

**Consent Calendar:**

**2. Approval of the May 3, 2017 Meeting Minutes.**

**Regular Agenda:**

**3. Progress report on the construction of the Tuolumne Transit Center.**

Construction friendly weather continues to prevail. The current projected substantial completion date is July 17, 2017. Critical path items for this reporting period include final PG&E drawings and County joint trench (which includes ATT/Comcast) detail.

The final drawings from PG&E will allow the joint trench (including power/Fiber/water/sewer) to be dug, electrical boxes to be ordered and dates to be set for paving Justice Center Drive. The other joint trench is being coordinated by the County. This trench will be on the north side of Justice Center drive, and will have conduit for phone service, internet, and County connectivity.

Substantial progress has been made on the both structures on the property. The Main building is painted and the western red cedar accent wall is on. The windows have been installed on the building. Additionally, the metal roof fabrication and application has begun. It should be noted that water pressure to the building was measured at over 90 pounds. This level of high pressure exceeds acceptable levels, thus, staff approved a change order to install a pressure reducer valve.

**Attachments:**

*Transit Center Budget Summary*

*Construction Schedule*

**Recommended Action:**

*Receive and file this report.*

**4. Recommend adopting Resolution 40-17 approving the TCTA-Public Transportation Recommended Budget for Fiscal Year 2017/18.**

**Revenue**

The Public Transportation System is primarily funded by California Transportation Development Act (TDA) funds, Federal Transit Administration (FTA) Section 5311 Operating Assistance grant funds, and farebox revenue. The TDA funds (Local Transportation Funds and State Transit Assistance Funds) are provided by the State to the TCTC, who then allocates the funds to the Public Transportation System.

Local Transportation Funds (LTF) are derived from ¼ of one cent of the retail sales tax collected statewide. The ¼ cent is returned by the State Board of Equalization to each region according to the amount of tax collected in that region. Claims requesting LTF allocations are submitted for approval to the designated regional transportation planning agency, the Tuolumne County Transportation Council (TCTC) for the Tuolumne County Region. Payments from the LTF are performed by the County Auditor in accordance with written allocation instructions issued by the

TCTC in compliance with the TDA. In Tuolumne County, Local Transportation Funds are allocated by population to the City (8.1%) and County (91.9%), who then contribute their share, based on the same population figures, to the cost of providing the Region's public transit services.

LTF is the major revenue source for the Public Transportation System. Based on future estimates on sales tax received from the State, the Auditor-Controller recommends the TCTC estimate a 4.7% increase in LTF for Fiscal Year 2017/18. This would result in a total estimate of \$1,890,583. Fiscal Year 2015/16 ended the year at a 15% increase from the previous year. Current year receipts are showing a 9% increase from this same time last year. It should be noted that, LTF revenue for the current year has only been received through the first three quarters, which is through March. The final quarter will not be received until September. The information from the State is indicating a continuing positive trend through next year. Based on current year end estimates for FY16/17, a fund balance of \$221,574 is anticipated that could be added to next year's allocations. Based on the factors noted above, staff recommends the TCTC estimate next year's LTF at the +4.7 % rate recommended by the Auditor-Controller. A chart showing the last 10 years of LTF revenues is attached.

State Transit Assistance Funding (STAF) is administered and controlled by guidelines set forth in the TDA. Funds for the program are derived from the statewide sales tax on gasoline and diesel fuel. These funds are appropriated to the Secretary of the Business, Transportation and Housing Agency for allocation by formula to each regional transportation planning agency. STAF is anticipated to be \$205,436 in FY18 based on the preliminary estimate received by the State Comptroller's Office. This is approximately a 14.5% decrease from last year's STAF revenue. A final estimate should be received in August or September.

With the completion of the Law and Justice Center Transit Facility Project, funds are expected to be fully expended in FY16/17 and the projects completed. The completion of this project will cause a \$1,348,626 reduction in revenue from various sources.

FTA Section 5311 Operating Assistance Funding has been fairly reliable and consistent over the years. As with STAF, final apportionment figures are not typically received until the fall of each year, after budgets need to be adopted. In FY 16/17 the State adopted a new policy which allowed TCTC to apply for two fiscal years of funding in March 2017. This will allow the funding to be available in the current year and not be paid in arrears. Funding for FY17/18 is estimated to be \$298,704, which is slightly over last year by \$2,963.

Congestion Mitigation and Air Quality (CMAQ) funding will show a decrease of \$645,344 in the FY17/18 recommended budget. This is due to the purchase of 5 new busses that were received and put into service in FY16/17. The amount of \$5,000 has been carried over from the previous year for the purchase of radios. These radios are not anticipated to be received until after July 1<sup>st</sup>, and therefore will not be reimbursed until FY17/18. The related expenses have also been carried over to the FY17/18 Budget. Tuolumne County is not currently eligible for CMAQ funds since our air quality meets applicable standards.

The farebox revenue estimates for the FY17/18 Recommended Budget show no increase over the previous year. Previous year revenue shows a slight downward trend, but due to the increase in farebox forecasted due to fare increases. Dial-A-Ride revenue is included as the same estimate as

last year since it seems to be more in line with budget. The Dodge Ridge Ski Bus revenue exceeded the budget this year due to the positive winter weather conditions. Dodge Ridge Ski Bus revenues are highly sensitive to annual snowfall.

The overall revenue budget is showing a decrease of \$2,627,631. This is mainly due to capital projects that receive one-time funds through grants or allocations and is consistent with the completion of Law and Justice Center Transit Facility and the new bus purchase happening in the previous fiscal year.

*Expenses*

The Transit Operations Agreement with Storer Transit Systems includes a 2% increase to the vehicle service hourly rate for transit services for Fiscal Year 2017/18. The recommended budget is based on the reduced service hours and the elimination of Route 6, which is a savings of \$127,686 over the previous fiscal year even with a 2% rate increase.

The cost for the Lease of the Transit Facility increases each year by the Consumer Price Index (CPI) for the prior year, which will be 3.4% for the Fiscal Year 2017/18 Budget. Staff has included the cost of an access study to maintain compliance with ADA standards at the transit maintenance and dispatch facility.

Based on fuel prices trending up, the budget reflects an increase in fuel costs of \$15,148 which is calculated on an average price of \$2.56 per gallon. Fuel cost is calculated based on a methodology used by Storer Transit Systems for their overall Transit and Tour Bus businesses. The 2017/18 Budget anticipates an overall fuel cost of \$165,000.

*Staff Costs*

TCTA staff is provided by the TCTC through a revenue transfer for the percentage of time dedicated to Public Transportation System administration. Management has reviewed staff time and made some changes to the percentages dedicated to each budget, as illustrated below.

<b>Position/Title</b>	<b>TCTC Budget</b>		<b>Transit Budget</b>		<b>FTE</b>
	<b>FY16/17</b>	<b>FY17/18</b>	<b>FY16/17</b>	<b>FY17/18</b>	
Executive Director	70%	70%	30%	30%	1
Senior Administrative Analyst	70%	70%	30%	30%	1
Senior Transportation Planner	30%	15%	70%	85%	1
Transportation Planner II*	80%	90%	20%	10%	1
Administrative Technician	70%	70%	30%	30%	1
<i>Total Full-Time Equivalentents (FTEs)</i>	<i>3.20</i>	<i>3.15</i>	<i>1.80</i>	<i>1.85</i>	<i>5.00</i>

\*Transportation Planner II Promotion

TCTC employees are compensated consistent with the County’s Employee Memorandums of Understanding (MOUs). The County has recently approved a Comprehensive Classification and Compensation Study which included several reclassifications and compensation adjustments that will go into effect 7/1/2018 and will not affect this year’s budget. Staff recommends promoting

the TCTC's Transportation Planner I to a Transportation Planner II due to the positions work responsibilities. This would be a cost increase of \$3,096.

The TCTC's Recommended Budget also includes a 3% cost of living (COLA) adjustment for Executive Director and the Senior Administrative Analyst consistent with the City and County salary adjustments. All other employees received a COLA increase in February 2017. This is an overall salary cost increase of about \$5,000. The net of this increase including the Transportation Planner I promotion will be offset by the savings that incurred in Fiscal Year 2017/18 because of the salary budgeted for the two month overlap when the Senior Administrative Analyst retired and the new person came on board of approximately \$10,510. This amounts to a net increase of \$2,414 in Salaries and Benefits over the previous year's budget.

Per Title 2 of the California Code of Regulations, section 570.5 the TCTA should approve and adopt the below standalone pay schedule that is to be accessible to the public upon request.

**Table 1 – TCTA/TCTC Hourly Pay Schedule**

Job Code	Classification	Union Code	Reg	Range	Effective Date	Step 1	Step 2	Step 3	Step 4	Step 5
0490	TCTC Executive Director	MGT	R	561	7/01/17	56.58	59.47	62.52	65.71	69.07
3994	TCTC SR. Admin. Analyst	EXE	R	460	7/01/17	34.19	35.94	37.78	39.32	40.52
3895	TCTC SR. Trans. Planner	PRO	R	463	2/05/17	33.69	35.42	37.22	39.13	41.13
4416	TCTC Trans. Planner II	PRO	R	443	2/05/17	30.50	32.06	33.69	34.42	37.23
5024	Admin. Tech.	GEN	R	350	2/05/17	19.18	20.16	21.19	22.27	23.41

Overall, the expense budget is showing a decrease of \$3,051,370 from last year's adopted budget. This is mainly due to the decrease of expense related to the completion of the Law and Justice Center Transit Facility Project of \$2,376,239 and the purchasing of the new busses in the previous fiscal year costing \$620,616 in operating costs and capital projects.

*Budget Assumptions*

The Public Transportation Budget for Fiscal Year 2017/18 is based upon the following assumptions:

Overall LTF revenue will increase by 4.7% from Fiscal Year 2016/17.

- Other revenue, such as STAF and FTA Section 5311 Operating Assistance funding will be received at the amounts included in the Budget.
- The Transit Contractor's vehicle service hour rate will increase by 2%.
- There will be decrease in service hours and the elimination of route 6.

- Fuel costs will average \$2.12 per gallon for diesel and \$2.99 per gallon for unleaded gas based on the prices paid in the past two years and recent trends. The gallons used will not increase.
- Premium services, such as the Dodge Ridge Ski Bus, Holiday Trolley and Special Community Events will continue.
- The TCTA will continue to lease the existing Transit Facility, the payment will increase by the CPI from the prior year (3.4% for this budget year).
- The TCTA will budget a fixed \$45,000 for marketing.
- Staff costs will be fully budgeted in the TCTC Administration Budget with a reimbursement to the TCTA-Public Transportation Budget for the share of staff time dedicated to transit related activities.
- The Transportation Planner I will be promoted to Transportation Planner II.
- The Executive Director and Senior Administrative Analyst will receive a 3% COLA salary adjustment. All other staff received a 2% increase in last year's budget, and their next increase will be effective 7/1/18.
- The Transit Facility is scheduled to be completed in FY16/17 causing a \$2.3M reduction in Expenses with a corresponding reduction to revenue.
- There will be no new busses purchased in FY17/18 so there will be a reduction in expense of \$620K with a corresponding reduction in revenue.
- The \$50,000 contingency from the current budget will carry over to the FY17/18 Budget, with no additional funds added.

The Fiscal Year 2017/18 Recommended Budget is estimated to begin with a positive fund balance of \$61,857 over the Minimum Restricted Fund Balance based on the Year End Budget Review for the current year. FY17/18 is estimated to end with a \$533,584 fund balance based on the anticipated revenue and planned expenditures, which is consistent with the 90-day cash flow amount required by the Minimum Restricted Fund Balance Policy for this budget of \$533,584. Since the budget includes a contingency for unanticipated items, staff recommends the TCTA pass the Recommended Budget as presented to provide maximum pass through of LTF to the City and County for streets and roads purposes.

The FY17/18 Budget for Public Transit was developed incorporating the new scheduled hours and rate consistent with the Transit Services Agreement. It is determined that \$1,488,745 in LTF will be needed to fund the Transit Budget. After the Administration and Bicycle/Pedestrian Projects Reserve (2%) allocations are made from the estimated LTF, a balance of \$505,856 is anticipated to be available for streets and roads maintenance.

The Final Budget will most likely be presented at the August TCTA meeting, after the close-out figures from FY16/17 are finalized. As you know, a public hearing is required prior to the adoption of the final budget each year, which will be included on the agenda. The appropriate public notice will be published at least 10 days in advance of the hearing.

**Attachment:**

*Resolution 40-17, TCTA Recommended Budget for Fiscal Year 2017/18*

**Recommended Action:**

*Recommend the TCTA adopt Resolution 40-17 adopting the Public Transit System Recommended Budget for FY17/18 as proposed.*

**5. Recommend approval of new Fixed Route schedules based on recommendations accepted last fall and incorporation of new Transit Center.**

Staff is providing the proposed schedule for review and comment ahead of the opening of the new transit center currently under construction. These schedules reflect two separate items of direction from the Transit Agency.

The first item is modifications to the schedule, previously detailed, that will increase Tuolumne County Transit efficiency and farebox recovery ratio. These changes include elimination of Route 6 (replacing it with General Public Dial-a-Ride), minor modifications to fixed routes and a fare increase.

The other item this new schedule is addressing, and the reason for the delay in implementing the previously adopted changes, is the incorporation of the new transit center in the schedules. The Transit Center will be the central meeting location for all of Tuolumne County Transit's routes and will accommodate transfers more effectively than in previous practices.

Staff attempted to the greatest degree possible to leave fixed route times in place, and keep route modifications to a minimum. For some routes, avoiding changes was achieved. For other routes, especially route 1, the domino effect of the change required adjustment to all subsequent stops along the route and for the remainder of the runs as well. Whereas Route 1 was traditionally an on the hour service, this is no longer the case.

With this shared, staff believes the currently proposed schedule to serve the public will result in enhanced service and a budget savings. The exact date of completion of the new transit center is still unknown. However, by formalizing the new schedule at this time, staff will be able to move forward with finalizing new schedules for print and marketing of the revisions. *The more notice that can be given to customers about upcoming changes to the current schedule, the better.* As discussed, many of our riders are aware of the changes that have already been adopted. However, maximizing time for the revisions necessary to accommodate the new transit center to be integrated into existing travel patterns of Tuolumne County Transit customers will be important.

Below is a summary of the new service schedules and anticipated budget savings:

Schedule Summary					
Annual service days =	257				
FY16 Storer Rate =	65.96	FY17 Rate =	67.28	FY18 Rate =	68.62
<b>Proposed Schedules:</b>					
	Total Hours:Min	Vehicle Service Hours (VSH)		VSH Cost	
		Daily	Annual	Daily	Annual
Route 1	11:55	12.53	3,220	\$ 843.02	\$ 216,656
Route 2	10:00	10.35	2,660	\$ 696.35	\$ 178,961
Route 3	8:46	8.46	2,174	\$ 569.19	\$ 146,282
Route 4	4:00	4.00	1,028	\$ 269.12	\$ 69,164
Route 5	5:24	5.24	1,347	\$ 352.55	\$ 90,605
Totals	40:05	40.58	10,429	\$ 2,730.22	\$ 701,667
<b>Comparing to Current Schedules:</b>					
	Current VSH	Change in VSH	Current VSH	Change in VSH	Current Cost, Cost Change
		Daily	Annual	Annual	
Route 1	12.77	(0.24)	3,282	-62	\$ 220,806   \$ (4,150)
Route 2	14.70	(4.35)	3,778	-1,118	\$ 254,177   \$ (75,216)
Route 3	6.20	2.26	1,593	581	\$ 107,204   \$ 39,078
Route 4	6.10	(2.10)	1,568	-540	\$ 105,475   \$ (36,311)
Route 5	5.45	(0.21)	1,401	-54	\$ 94,236   \$ (3,631)
Totals	4.38	(4.38)	1,126	-1,126	\$ 75,734   \$ (75,734)
	49.60	(9.0)	12,747	-2,318	\$ 857,632   \$ (155,964)
	Hr/Day	Cost per Day	Annual Hours	Budget Cost	
Budget Hours/Cost:	49.00	\$ 3,232	12,593	\$ 830,634	
Mid-Yr Hours/Cost:	49.00	\$ 3,232	12,593	\$ 830,634	
Proposed Revisions:	40.58	\$ 2,730	10,429	\$ 701,667	
FY17 Increase frm Mid-Yr:	(8.42)	\$ (502)	-2164	\$ (128,967)	
FY17 Budget:	40.58	\$ 2,730	10,429	\$ 701,667	

Additionally, the revised schedules are being presented here (under separate attachment) for review and acceptance.

Once adopted staff will work with its partners to inform customers of all upcoming changes as quickly and as broadly as possible. We understand that even minor changes to existing schedules can negatively effect our passengers. These effects are not being marginalized, and we will work with these customers to identify ways in which they may still be served by Tuolumne County Transit. On the flip side of this coin, we also know that there will be new ridership generated by the revised schedules. Community members who previously were not able or inclined to use the service will likely begin using or return to the service. This is the reality of schedule changes.

**Attachments:**

*Proposed Transit Schedules*

**Recommendation:**

*Approve the new transit schedule as presented.*

**6. Reports**