transit Allocation Requests

Attachment A

Allocation Request Form

Transportation Authority of Marin
Measure A/AA – Transportation Sales Tax

Table with 2 columns: Field Name and Value. Fields include Fiscal Year of Allocation (2019/20), Expenditure Plan (Measure A Category 1 – Local Bus Transit, Measure AA Category 4 – Local Bus Transit), Project Name (Maintain and Expand Local Transit Services), and Implementing Agency (Marin County Transit District (Marin Transit)).

SCOPE OF WORK

The Marin County Transit District (Marin Transit) is responsible for local transit service within Marin County, and provides over 3.2 million unlinked passenger trips per year and over 260,000 revenue hours of service.

Marin Transit added 19% more service in F2016/17. During fiscal years FY2017/18 and FY2018/19 Marin Transit monitored the expanded level of fixed route services. In fiscal year FY2019/20 Marin Transit is modifying service that has not met productivity targets, redeploying resources focus on overcrowding on school routes, and evaluating the new on-demand service pilot, Transit Connect.

This allocation request reflects the transition between Measure A and the sales tax reauthorization Measure AA that was passed by the voters in November 2018. In FY2019/20 Marin Transit will draw down remaining Measure A funds and transition to Measure AA funding. The renewal measure (Measure AA) is a 30- year extension effective April 2019.

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 (Table 1). The transition from Measure A to Measure AA reduces the amount of funding available to Marin Transit. Marin Transit is working with TAM to understand these impacts and model the reductions in the current SRTP update.

Table 1: Comparison of Allocation Percentages for Local Transit between Measure A and Measure AA

Local Transit Sub-Strategy	Measure A % ¹	Measure AA % ²
Local Bus Service	37%	33%
Rural Bus Service	3%	3%
Special Needs	9%	9.5%
Bus Transit Facilities	6%	4%
School Service	0% ³	5%
Total to Marin Transit	55%	45.5%
Ferry Access ⁴	0%	0.5%
Total to Local Transit	55%	55%

Notes:

- 1) Percentages are applied to sales tax revenue after a 5% admin fee and any applicable reserve is taken off the top and percentages from completed highway projects re-distributed all other strategies.
- 2) Percentages are applied to sales tax revenue after a 5% admin fee, a 5% reserve and a \$2.35 million reduction (8.5%) for major roads is taken off the top; effective percent to transit is 45% for the first 14 years.
- 3) Included in Local Bus
- 4) GGBHTD bus service to the ferry was funded on a discretionary basis from Measure A interest. Under Measure AA, funds are committed annually for this service and will be allocated directly to GGBHTD as outlined in the new Expenditure Plan.

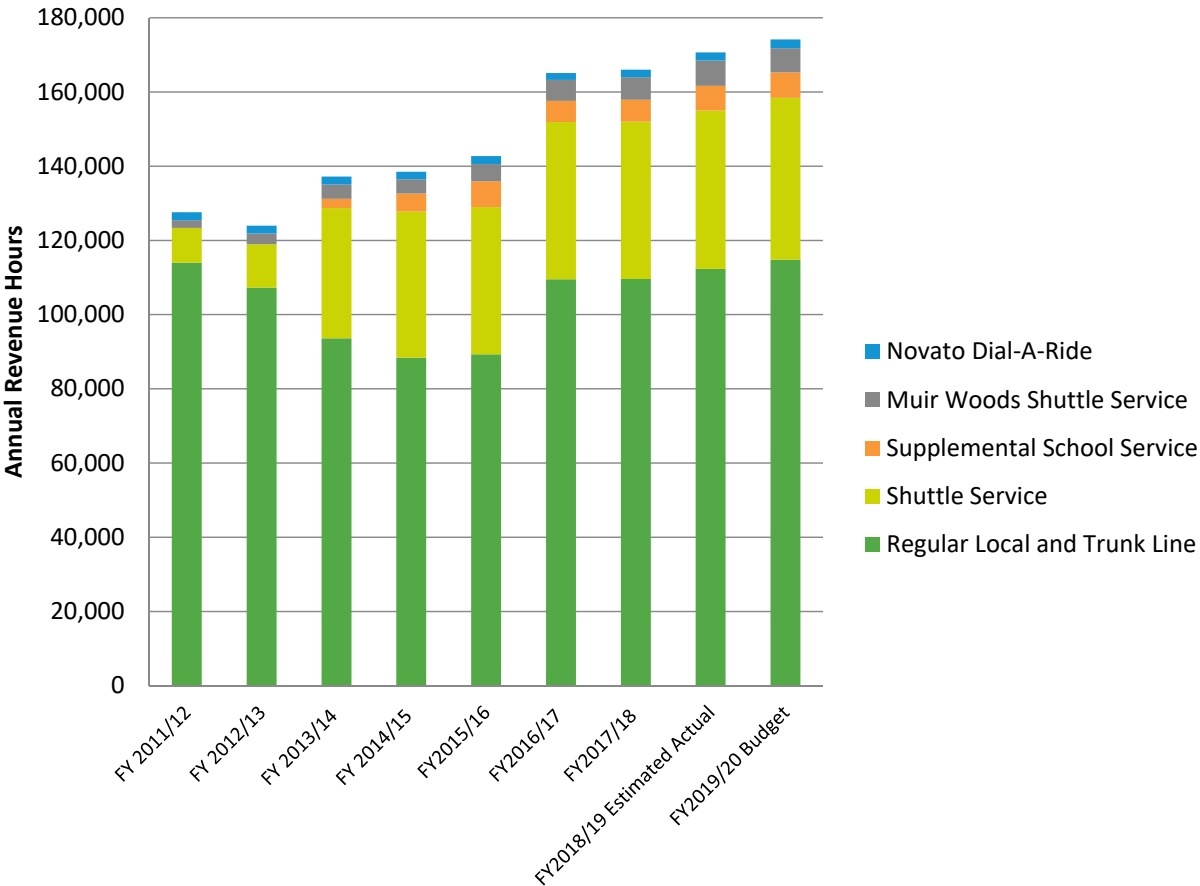
Measure A Subcategory 1.1 & Measure AA Category 4.1
Maintain and Improve Existing Levels of Bus Transit Service

Major programs funded under this sub-strategy include local fixed route (GGBHTD contract), community shuttle service, supplemental school service, Muir Woods seasonal shuttle, and Novato Dial-A-Ride. All services are operated under contract, and the direct contract service costs are 80% of budgeted expenses. Other major expenses are: consultant services (ride checks, service contract audits, grant funded studies), directly purchased fuel, communication, marketing, and staff time for contract oversight. The requested \$9,815,575 of Measure A and Measure AA funds will provide almost half of the needed revenues to operate the local fixed route service and is Marin Transit’s largest single source of funding.

Funding for school services, including supplemental school service, youth bus pass, and yellow school bus services is now funded in a separate Measure AA category.

The local service budget (including supplemental school service) for FY 2019/20 is \$22.4 million. This is a two percent (2%) increase from the prior year budget and provides for a similar service level.

Figure 1: Local Service Hours by Program



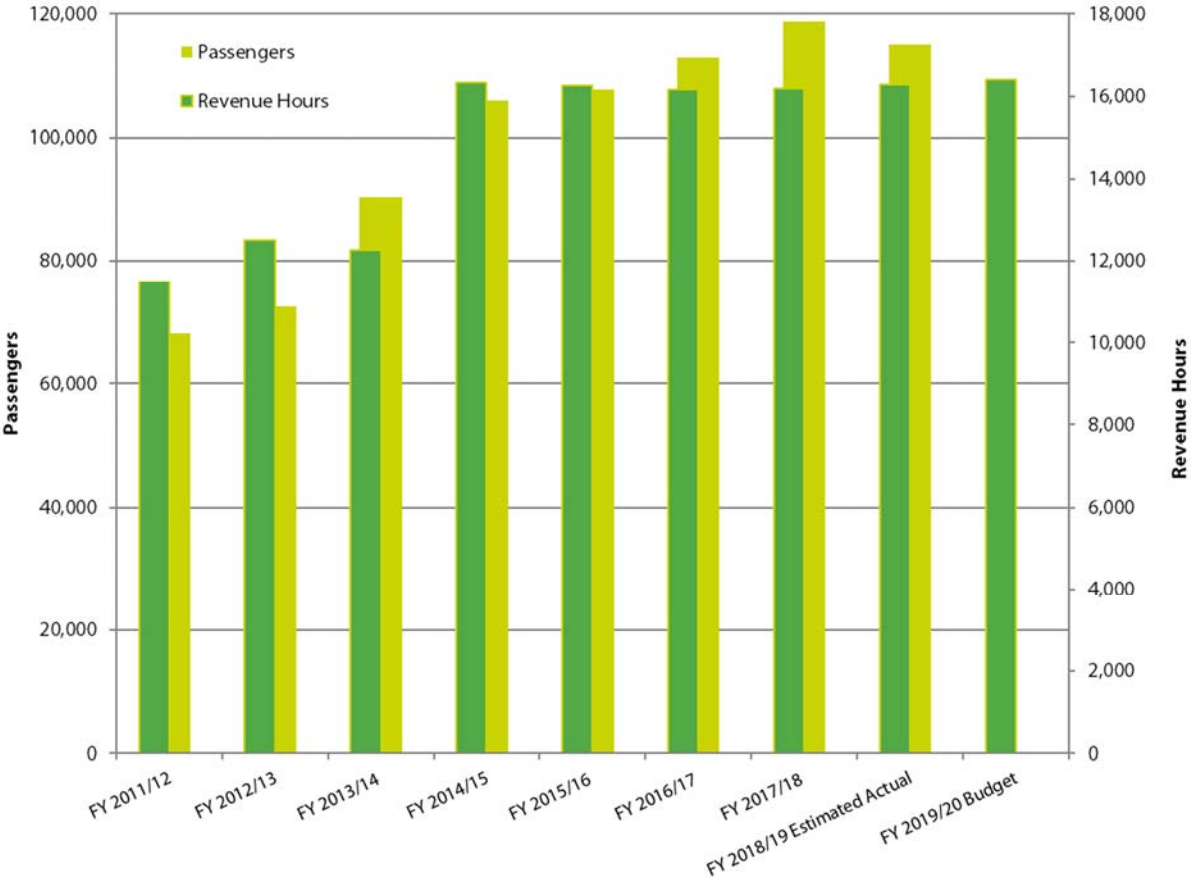
Highlights for this sub-strategy in the coming year:

- Continued funding for 22% expansion of regular local and trunk line services
- Continued funding for 8% increase in shuttle service
- Monitoring and adjust new service
- Shift of school service to new Measure AA category

Measure A Subcategory 1.2 & Measure AA Category 4.2
Maintain and Expand Existing Levels of Rural and Recreational Bus Services

Rural service is operated as the West Marin Stagecoach and includes northern route 68, southern route 61, and Tomales-Dillon Beach Dial-A-Ride. The Stagecoach did not have a dedicated local source of funding until the passage of Measure A. The allocation request of \$900,000 is \$90,000 less than the prior year due to the amount of funds available. Measure A will fund 46% of Rural costs in FY2019/20 compared to 53% in the prior year. To provide this level of funding Marin Transit anticipates the need to expend Measure A reserve funds that may be released to strategies. Figure 3 shows the rural service hours and associated passenger by fiscal year.

Figure 2: Rural Service Hours and Unlinked Passenger Trips by Fiscal Year



Highlights for this sub-strategy in the coming year:

- Continue expanded rural service

Measure A Subcategory 1.3 & Measure AA 4.3

Maintain and Expand Transit Services and Programs for those with Special Needs

Marin Transit has been very successful in meeting the goal of sub strategy 1.3 and has pioneered new programs to increase mobility for those with special needs under the Marin Access banner. Marin Access goes beyond the required operation of local paratransit to expand services for seniors and the disabled. In addition to providing traditional paratransit services, with the help of Measure A and Measure B, Marin Transit provides travel training, subsidizes taxi services, and volunteer driver programs.

Mobility management initiatives in the FY 2019/20 budget include:

- Continuation of the pilot and evaluation of Marin Transit Connect, an accessible same-day transportation service available to the general public within a limited geographic area;
- Exploring additional opportunities to improve the Marin Access Transportation Services user experience;
- Evaluating current travel training efforts and expanding the program to include a volunteer travel ambassador program and eligible rider orientation sessions;
- Continuation of the 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.

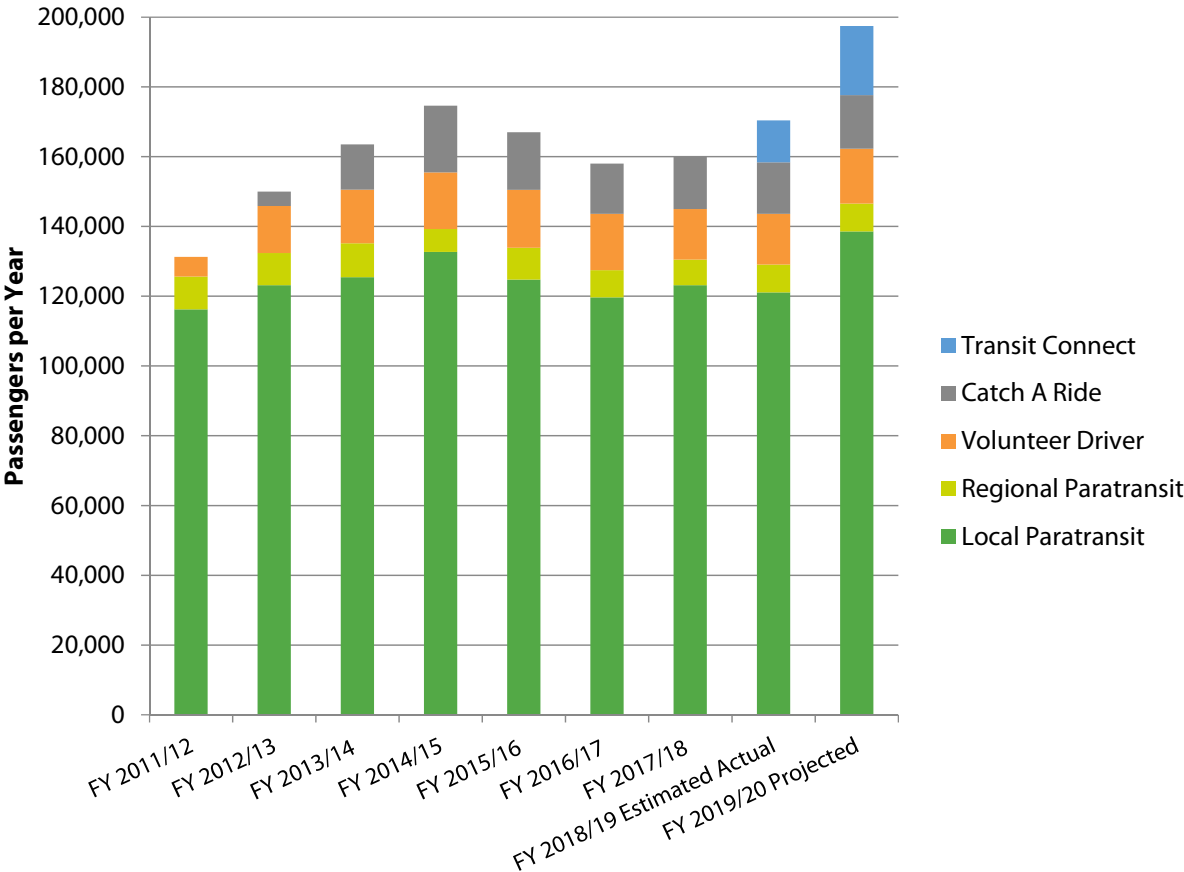
Marin Transit also provides free fixed route tickets to Marin County’s Homeward Bound participants primarily for travel to work that are valued at \$100,000 per year.

Marin Transit is requesting all of the available funds in this sub-strategy, \$2,800,000. This will provide to provide approximately 37% of the needed revenues to operate Marin Transit's Marin Access programs:

Local Paratransit Service	135,000 trips
Catch A Ride	15,000 trips
Transit Connect	8,500 trips
Volunteer Driver	14,800 trips

Services for seniors and persons with disabilities are planned with the support of the existing consumer-based Paratransit Coordinating Council, which advises the Transit District on the needs of these communities, and public input from all areas of the county. To advise Marin Access and to promote multi-agency coordination of transportation resources, Marin Transit developed the Marin Mobility Consortium, a working partnership consisting of agency representatives and advocates. In FY15/16 Marin Transit undertook a comprehensive evaluation of all of its mobility management programs. Findings and recommendations from this study informed a subsequent action plan that guides current planning work and future program investments.

Figure 3: Marin Access Passengers by Fiscal Year



Highlights for this sub-strategy in the coming year:

- Evaluation of Transit Connect Pilot Project
- Launch of new paratransit payment system

Measure AA Category 4.4 Transit Services to Schools

While Category 4.4 Transit Services to School is a new sub-strategy in Measure AA, local sales tax funding was used to provide these services under Measure A. Under Measure A, Marin Transit used Subcategory 1.1- Bus Transit Service funds to provide transit service and yellow bus service to Marin County schools. The addition of the new category in Measure AA will formalize the funding commitment to school transit and increase the transparency and accountability for the expenditures. Marin Transit will continue to lead planning efforts for yellow bus service growth and implement recommendations from the 2015 Countywide School Transportation Study.

Measure AA will provide funding for supplemental fixed route school service to middle and high schools. The revenues will also make the continuation of the youth pass program that provide free transit to low income Marin County students.

Marin Transit will use Category 4.4 sales tax funds to support yellow school bus transportation in Marin County. This non-traditional role for a transit agency is made possible by Measure AA and other local funds, and allows Marin Transit to try a new approach to address school transportation and school related traffic congestion. The program includes the following components:

- (A) Management of the Ross Valley yellow bus program
- (B) Operations oversight for Reed Union and Mill Valley School Districts
- (C) Distribution of Measure AA funding to existing Marin County Yellow Bus Programs (new in FY 2019/20)
- (D) General staffing support for the development of yellow bus services in Marin County

(A) Management of the Ross Valley yellow bus program - In FY 2019/20 Marin Transit will continue to manage operations, service contracts, and pass sales for six yellow buses serving Ross Valley schools. Annually, Marin Transit makes several assumptions to develop the budget and price the passes for the upcoming school year. These assumptions include pass sales and contributions from other local agency partners such as the County of Marin, the Town of San Anselmo, and the Town of Fairfax. Since Marin Transit holds the contract with the service provider, the District bears the risk should any of these assumptions fall short of expectation.

(B) Operations oversight for Reed Union and Mill Valley School Districts - Marin Transit will continue to provide operations oversight for the Reed Union and Mill Valley School Districts, which pay Marin Transit directly for services and staff time to help manage their yellow bus services. Services included in the budget are shown in Table 10.

(C) Distribution of Measure AA funding to existing Marin County yellow bus programs - With the passage of Measure AA, a new sub-strategy for school transportation was established. Marin Transit is not receiving new funding, but funding that was previously in the Local Transit and Capital Funding sub-strategies now make up the new sub-strategy. Marin Transit has always spent Measure A sales tax on school transportation, including supplemental school service, the youth pass program and bus service to Ross Valley schools. With the increase in other State transportation funding through Senate Bill 1, Marin Transit identified that additional sales tax funds were available for distribution to yellow bus programs.

An ad hoc school transportation committee of the Marin Transit Board was established in 2016 and subsequently met 13 times in two years to discuss school transportation needs and Marin Transit's role in providing home to school bus service. TAM staff, and representatives of interested towns, cities and school districts participated in the meetings of the ad hoc committee. Guidance from this ad hoc committee ultimately resulted in Board approval of the distribution of \$600,000 of Measure AA funds to five existing regular home to school yellow bus programs in Marin County. Programs were selected based on threshold criteria. The distribution of funds in FY 2019/20 was determined based on a formula that takes a percentage subsidy of a program's one-way pass price and multiplies it by the number of one-way passes it distributed in FY 2017/18. This amount will be the base amount and remain set for three years beginning in FY 2019/20. The base amount

will be adjusted annually for Marin County sales tax growth. The base amount may also be adjusted if a program's service level is reduced by more than 20 percent.

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

Highlights for this sub strategy in the coming year:

- Distribution of \$600,000 to existing yellow school bus programs
- Continue supplemental school service to middle and high schools
- Continue youth pass program that provides free fixed route transit to income qualified youth

Measure A Subcategory 1.4 & Measure AA Category 4.5 Invest in Bus Transit Facilities

Marin Transit has developed a capital improvement program for FY2019/20 that supports the projects and services described in the previous sub-strategies. As required in the Measure A Expenditure Plan, Marin Transit has given high priority to opportunities to match or leverage Measure A funds to ensure the maximum benefit from transportation sales tax dollars. In the early years of the Measure, state bond funds were available to match federal funding for transit vehicles. This bond funding is no longer available and Marin Transit is increasingly reliant on Measure A capital funds for the local share (18%) of transit vehicle procurements.

Marin Transit continues to be successful in leveraging Measure A funds for discretionary grants. Marin Transit's overall FY2019/20 capital program totals \$21.6 million dollars. Marin Transit is requesting \$4.4 sales tax funds for transit facilities which, combined with previously allocated Measure A interest funds for the yellow bus parking facility, will fund 33% of Marin Transit's capital budget for FY 2019/20. The primary expenditures are for 11- 40ft replacement buses. The 18% local match for this project will expend \$1.6 million in sales tax funding.

MEASURE A SHARE OF FY2019/20 CAPITAL PROJECTS

Project	FY2019/20 Budget	Total Project Cost	Percent of Project funded with Measure A
Electric Vehicle Infrastructure	132,000	114,200	100%
Purchase 4 Replacement XHFs	1,710,000	1,710,000	42%
Hybrid Mid-Life Battery Replacements	300,000	130,000	100%
Purchase 11-40ft Hybrids (Replace 7) Artics)	9,057,000	9,057,000	18%
Purchase 16 Paratransit Replacements	1,472,000	1,000	18%
Purchase 2 XHF Replacements	850,000	1,000	18%
Purchase 9 Shuttle Replacements	1,161,000	1,000	18%
Purchase 4 - 40ft Electric (Replace 3) Artics)	3,240,000	500	18%
Subtotal Vehicles	17,922,000	11,014,700	22%
Bus Stop Improvements SGR (BI)	2,201,130	15,000	9%
Bus Stop Assessment Update	115,000	5,000	100%
Subtotal Bus Stop Improvements	2,316,130	20,000	14%
Facility ROW Purchase	6,600,000	6,364,192	40%
Yellow Bus Parking Facility	3,000,000	3,000,000	100%
Subtotal Facility	9,600,000	9,364,192	61%
On Board Equipment - 2016	210,000	36,760	18%
MERA	29,000	29,000	100%
AVL Replacement Equipment	180,000	174,500	18%
Realtime Signs	212,394	212,394	18%
Subtotal Technology Projects	631,394	459,134	22%
Golden Gate Capital Costs (GG)	18,000	18,000	100%
Bus Stop Maintenance (BM)	100,000	100,000	100%
Major Vehicle Repairs (VR)	202,000	202,000	100%
Infrastructure Support (IF)	400,000	400,000	100%
Subtotal Ongoing Capital Expenses	720,000	720,000	100%
Total Expenditures	31,189,524	21,578,026	33%

Strategic Plan Update

Programmed and Requested Amounts

Measure A Strategy 1 – Local Bus Transit		FY 19/20 Requested Amount	Notes
1.1	Maintain and Expand Local Bus Transit Service	\$2,015,572	Or all available
1.2	Maintain & Expand Rural Bus Transit System	\$0	Or all available
1.3	Maintain & Expand Transit Services for Those with Special Needs	\$0	Or all available
1.4	Invest in Bus Transit Facilities for a Clean and Efficient Transit System	\$4,388,491	Or all available
Measure AA Category 4 – Local Bus Transit		FY 19/20 Requested Amount	Notes
4.1	Bus Transit Service	\$7,800,000	
4.2	Rural/Recreational Bus Services	\$900,000	
4.3	Transit Services for Special Needs	\$2,800,000	
4.4	Transit Services to Schools	\$1,300,000	
4.5	Bus Transit Facilities	\$0	
Total		\$12,800,000	

Cash flow Availability	100% of Measure A/AA funds available in FY 2019/20
Other Funds	<p>Marin Transit will leverage Measure A funds with other funds, including:</p> <ul style="list-style-type: none"> • Transportation Development Act Funds (TDA) • State Transit Assistance (STA) • Fares • Property Taxes (used primarily for paratransit) • Federal Transit Administration Section 5311 Rural Transit Funds (used for West Marin Stagecoach Service) • Federal Transit Administration 5307 Bus and Bus Facilities Funds
Project Delivery Schedule	July 1, 2019 – June 30, 2020
Environmental Clearance	Not Applicable