



MEETING NOTICE & AGENDA

DATE: Thursday, February 16, 2017

TIME: 4:00 P.M.

PLACE: Yuba County Board of Supervisors Chambers
Yuba County Government Center
915 8th Street
Marysville, California

I. Call to Order & Roll Call

Cardoza, Didball (Chair), Fletcher, Leahy, Pedigo, Sullenger, Whiteaker and Whitmore (Vice-Chair)

II. Public Business from the Floor

Members of the public may address the Authority on items of interest that are within the Authority's jurisdiction and are not on the agenda for this meeting. Public comment regarding agenda items will be permitted as each agenda item is considered by the Board.

III. Consent Calendar

All matters listed under Consent Calendar are considered to be routine and can be enacted in one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion unless members of the Board, staff or public request specific items to be discussed or removed from the Consent Calendar for specific action.

- A. Minutes from the Meeting of January 19, 2017. (Attachment)
- B. Disbursement List for January 2017. (Attachment)
- C. Monthly Performance Report for January 2017. (Attachment)

IV. Reports

- A. **FY 2018 Budget Preview.** Review and discussion of potential budget issues in preparation for the March submittal of the preliminary draft budget for FY 2018. (Attachment)

RECOMMENDATION: Direct staff as desired.

- B. **Yuba-Sutter Transit Corridor Enhancement Plan Consultant Selection.** Review and consideration of a contract award recommendation. (Attachment)

RECOMMENDATION: Authorize the execution of a consulting contract with the firm of AECOM in partnership with LSC Transportation Consultants, Inc. to complete the subject plan as proposed.

- C. **Bus Shelter, Bench and Exterior Advertising Program Contract.** Discussion and possible direction regarding both the expiring advertising contract and the current agency policy regarding advertising content. (Attachment)

RECOMMENDATION: Direct staff as desired

- D. Wheatland Rural Route Revenue Short-Fall.** Discussion and possible direction of potential revenue and service options. (Attachment)

RECOMMENDATION: Authorize the continued operation of the Wheatland Rural Route through June 2018 under the proposed terms and conditions.

- E. Transit System Safety, Security & Disaster Response Funding Request from the California Transit Assistance Fund (CTAF).** Review and direction regarding potential projects for the final year of funding under this program. (Attachment)

RECOMMENDATION: Authorize the submittal of an Investment Justification for the design, purchase and installation of an emergency generator as proposed.

- F. Authorizing Resolution for Federal Transit Administration (FTA) Grant Documents.** (Attachment)

RECOMMENDATION: Adopt Resolution No. 1-17 authorizing the Transit Manager to execute all federal grant and contract documents under Sections 5307, 5309, 5310, 5311, 5317 and 5339.

- G. Discount Monthly Pass Program Grant Close-Out Report.** Final report for the 2016 Feather River Air Quality Management District (FRAQMD) funded monthly pass program. (Attachment)

RECOMMENDATION: Information only.

- H. Live Oak Route Expansion Demonstration Project Grant Close-Out Report.** Final report for the Feather River Air Quality Management District (FRAQMD) funded expansion of the Live Oak Route from three to five days a week. (Attachment)

RECOMMENDATION: Information only.

- I. FY 2016-17 Mid-Year Performance Report.** (Attachment)

RECOMMENDATION: Information only.

- J. Project & Program Updates.**

1. Connect Card Electronic Fare System Implementation (Local Soft Launch January 24, 2017)
2. FY 2016-17 Low Carbon Transit Operations Program (LCTOP) Funding
3. Feather River Air Quality Management District (FRAQMD) Mini-Grant Award

V. Correspondence/Information

VI. Other Business

VII. Adjournment

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, MARCH 16, 2017
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

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If you need assistance to attend the Yuba-Sutter Transit Board Meeting, or if you require auxiliary aids or services, e.g., hearing aids or signing services to make a presentation to the Board, please contact the Yuba-Sutter Transit office at (530) 634-6880 or (TTY) 634-6889 at least 72 hours in advance so such aids or services can be arranged.

AGENDA ITEM III – A

YUBA-SUTTER TRANSIT AUTHORITY MEETING MINUTES JANUARY 19, 2017

I. Call to Order & Roll Call

Director Didbal called the meeting to order at 4:00 p.m.

Present: Cleveland (for Cardoza), Didbal, Fletcher (4:05), Leahy, Sullenger, Whiteaker and Whitmore

Absent: Cardoza, Pedigo

II. Board Business

A. Nomination and Election of Board Officers for 2017.

Director Whiteaker made a motion to appoint Director Didbal as Chair. Director Cleveland seconded the motion and it carried unanimously.

Director Whiteaker made a motion to appoint Director Whitmore as Vice-Chair. Director Cleveland seconded the motion and it carried unanimously.

B. Statements of Economic Interest for 2016.

Martin mentioned that this information item is to remind the Directors of the requirement to file yearly statements and that any questions should be directed to the office.

C. 2016 Annual Report.

Martin stated that the annual report is provided for information only

II. Public Business from the Floor

None

III. Consent Calendar

Director Whiteaker made a motion to approve the consent calendar. Director Fletcher seconded the motion and it carried unanimously.

IV. Reports

At the request of staff, Director Whiteaker made a motion to include an off-agenda item on a grant program for which the need to take action became known after the agenda had been posted. Director Cleveland seconded the motion and it carried unanimously.

Off-Agenda Item: Feather River Air Quality Management District (FRAQMD) Mini-Grant Program Application.

Martin stated that this item is for the FRAMD Mini-Grant Program which is providing a total of \$10,000 for eligible projects at up to \$2,000 each. Martin noted that Yuba-Sutter Transit operates a bike locker rental program with units that have been around for about 20 years and are at or near the end of their useful life. Martin called the Board's attention to a flyer for the "BikeLid" product that can be used on a self-served, occasional basis without advance notice as an alternative to the traditional enclosed bike locker.

Staff is now requesting authorization to submit an application for \$2,000 to purchase one BikeLid for demonstration purposes to assess the public response. Director Fletcher stated his concern that these could possibly turn into homeless housing. Martin noted that the existing fully enclosed lockers could be used for that purpose or as a mini-storage unit, but that the BikeLid is open to the elements near the ground and it has a metal bike rack bar down the center offering little space for comfortable habitation.

Director Whiteaker made a motion to authorize a FRAQMD Mini-Grant Program application as proposed. Director Fletcher seconded the motion and it carried unanimously.

A. Feather River Air Quality Management District (FRAQMD) AB 2766 Grant Agreement for a One Year Extension of the Expanded Live Oak Route.

Martin stated this is a standard FRAQMD agreement for the extension of the Live Oak service in the maximum amount of \$10,000. Director Whiteaker asked if the ridership is up on the Live Oak Route. Martin stated that it is currently up 18 percent over last year.

Director Whiteaker made a motion to authorize execution of FRAQMD Grant Agreement #VF16-02 as submitted. Director Fletcher seconded the motion and it carried unanimously.

B. Feather River Air Quality Management District (FRAQMD) AB 2766 Grant Agreement for the 2017 Discount Monthly Pass Program.

Martin stated this item is similar to the previous item only for \$140,000 for the Discount Monthly Pass Program through December 2017.

Director Whiteaker made a motion to authorize execution of FRAQMD Grant Agreement #Vf16-03 as submitted. Director Fletcher seconded the motion and it carried unanimously.

C. FY 2015-2016 Financial Audit Report.

Martin stated that the fiscal audit report for FY 2016 was included with the agenda packet for Board review and acceptance. Audits are conducted annually in accordance with the provisions of the State Transportation Development Act. Martin noted that this was a clean audit with no findings. He recognized Finance Program Manager Simone Reed for her work on both the audit and throughout the year.

Director Whiteaker made a motion to accept the FY 2015-2016 audit report as presented. Director Leahy seconded the motion and it carried unanimously.

D. Project & Program Updates.

1. Connect Card Soft-Launch

Martin stated that we are in the final stages of preparing for the soft-launch of the Connect Card program which is expected to occur next week. The full public roll out of the system is expected to occur later this Spring.

2. FY 2017 Low Carbon Transit Operations Program (LCTOP) Funding Cycle

Martin stated that staff has received the guidelines for this year, but the funding allocations are still not available so staff expects to bring this issue to the February Board meeting for further discussion.

3. Bus Exterior and Bus Stop Bench and Shelter Advertising Program

Martin stated that the current 15 year advertising contract expires at the end of February and that the contractor, Stott Outdoor, is interested in continuing the program which now includes 26 bus stop shelters, 69 bus stop benches and advertising space on the back of the 27 buses that have rear windows. This contract now brings in about \$27,000 in annual revenue to the agency. Stating that the contractor would like to expand the amount of space for exterior advertising, Martin passed out a sheet with an example of what such an expansion might look like on a bus and invited Board input. Martin noted that Yuba-Sutter Transit now receives a commission of 15 percent for ads on shelters and benches and 33 percent on bus exteriors. **[Correction: It was later discovered that the commission on shelter and bench advertising is currently 10 percent, not 15 percent.]**

Director Fletcher likes the idea of exterior advertising, but would like it to focus on promoting the community rather than being just a sign. He suggested that an ad hoc committee to work with staff on this issue might be appropriate.

Director Whiteaker inquired as to staff's biggest concern and Martin noted that it would be the potential impact that exterior advertising would have on our image since our buses now look very sharp with a clean and recognizable brand. He continued that while our current advertising policy prohibits alcohol, tobacco, sexual, religious and political content; that still leaves much to the imagination of the advertiser. Director Whiteaker asked if we could limit advertising to the back of the bus and Martin responded that this is basically what we have done in the past and that he certainly prefers that idea compared to side advertising. Director Fletcher asked if the current policy addresses where advertising is allowed and Martin responded that the contract would specify where ads may be applied.

Martin noted that staff will bring this back for more formal board review and that the contractor will be presenting a formal proposal which would include revenue projections. Director Leahy stated that he would like to evaluate the prospective revenue impact to balance the bottom line against our personal feelings. Director Didbal expressed a desire to make sure that we keep the buses looking clean for our passengers.

4. Wheatland Service Revenue Short-Fall

Martin stated that both Wheatland and Live Oak are facing future revenue short-falls for the rural route services that Yuba-Sutter Transit now operates on their behalf under a separate agreement since neither is a member jurisdiction. Martin added that Wheatland will be in the red by the end of this fiscal year. Martin continued to state that the option for Mercy Housing to increase their current 40 percent (two days) share of the cost of the five day a week Wheatland to 60 percent (three days) effective July 2017 was discussed with them last month and is now being considered.

In response to a question at the December Board meeting, Martin stated that staff has calculated the cost for both jurisdictions to become full members of Yuba-Sutter Transit. He noted that Wheatland is currently receiving about \$9,000 in State Transportation Assistance (STA) funds and Live Oak is receiving about \$22,000 from the same source with all of those funds now claimed directly by Yuba-Sutter Transit. Using the existing Yuba-Sutter Transit funding formula, Wheatland would be assessed another \$42,000 in Local Transportation Fund (LTF) revenue while Live Oak would be asked to provide another \$140,000. Staff will be sharing those numbers with both jurisdictions, but it would be especially difficult for Wheatland because their amount would be nearly all of the \$45,000 in LTF funds that they are expecting to receive this year.

5. Budget Preview FY 2017/18

Martin noted that he will be providing a preview of the FY 2018 budget at the next meeting and invited Board input on that process.

6. Yuba-Sutter Transit New Website Launched

Martin introduced Planning Program Manager Matt Mauk to present the new Yuba-Sutter Transit website and walk through some of the site features. Director Fletcher stated that the website looks great and asked if it could be updated on short notice with service alerts and announcements. Staff responded that such postings could be done from any device that is connected to the internet. Director Fletcher asked if links could be added to other emergency agencies for more information and Martin noted that any announcement could include such links as appropriate.

V. Correspondence/Information

None

VI. Other Business

None

VII. Adjournment

The meeting was adjourned at 4:46 p.m.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR THURSDAY, FEBRUARY 16, 2017
AT 4:00 P.M. IN THE YUBA COUNTY BOARD OF SUPERVISORS CHAMBERS**

**AGENDA ITEM III-B
YUBA-SUTTER TRANSIT
DISBURSEMENT LIST
MONTH OF JANUARY 2017**

CHECK NO.	AMOUNT	VENDOR	PURPOSE
EFT	\$ 7,319.34	PERS HEALTH	HEALTH INSURANCE
EFT	\$ 1,500.84	PRINCIPAL MUTUAL LIFE INSURANCE	L/D/LTD INSURANCE
EFT	\$ 224.89	CALIFORNIA WATER SERVICE	WATER
EFT	\$ 37.94	CALIFORNIA WATER SERVICE	FIRE SUPPRESSION
EFT	\$ 481.07	PG&E	ELECTRIC
EFT	\$ 2,704.37	PG&E	ELECTRIC BILL #2
EFT	\$ 408.60	PG&E	GAS
EFT	\$ 161.46	ATT - SECURITY LINE	SECURITY LINE - JANUARY
EFT	\$ 70.00	AT&T - UVERSE	INTERNET JANUARY
EFT	\$ 812.73	TELEPACIFIC	TELEPHONE
EFT	\$ 108.81	UTILITY MANAGEMENT SERVICES	SEWER
EFT	\$ 250.00	CALPERS 457 PLAN	EMPLOYER CONTRIBUTION
EFT	\$ 14.99	CARDMEMBER SERVICES	RABOBANK CREDIT CARD
EFT	\$ 400.00	FRANCOTYP-POSTALIA, INC.	POSTAGE RESET
EFT	\$ 226.10	ELAVON	MERCHANT SERVICE FEE - DEC
EFT	\$ 155.10	PRIMEPAY	PAYROLL FEE
EFT	\$ 30,826.55	PAYROLL	PAYROLL
15384	\$ 450.00	ACTION FENCING	REPLACED BUS STOP POST
15385	\$ 175.00	ALL SEASONS TREE & TURF CARE	LANDSCAPING MAINTENANCE DEC
15386	\$ 640.00	CAL ACT	ANNUAL MEMEMBERSHIP FEE
15387	\$ 962.05	FM GRAPHICS, INC.	PASS HOLDERS
15388	\$ 211.65	HANCOCK PETROLEUM	REPLACED SWIVEL
15389	\$ 15,623.28	HUNT & SONS, INC.	BUS FUEL
15390	\$ 752.53	KEITH MARTIN	REIMBURSE 2ND QTR EXPENSES
15391	\$ 14,477.35	LAKEVIEW PETROLEUM CO.	BUS FUEL
15392	\$ 271.62	MATTHEW MAUK	REIMBURSE 2ND QTR EXPENSES
15393	\$ 173.08	PREMIER PRINT & MAIL	PRINTING - PUNCH PASSES
15394	\$ 1,059.77	QU.EST	MAINTENANCE OF BUS STOPS/SHELTERS
15395	\$ 1,100.00	R.C. JANITORIAL SERVICE	JANITORIAL SERVICE
15396	\$ 552.57	RALEY'S	DECEMBER COMMISSION
15397	\$ 660.00	SACRAMENTO REGIONAL TRANSIT	DECEMBER PASSES
15398	\$ 304.63	SAPPHIRE MARKETING GROUP	2017 POSTERS & DESIGN FOR DISCOUNT PASSES
15399	\$ 31.32	SIMONE REED	REIMBURSE 2ND QTR EXPENSES
15400	\$ 214.04	STAPLES CREDIT PLAN	OFFICE SUPPLIES
15401	\$ 429,842.97	TRANSDEV SERVICES, INC.	CONTRACT SERVICES - NOVEMBER
15402	\$ 33.09	AT&T	FIRE LINE
15403	\$ 450.00	ACTION FENCING	REPLACED DAMAGED BUS STOP POST
15404	\$ 1,275.00	ALL SEASONS TREE & TURF CARE	WEED CONTROL TO PERIMETER OF PROPERTY
15405	\$ 130.00	ANDERSON'S AUTOMATIC GATE SERVICE	GATE REPAIR
15406	\$ 50.00	DALE WHITEMORE	BOARD MEETING 1/19/2017
15407	\$ 450.00	DIGITAL DEPLOYMENT	WEB SERVICES - JANUARY
15408	\$ 50.00	JIM WHITEAKER	BOARD MEETING 1/19/2017
15409	\$ 16,007.67	LAKEVIEW PETROLEUM CO.	BUS FUEL
15410	\$ 50.00	MICHAEL LEAHY	BOARD MEETING 1/19/2017
15411	\$ 50.00	PREET DIDBAL	BOARD MEETING 1/19/2017
15412	\$ 593.40	PREMIER PRINT & MAIL	NEWSLETTER LETTERHEAD PRINTING
15413	\$ 270.53	QUILL CORP.	JANITORIAL SUPPLIES
15414	\$ 50.00	RANDY FLETCHER	BOARD MEETING 1/19/2017
15415	\$ 1,905.90	RICH, FUIDGE, LANE & BORDSEN, INC.	LEGAL SERVICES
15416	\$ 342.62	RIVER VALLEY INSURANCE/STIRNAMAN INS	ADDITIONAL INSURANCE ADDED
15417	\$ 50.00	RON SULLENGER	BOARD MEETING 1/19/2017
15418	\$ 40.00	SHELBY'S PEST CONTROL	PEST CONTROL
15419	\$ 455.26	SIGNWORX	NO SMOKING SIGNS
15420	\$ 50.00	STAN CLEVELAND	BOARD MEETING 1/19/2017
15421	\$ 428.27	STANLEY SECURITY SOLUTIONS, INC.	SECURITY SERVICES - FEBRUARY

15422	\$	675.17	STATE BOARD OF EQUALIZATION	FUEL TAXES
15423	\$	846.79	STATE COMPENSATION INSURANCE FUND	STATE COMP INSURANCE
15424	\$	600.00	STOTT OUTDOOR ADVERTISING	PRESSURE WASHING BUS STOPS
15425	\$	384.29	U.S. BANK EQUIPMENT FINANCE	COPIER LEASE
	\$	538,442.64		

**LAIF
TRANSFERS**

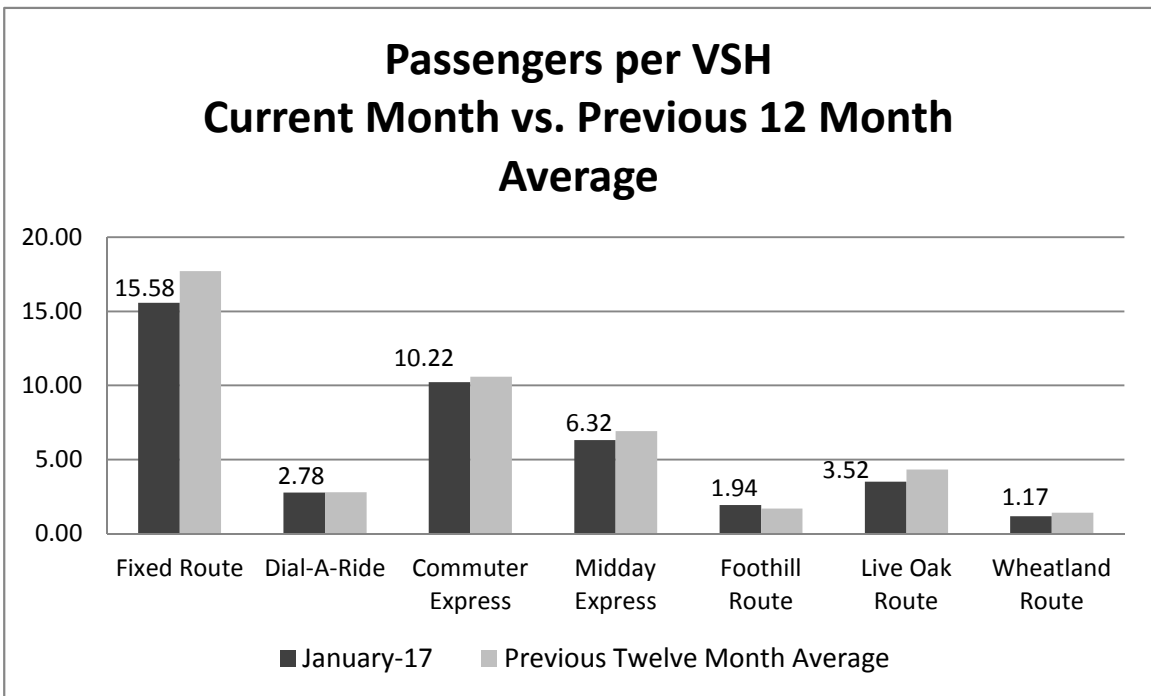
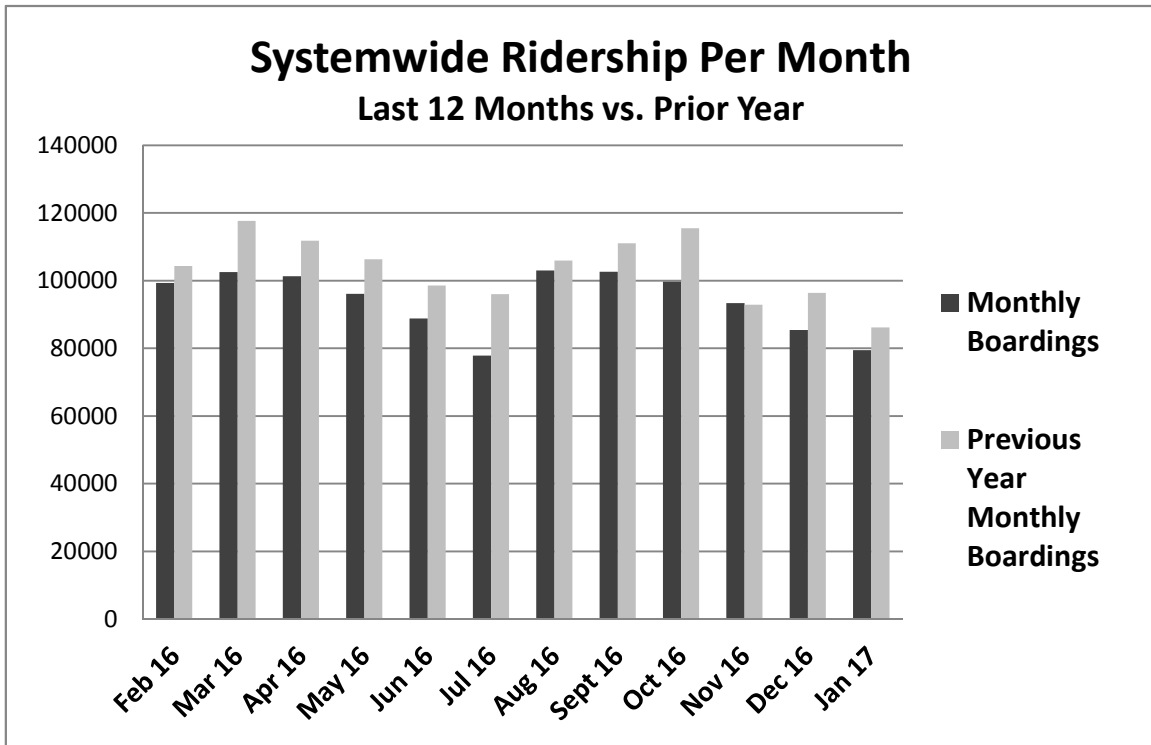
1/31/2017 \$ 1,000,000.00 TRANSFERRED TO LAIF

AGENDA ITEM III - C

JANUARY 2017 PERFORMANCE REPORT

Ridership:	January-17	Previous Twelve Month Average	Fiscal YTD	Previous Fiscal YTD
Fixed Route	62,850	77,122	521,840	574,545
Dial-A-Ride	5,460	5,729	39,660	40,958
Commuter Express	9,832	10,263	68,981	76,796
Midday Express	918	1,061	7,315	8,141
Foothill Route	168	143	1,037	1,394
Live Oak Route	232	320	2,252	1,875
Wheatland Route	43	60	381	330
Total Ridership:	79,503	94,698	641,466	704,039
Vehicle Service Hours:				
Fixed Route	4,033.49	4,352.81	30,051.71	30,303.27
Dial-A-Ride	1,966.75	2,045.70	14,323.83	14,495.31
Commuter Express	962.25	968.92	6,819.92	6,757.55
Midday Express	145.25	153.39	1,066.40	1,119.74
Foothill Route	86.62	83.96	580.92	593.92
Live Oak Route	65.93	74.00	513.21	517.00
Wheatland Route	36.70	41.97	277.08	232.52
Total VSH's:	7,296.99	7,720.76	53,633.07	54,019.31
Passengers Per Hour:				
Fixed Route	15.58	17.72	17.36	18.96
Dial-A-Ride	2.78	2.80	2.77	2.83
Commuter Express	10.22	10.59	10.11	11.36
Midday Express	6.32	6.92	6.86	7.27
Foothill Route	1.94	1.70	1.79	2.35
Live Oak Route	3.52	4.32	4.39	3.63
Wheatland Route	1.17	1.43	1.38	1.42
Total Passengers Per VSH:	10.90	12.27	11.96	13.03

JANUARY 2017 PERFORMANCE REPORT



AGENDA ITEM IV – A
STAFF REPORT

FY 2018 BUDGET PREVIEW

Background

The Yuba Sutter Transit Authority Joint Powers Agreement (JPA) stipulates that a proposed budget be submitted to the Board by the end of March prior to the start of each fiscal year and that a final budget be adopted by the end of May. This adoption schedule provides early notice to the member jurisdictions of the annual apportionment of Local Transportation Fund (LTF) contributions for inclusion in their own budget process.

The purpose of this agenda item is to provide a mid-year status report on the current budget cycle, to review potential issues related to the upcoming cycle and to invite input on any other issues that the Board would like staff to consider when preparing the preliminary draft budget for presentation at the March meeting. As with any budget process, there are a number of issues for which early Board discussion is appropriate. For FY 2018, these include, but are not limited to, the following list of major budget, service, policy and planning related issues that staff has identified for consideration.

- Projected year-end revenues and expenses for FY 2017
- Federal, state and local operating and capital funding outlook for FY 2018
- Full implementation of the Connect Card electronic fare card system
- Implementation decisions regarding the recommendations of the 2015 Yuba-Sutter Short Range Transit Plan including planned fleet replacement projects

Projected Year-End Revenues and Expenses for FY 2017

Complete year-to-date budget projections will be provided when the preliminary draft budget is submitted in March, but total operating expenses for FY 2017 are now expected to be slightly more than the \$6.9 million budget. This situation is primarily due to how special grant funded project expenditures are being expensed rather than capitalized, but these expenses will be fully off-set by matching grant revenues. The major annual expense variable for fuel should be favorable again this year with lower than expected fuel prices. Representing nearly 10 percent of the operating budget, fuel is by far the most volatile line item over the years, but the year-to-date average price for diesel fuel is now \$1.91 per gallon compared to a budgeted average of \$2.30 per gallon. This situation can change quickly, however, as fuel prices have been above the year-to-date average for the last two months. While staff is currently estimating a year end savings of up to \$100,000 in fuel costs, this could erode quickly if fuel prices suddenly spike upward.

Operating revenues for FY 2017 are likely to come in below budget primarily due to lower than expected fare receipts resulting from decreased ridership. Another factor is the drop in State Transit Assistance (STA) revenue collections. STA is derived from a

sales tax on diesel fuel and lower than expected fuel prices has reduced receipts well below projected levels which is likely to impact both the operating and capital funding plans. While all of the \$2,350,000 in budgeted Federal operating funds is assured and 90 percent has been applied for and is already flowing; the remainder is not likely to be received until well after the close of the fiscal year. Not unlike the situation in past years, this does create a cash flow challenge because Yuba-Sutter Transit receives near the maximum amount of Federal funds (up to 50 percent of eligible operating expenses) representing 34 percent of all anticipated revenue for FY 2017.

Federal, State and Local Operating and Capital Funding Outlook

The 2015 Federal transportation funding measure known as Fixing America's Surface Transportation (FAST) Act established Federal transit funding levels through FY 2020. While the amount of Federal money available to Yuba-Sutter Transit will increase by only 2 percent annually between FY 2015 and FY 2020, the FAST Act at least provides a measure of funding security for the first time in about 10 years. The largest Federal funding source has historically been used primarily for capital purposes, but since FY 2009 it has been used primarily for operating purposes because other State and Federal funding have been available for capital purposes. This relationship will be reversed to the historical approach in FY 2018 as the State Proposition 1B bond program ends with FY 2017.

State Transit Assistance (STA) revenue, which is now derived from the sales tax on diesel fuel, has traditionally been used as the primary source of local funding to match Federal funds used for capital projects. In recent years, however, STA allocations were used almost entirely for operational expenses while less flexible State and Federal funds were available for capital purposes. With the end of the State Proposition 1B bond program, this practice also must reverse to provide more STA funding for upcoming fleet replacement projects. Low fuel prices have significantly reduced this funding source over the last two years though it will continue to play an important role in future budgets.

Beginning in FY 2008, the State Proposition 1B (November 2006) bond measure created the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). This account will provide \$3.6 billion statewide in capital funding over ten years for eligible public transportation projects. Up to \$7.6 million is expected to be available to Yuba-Sutter Transit over the ten year life of this program (through FY 2017). To date, PTMISEA funds have been used for the remodel and expansion of Yuba-Sutter Transit's operations and maintenance facility and for all or part of two fleet replacement/expansion projects. The remaining funds from this source have been earmarked for planned fleet replacement projects in FY 2017 and FY 2019. Proposition 1B also included funding for the Transit Safety & Security Grant Program which also runs through FY 2017. This program has been used for a variety of smaller projects including on-board and parking lot video surveillance systems; facility security measures; and, a new mobile communications system.

A major portion of the annual operating budget is funded by Local Transportation Funds (LTF) contributed by the member jurisdictions. LTF revenue is derived from a one-quarter percent sales tax that is returned to the county of origin and distributed to the jurisdictions therein by population. These funds are to be used first to meet local transit needs with the remainder, if any, made available for the maintenance of local streets and roads. This funding source is used by Yuba-Sutter Transit to balance the annual operating budget after all other available revenue sources are accounted for.

Despite a significant increase in the budget over the years due to cost increases and service expansions, the combined annual LTF contribution by the member jurisdictions from FY 2006 to FY 2010 was relatively unchanged at an annual average of around \$2.0 million. This was made possible through a greater use of Federal funding for operations and increased fare revenues from passenger growth. This average dropped to about \$1.6 million annually from FY 2011 through FY 2015 with still higher use of Federal and State funds for operations before jumping to \$2.3 million in FY 2016 as costs and reductions in other revenues forced a greater LTF contribution. For FY 2018, LTF apportionments are decidedly mixed (up an average of 18.2 percent in Yuba County and down by an average of 24.3 percent in Sutter County) compared to FY 2017 with a combined 16.4 percent (\$827,000) reduction for the four member jurisdictions.

Implementation of the Connect Card Electronic Fare System

The long anticipated regional Connect Card electronic fare system is now operational locally and, when fully implemented, it will have a transformational impact on how fares are purchased and collected region wide. While the system should ultimately result in operating cost savings for fare collection and speed passenger boarding for improved on-time performance, there will also be a cost impact for administration of the program. In addition, while the new system is designed to essentially mirror Yuba-Sutter Transit's existing fare structure, there are differences that will certainly change how passengers purchase and use the available fare products and these will have an impact on fare receipts. The full combined impact of the above factors, whether positive or negative, will not be known until the transition to the new system is complete. Because this transition process is expected to take six months or more, staff will budget for both Connect Card revenues and expenses conservatively for FY 2018 with the clear understanding that this will be a major and unavoidable budget risk.

Continued Implementation of the 2015 Yuba-Sutter Short Range Transit Plan

The Yuba-Sutter Short Range Transit Plan (SRTP) is the blueprint for the development and operation of public transportation in the bi-county area. The most recent update was adopted in May 2015. As with previous plans, the new SRTP includes operational, capital, financial and policy recommendations for consideration and possible implementation over a five to ten year period. Due to reduced ridership and fare revenues beginning with FY 2016, the implementation of a major SRTP recommendation to extend the local fixed route service by one hour on both weekdays and Saturdays has been delayed indefinitely. Other recommendations for technology improvements and bus

stop enhancements; key planning studies; and, an additional administrative staff position are still being considered while replacement of the seven oldest commuter buses continues to move toward completion in 2018.

On the financial side, the SRTP did recommend continued monitoring and evaluation of possible targeted future fare increases as the percentage of operating costs covered by passenger fares is expected to decline over the five year planning period. As part of the FY 2018 budget process, staff expects to conduct such an evaluation for the purpose of maintaining a systemwide farebox recovery ratio at or above the target goal of 20 percent and the more important minimum required ratio of 14.6 percent. Other than the September 2015 fare policy changes regarding age eligibility for youth and senior discount fares and the elimination of the “transfer-for-a-transfer” policy, the last fare change was to the Sacramento service in 2010. Staff is not planning for any major service changes until the impact of the Connect Card system can be determined.

Recommendation

Staff is now requesting Board input on the development of the preliminary draft budget regarding the above or any other issues that members may desire for staff to investigate further prior to the March meeting. If so directed, staff will initiate the appropriate budget, service or policy review process as part of the preliminary draft budget to be presented at the March 16th meeting. While a special Board workshop has been held from time to time to focus on the details of the draft budget prior to final consideration in May, the need and possible dates and times for such a meeting will also be discussed at the March meeting.

Staff will be prepared at the meeting to discuss these and other budget related issues in more detail as desired.

RECOMMENDATION: Direct staff as desired.

AGENDA ITEM IV – B
STAFF REPORT

**YUBA-SUTTER TRANSIT CORRIDOR ENHANCEMENT PLAN
CONSULTANT SELECTION**

Background

Yuba-Sutter Transit has received a Fiscal Year 2016/17 Sustainable Transportation Planning Grant from the California Department of Transportation (Caltrans) to develop a Corridor Enhancement Plan. Building on the preliminary recommendations in the 2015 Yuba-Sutter Transit Short Range Transit Plan (SRTP), the Corridor Enhancement Plan will provide in-depth analysis and the necessary pre-engineering to support capital improvements to facilities along the approximately eight mile long Route 1 service corridor. Consultants will develop design concepts; facilitate and incorporate community input; assess feasibility; and, prepare a prioritized plan with detailed cost estimates. The total project budget is \$120,000 based on \$106,200 in grant funding and an 11.5 percent local match of \$13,800. The local match is included in Yuba-Sutter Transit's FY 2016/17 budget.

A Request for Proposals (RFP) for this project was released in December and proposals were received from two qualified transit planning consulting firms by the January 23rd deadline. Following the selection of a consultant and execution of a professional services agreement, work can start immediately. As scheduled, a draft Corridor Enhancement Plan should be available for public review and discussion by March 2018 with a final draft to be submitted for Board review and approval by May 2018. The scope of work for this project is comprehensive and the resulting Plan will help set the direction for the Yuba-Sutter Transit operation for the next five to ten years.

Discussion

The two proposing firms are shown below in alphabetical order (AECOM proposes acting as prime with LSC Transportation Consultants as the sole sub consultant). Both prime firms submitted responsive, competitive written proposals and both were priced within the available budget. Both written proposals were judged to be adequate for the purposes of vendor selection and neither firm was invited to make presentations.

AECOM/LSC Transportation Consultants (Sacramento/Tahoe City) -- \$104,845
Fehr and Peers (Sacramento) -- \$104,950

The analysis of the prospective firms began with a comprehensive review of the written proposals. Proposals were evaluated independently based on three primary criteria including: responsiveness/overall proposal quality; technical approach and deliverables. Staff also considered each team's qualifications, experience and past performance. In order to facilitate an evaluation of past performance, the RFP requirements included

references to at least three recent, comparable projects. Both firms provided appropriate reference projects and demonstrated ample experience with projects similar in scope to the Corridor Enhancement Plan. Staff made calls to four selected references resulting in two phone interviews, both of which were relatively positive.

While both firms are considered to be well qualified and met or exceeded the requirements of the evaluation process, staff weighed the following factors heavily in determining a recommendation for award:

1. A detailed and individualized technical approach;
2. Focus areas and staff time direction consistent with anticipated needs;
3. A demonstrated understanding of existing conditions and unique challenges of the operating environment, funding constraints and community needs;
4. Amount and range of deliverables tailored to specific RFP requirements; and,
5. Distribution and overall amount of staff time.

Recommendation

Based on this analysis, staff is recommending the selection of AECOM/LSC Transportation Consultants, Inc. for this project. This team is believed to offer the best combination of demonstrated skill; organizational focus; recent comparable work experience; and, price to represent the best overall value to Yuba-Sutter Transit.

Staff will be prepared to discuss the proposal review process and the overall project in detail at the meeting.

RECOMMENDATION: Authorize the execution of a contract with AECOM/LSC Transportation Consultants, Inc. for the preparation of the Corridor Enhancement Plan as proposed.

AGENDA ITEM IV – C
STAFF REPORT

BUS SHELTER, BENCH AND EXTERIOR ADVERTISING PROGRAM CONTRACT

Summary

Yuba-Sutter Transit's existing 15 year agreement with Stott Outdoor Advertising for the provision of advertising related services on bus stop shelters, benches and bus exteriors will expire at the end of the month. Stott Outdoor has expressed a desire to continue this relationship and has submitted the attached proposal related to an expansion of the current bus exterior advertising opportunities. Stott Outdoor has not proposed any other changes to the existing agreement, but they have verbally agreed to continue under the terms and conditions of the existing agreement until such time as it is replaced

Staff is now seeking Board direction on the future of this revenue generating program for the purpose of drafting either a new agreement with the existing provider or a new Request for Proposals for these services. In addition, staff is also seeking Board input on the existing Yuba-Sutter Transit advertising content policy which is also attached to determine if changes are warranted since it was last revised in 1993. Due to the complexity and potential sensitivity of this subject, staff is recommending that an ad hoc committee be formed and tasked to work with staff to develop a recommendation on these issues for future Board consideration.

Current & Proposed Advertising Program

The existing advertising agreement currently provides for the placement and maintenance of 26 bus stop shelters (maximum of 34 advertising shelters) and 69 bus stop benches (maximum of 70 advertising benches) at mutually agreeable locations throughout Yuba-Sutter Transit's service area. It also provides for the permissive placement of advertising on the rear windows of 27 buses (originally 32 buses). The design of the advertising shelters and benches as well as the buses on which exterior advertising may be placed is specified in the agreement. In exchange, Yuba-Sutter Transit receives regular commission payments equal to 10 percent of the gross sales value for advertising placed on the shelters and benches and 33 percent for bus exteriors. These payments have varied over the years with changes in the economy and changes in the number of advertising spaces available, but Yuba-Sutter Transit received \$27,414 in FY 2016 and is now projected to receive approximately \$37,000 in FY 2017 under the current terms and conditions. Of this amount, 68 percent (\$25,300) is projected to be derived from bus exterior advertising while the remainder (\$11,700) would be from bench and shelter advertising.

In the attached proposal, Stott Outdoor is suggesting a significant expansion of the bus exterior advertising program to include large scale (top to bottom) advertising panels on the sides of the 22 existing local fixed route buses and large banner advertising on the sides of the six newest commuter buses. In addition, rear or tail advertising would be expanded from the current 27 buses to 44 buses. Examples of the new or expanded advertising space are provided in the proposal. Based on their experience in similar markets, Stott Outdoor is projecting that the expanded exterior advertising opportunities will produce an additional \$54,840 annually for Yuba-Sutter Transit. At the request of staff, Stott Outdoor also provided an example of a scaled down alternative (Option B) that would allow advertising only on the rear of 44 buses and this would be expected to generate an additional

\$11,800 for Yuba-Sutter Transit or about \$43,000 less annually than what is projected for the full scale expansion of the program. Based on the Stott Outdoor proposal, Option A would generate an estimated \$87,300 in annual revenue while Option B would generate an estimated \$44,300 in annual revenue. Staff is comfortable with these projections which are based on 60 percent occupancy of the available advertising space.

	Status Quo Projected <u>FY 2017</u>	Option A Projected <u>FY 2018</u>	Option B Projected <u>FY 2018</u>
Bus Benches & Shelters	\$11,700	\$11,700	\$11,700
Bus Exteriors	25,300	80,100	37,100
Total Revenue Projection	\$37,000	\$91,800	\$48,800

Board Input and possible direction is now being sought specifically regarding the proposed expansion of the advertising program due to the obvious impact of such large scale mobile advertising on the agency's brand/image as well as on that of the Yuba-Sutter community itself. While the revenue potential is realistic and Yuba-Sutter Transit has had an advertising program of some sort for well over 30 years, this proposal would take it to an unprecedented level. Some public transit providers in the greater region accept no exterior advertising (El Dorado County, Placer County and Elk Grove) while others do so at varying degrees up to and including those on the scale that is now being considered and even beyond (Roseville, Redding and Sacramento) so it comes down to a policy decision regarding the appropriate local balance between community values and revenue potential.

Other Issues

Assuming the Board desires to continue an advertising program at any level, other issues for which input is now being requested include whether the current agreement should be extended on a sole source basis or placed out for competitive bid. Given the outlook for competitive advertising service contractors, the investment of the current contractor and their service quality over the last 15 years; staff would recommend that we first attempt to negotiate a new contract with Stott Outdoor. Examples of the issues to be addressed in a new contract include contract length; number and type of the shelters, benches and buses that are subject to the program; commission values; minimum guarantees; insurance requirements; option terms and conditions; maintenance and refurbishment of the shelters, benches and buses; agency promotion terms and conditions; and, ownership rights at the end of the contract term. In addition, given the age of Yuba-Sutter Transit's advertising policy, it would be appropriate to review the policy before a new agreement is finalized.

Staff will be prepared at the meeting to discuss this issue in detail. While Board and public input is certainly welcome on all of the above issues, staff is recommending that an ad hoc committee be formed for the purpose of developing a detailed recommendation for future consideration and action by the full Board of Directors as early as the April meeting.

RECOMMENDATION: Direct staff as desired.



Stott Outdoor Advertising Transit Advertising Assessment

Prepared for



February 1, 2017



Yuba-Sutter Transit Fleet Break-Out

Current Advertising Inventory

Year	Bus #'s	Length	Streetside	Curbside	Tail	Service
2008	2721-2727	29ft	0	0	6 (window only)	Fixed Route
2008	3161-3165	34ft	0	0	5 (window only)	Fixed Route
2010	1670-1679	24ft	0	0	10 (window only)	Demand Response
2014	1681-1686	24ft	0	0	6 (window only)	Demand Response
		TOTALS	0	0	27	

In 2016 the annual advertising revenue paid to Yuba-Sutter Transit for buses only utilizing only the rear window of the above vehicles = **\$22,427.34**

Proposed Advertising Inventory (Option A)

Year	Bus #'s	Length	Streetside	Curbside	Tail	Service
2008	2721-2727	29ft	6	6	6 (window only)	Fixed Route
2008	3161-3165	34ft	5	5	5 (window only)	Fixed Route
2013-14	3230-3240	35ft	11	11	11	Fixed Route
2010-12	5701-5706	45ft	6	6	6	Commuter
2010	1670-1679	24ft	0	0	10 (window only)	Demand Response
2014	1681-1686	24ft	0	0	6 (window only)	Demand Response
		TOTALS	28	28	44	

After careful assessment of the Yuba-Sutter fleet, Stott Outdoor has determined the above vehicles to be suitable for exterior advertising and consider them a valuable asset for generating revenue. See vehicle simulations for how these buses may be utilized.

The estimated annual revenue increase to Yuba-Sutter Transit = **\$54,840.30**



Summary

If Yuba-Sutter Transit were to approve the proposed advertising inventory the new projected annual revenue paid to YST for buses alone = **\$77,267.64**

Services Provided to Yuba-Sutter Transit by Stott Outdoor Advertising

- Sales & management of exterior bus advertisements for fixed and demand response fleet.
- Provides all advertising shelter & bench street furniture within the YST system.
- Sales & weekly maintenance of advertising transit shelters & benches.
 - Includes: Trash disposal, liter & debris removal, graffiti removal, cleaning of shelter and/or bench.
- Emergency response to broken glass, vandalism, or significant structural damage.
 - Includes: Clean-up and replacement of materials such as ad display glass, map box plexiglas, or structural members.



In conjunction with transit shelter and bench services the estimated annual sales revenue paid to YST = **\$87,300.00**

**Based on 2016 shelter and bench sales. Not including costs savings associated to maintenance of street furniture.



Exterior Bus Advertising Simulations

Service: Fixed Route
6 Vehicles (#2721-2727)
Length: 29ft
Halfside w/Headliner = 0
Queen Mural w/Headliner = 12
Tail Window = 6

Currently, only the tail window is utilized to generate revenue. Both sides of this vehicle could accommodate a queen mural with headliner. Due to the shorter bus length a halfside would not fit on the streetside.



Tail (window only)



Queen Mural with Headliner



Queen Mural with Headliner

Service: Fixed Route
5 Vehicles (#3161-3165)
Length: 34ft
Halfside w/Headliner = 5
Queen Mural w/Headliner = 5
Tail Window = 5

Currently, only the tail window is utilized to generate revenue. The sides will accommodate mural products nicely.



Tail (window only)



Queen Mural with Headliner



Halfside with Headliner

Service: Fixed Route
11 Vehicles (#3230-3240)
Length: 35ft
Halfside w/Headliner = 11
Queen Mural w/Headliner = 11
Supertail = 11

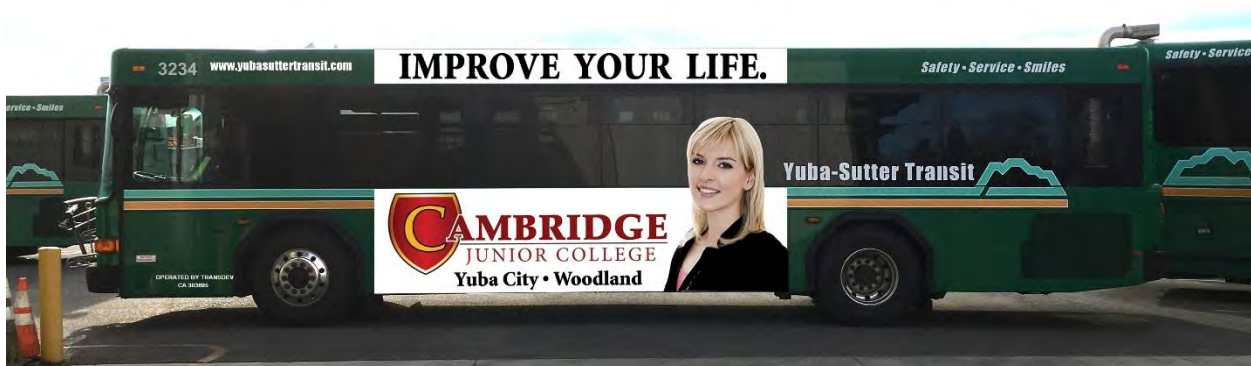
These vehicles currently are not utilized for transit advertising. The sides & tail will accommodate mural products nicely.



Supertail



Queen Mural with Headliner



Halfside with Headliner

Service: Commuter
6 Vehicles (#5701-5706)
Length: 45ft
Commuter King = 6
Commuter Queen = 6
Commuter Tail = 6

Currently, no commuter buses are utilized for transit advertising. This particular model would accommodate advertising nicely on all three sides.



Commuter Tail



Commuter Queen



Commuter King



1st Addendum to
YST Advertising Assessment
February 6, 2017

Per the request of Yuba-Sutter Transit, below is a break-out of an alternative option (Option B) to utilize only the tails of fixed, demand response, and commuter vehicles for exterior advertising purposes.

Current Advertising Inventory

Year	Bus #'s	Length	Streetside	Curbside	Tail	Service
2008	2721-2727	29ft	0	0	6 (window only)	Fixed Route
2008	3161-3165	34ft	0	0	5 (window only)	Fixed Route
2010	1670-1679	24ft	0	0	10 (window only)	Demand Response
2014	1681-1686	24ft	0	0	6 (window only)	Demand Response
		TOTALS	0	0	27	

Proposed Advertising Inventory (Option B)

Year	Bus #'s	Length	Streetside	Curbside	Tail	Service
2008	2721-2727	29ft	0	0	6 (window only)	Fixed Route
2008	3161-3165	34ft	0	0	5 (window only)	Fixed Route
2013-14	3230-3240	35ft	0	0	11	Fixed Route
2010-12	5701-5706	45ft	0	0	6	Commuter
2010	1670-1679	24ft	0	0	10 (window only)	Demand Response
2014	1681-1686	24ft	0	0	6 (window only)	Demand Response
		TOTALS	0	0	44	

The estimated annual revenue increase to Yuba-Sutter Transit utilizing only the tails of the vehicles above = **\$11,800.00** (Option B)

The estimated annual revenue increase to Yuba-Sutter Transit utilizing sides and tails as originally proposed = **\$54,840.30** (Option A)

**YUBA-SUTTER TRANSIT
ADVERTISING POLICY
Revised September 28, 1993**

The purpose of this policy is to define the standards by which the Yuba-Sutter Transit Authority will review advertising to be displayed on or in vehicles, equipment, real property or publications, either owned or controlled by Yuba-Sutter Transit, and the conditions under which advertising space on or in said vehicles, equipment, real property or publications will be made available free of charge. This policy includes, but is not limited to, the interior and exterior of buses, benches, facilities and any publications.

The following types of advertising are found to be unacceptable for display on or in Yuba-Sutter Transit vehicles, equipment, real property or publications:

1. Religious Advertising – material from any religious group or organization or material of a religious nature from any individual.
2. Political Advertising – including, but not limited to, local, state or national elections or issues.
3. Sexually Explicit Advertising – including any graphic or written material which is judged to be inconsistent with the local area's standards of morality and decency.
4. Tobacco and Alcohol – any material that would directly or indirectly promote the sale or use of tobacco or alcohol.

Any agency, organization, contractor or vendor proposing to advertise on or in Yuba-Sutter Transit vehicles, equipment, real property or publications shall submit copies of proposed advertising text graphics to the Yuba-Sutter Transit Manager prior to its display or publication. The Yuba-Sutter Transit Manager or his/her designee will advise the contractor if the material is inconsistent with this policy within five (5) working days of the receipt of said material.

Unsold advertising space on or in Yuba-Sutter Transit vehicles, equipment, real property or publications will be available for the use by governmental agencies without charge for community purposes. Such advertising will also be judged by the above criteria and will be displayed for a reasonable period subject to the sale of the space or the need for said space by other governmental agencies.

The decision by the Transit Manager to allow or disallow any advertising pursuant to this policy may be appealed to the Yuba-Sutter Transit Board of Directors. The decision of the Board of Directors shall be final.

AGENDA ITEM IV – D
STAFF REPORT

WHEATLAND RURAL ROUTE REVENUE SHORT-FALL

Yuba-Sutter Transit has provided rural route service for the City of Wheatland since 1996 under an agreement by which Yuba-Sutter Transit is compensated for the fully allocated cost (including depreciation) for each hour of service provided minus any fare revenue received. Since 2007, this service has been funded almost exclusively from State Transit Assistance (STA) funds that are allocated to Wheatland and claimed directly by Yuba-Sutter Transit. Yuba-Sutter Transit is solely responsible for the setting of service levels (up to the amount of available STA funding) and passenger fares with the cost for any service beyond that level being the sole responsibility of Wheatland. The current Wheatland brochure is attached for reference.

The Wheatland Route has always been limited in scope and has never performed well, but it has consistently cost less to operate than the amount of STA funding that had been available resulting in an FY 2015 year-end balance of just over \$22,000 for a service that had an annual operating cost of around \$23,000. In an effort to determine if ridership would grow with improved service availability, the service was expanded in July 2015 from two round trips one day a week to one round trip three days a week. It was expanded again in December 2015 to the existing one round trip each weekday with the additional two days of service being funded by Mercy Housing California 63, LP through a separate funding agreement with Wheatland. Mercy Housing is the owner of the recently reconstructed 88 unit apartment complex known as the Sunset Valley Duplexes which is located on and near Evergreen Drive in Wheatland.

Despite the Mercy Housing contribution of 40 percent of the net operating cost for the expanded service, Wheatland's STA balance at the end of FY 2016 dropped to just over \$13,000 due in large part to reduced STA allocations. Based on current cost and revenue projections, the available balance will be exhausted by the end of the fiscal year. This dramatic decrease in the Wheatland STA balance in just two years is due to a 10.6 percent increase in the per hour operating cost from FY 2015 to FY 2017 and a drop of 49 percent in STA funding for Wheatland during that same period. The good news is that the hourly operating cost will drop slightly and the Wheatland's STA apportionment is expected to increase, but projected total revenue short-fall is still expected to grow to over \$14,000 by the end of FY 2018 without some combination of increased revenue or decreased expenses.

The logical potential source of new revenue would be a fare increase as the \$2.00 base one-way fare has not changed in over 20 years. Due to the small ridership on the Wheatland Route, even a doubling of fares will only produce another \$500 for the Wheatland Route, but only if ridership remained unchanged which would be highly unlikely. While an increase may be warranted, it will not solve the immediate revenue challenge alone. At the October 20th Board meeting, staff recommended that Mercy Housing be asked to fund a greater share of the cost to maintain the existing five day a week service as this level of service was a condition for funding that they received for the renovation of the Sunset Valley project and they recently agreed to do so effective July 2017.

In October, it was believed that having Mercy Housing pick up the cost for another day of the service effective would stretch the available STA balance until near the end of FY 2018, but STA allocations for FY 2017 have since been reduced again resulting in a projected accumulated revenue short-fall of nearly \$6,000 as of June 30, 2018. For FY 2018 only, the Wheatland service is expected to have an operating cost (net of fares) of \$41,000 funded with \$24,500 from Mercy Housing and \$13,000 in STA revenues leaving a projected one year short-fall of \$3,500.

Based on the still relatively low projected accumulated short-fall, the willingness of Mercy Housing to cover a greater share of the cost and the potential that STA funding may return to a level that would more than cover the annual subsidy; staff is now recommending that the Board authorize the continued operation of the Wheatland service at least through FY 2018. In addition, staff would also recommend that the Board consider possible fare increases for the rural routes during the upcoming budget process for implementation as early as July 2017.

Staff will be prepared at the meeting to discuss this report in more detail.

RECOMMENDATION: Authorize the continued operation of the Wheatland Rural Route through June 2018 under the proposed terms and conditions.

AGENDA ITEM IV - E
STAFF REPORT

**TRANSIT SYSTEM SAFETY, SECURITY & DISASTER RESPONSE FUNDING
REQUESTS FROM THE CALIFORNIA TRANSIT ASSISTANCE FUND (CTAF)**

Background

The Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Proposition 1B) authorized \$19.9 billion in General Obligation Bonds for specified purposes over a ten year period. Proposition 1B included authorization for \$1 billion (\$100 million annually) for the Transit System Safety, Security and Disaster Response Account for eligible transit projects. This fund is administered by the California Office of Emergency Services (CalOES).

Sixty percent of the amount allocated each year is designated for the California Transit Assistance Fund (CTAF). These funds are to be distributed to eligible agencies in the same manner that State Transit Assistance (STA) funds are now allocated – 50 percent by population and 50 percent by passenger fare receipts. Transportation commissions, including the Sacramento Area Council of Governments (SACOG) for this region, are responsible for calculating the available allocation for each project sponsor for the portion determined by population. The portion determined by passenger fare receipts is set by the State Controller.

Eligible activities under the CTAF guidelines include any of the following:

- (A) A capital project that provides increased protection against a security or safety threat
- (B) A capital project that increases the capacity of transit operators to prepare for disaster-response transportation systems that can move people, goods, emergency personnel and equipment in the aftermath of a disaster.
- (C) Other allowable cost under California Government Code 16727(a) including costs directly related to construction or acquisition.

Yuba-Sutter Transit has received a total of \$1,231,884 to-date in CTAF grants over the first nine annual funding cycles:

- FY 2008 - \$138,440 to retrofit 18 local fixed route buses with mobile video surveillance camera systems. [Complete]
- FY 2009 - \$138,440 for enhanced safety and security features in the facility remodel and expansion project. [Complete]
- FY 2010 - \$139,013 for enhanced safety and security features in the facility remodel and expansion project. [Complete]
- FY 2011 - \$139,462 for the replacement and enhancement of Yuba-Sutter Transit's mobile radio communications system. [Complete]

- FY 2012 - \$139,322 to install video surveillance cameras at up to three local park and ride lots. [Ongoing]
- FY 2013 - \$134,301 to install mobile video surveillance camera systems in eleven new local fixed route buses and up to six intercity commuter buses. [Complete]
- FY 2014 - \$134,302 to retrofit up to 23 buses with mobile video surveillance camera systems. [Complete]
- FY 2015 - \$134,302 to 1) upgrade and expand lighting, surveillance and access control systems at the Operations/Maintenance facility and 2) complete Phase 1 of a computer aided dispatch/automatic vehicle location (CAD/AVL) system installation [Ongoing]
- FY 2016 - \$134,302 for Phase 2 of the CAD/AVL system installation [Awarded/Pending]

Available Funding

CalOES recently finalized program guidance and issued a call for projects for the current round of CTAF grants. Approximately \$107,000 in CTAF funding is available to Yuba-Sutter Transit including an allocation of approximately \$101,000 for Yuba and Sutter Counties along with \$6,375 for Yuba-Sutter Transit specifically. Funds allocated in FY 2017 grant cycle must be expended by March 31, 2019.

The FY 2017 cycle will be the last scheduled CTAF allocation available to Yuba-Sutter Transit. The funding process requires project applications (known as Investment Justifications) to be approved by the SACOG Board of Directors. SACOG staff typically compiles Investment Justifications from the individual recipients in the region, approves projects through Board action and submits the eligible projects as a package to CalOES. While SACOG is now accepting Investment Justifications until March 1st for the current approval cycle, they are accepted by CalOES on a continuous basis until approximately one year prior to the expenditure deadline.

Recommendation

Staff is recommending Board consideration for the design, purchase and installation of an emergency generator for the Yuba-Sutter Transit's Operations, Maintenance and Administration facility in Marysville. This emergency generator would be engineered to supply automatic fail-over power sufficient to maintain transit operations in the event of an electrical power outage. The independent ability to maintain full or nearly full operations and fleet communications during a failure of the local power grid will significantly enhance Yuba-Sutter Transit's capability to support the community in the aftermath of a disaster or major safety/security event. The value of this project has become evident recently as our facility has experienced several extended power outages this winter that have compromised our operating ability despite existing battery back-up systems.

Assuming consensus on the proposed project, staff will refine the project scope based on the available funds and prepare an Investment Justification for SACOG Board review and formal consideration in advance of a planned submittal to CalOES. The required Authorized Agent designation letters and Governing Body Resolutions will be presented for Yuba-Sutter Transit Board review and approval at a future meeting following notice of project eligibility from CalOES.

Staff will be prepared to discuss this funding program and the staff recommendations in detail at the meeting.

RECOMMENDATION: Authorize the submittal of an Investment Justification for the design, purchase and installation of an emergency generator as proposed.

AGENDA ITEM IV – F
STAFF REPORT

**AUTHORIZING RESOLUTION FOR
FEDERAL TRANSIT ADMINISTRATION (FTA) GRANT DOCUMENTS**

As a recipient of Federal financial assistance from the FTA, Yuba-Sutter Transit must maintain a current resolution designating the person or position within the organization authorized to execute and file federal grant and contract related documents. The attached resolution references all relevant federal funding sources. The Transit Manager position is again being designated to represent Yuba-Sutter Transit for this purpose. The FTA has requested the addition of “or designee” to the Transit Manger’s authorization. The proposed resolution follows the currently prescribed language for such an authorization.

Staff will be prepared to discuss this routine resolution in detail at the meeting.

RECOMMENDATION: Adopt Resolution No. 1-17 authorizing the Transit Manager, or designee, to execute all federal grant and contract documents under Sections 5307, 5309, 5310, 5311, 5317 and 5339.

2-16-17

YUBA-SUTTER TRANSIT AUTHORITY

RESOLUTION NO. 1-17

Resolution authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for Federal transportation assistance authorized by 49 U.S.C. chapter 53, title 23 United States Code, or other Federal statutes administered by the Federal Transit Administration.

WHEREAS, the Federal Transportation Administration has been delegated authority to award Federal financial assistance for a transportation project;

WHEREAS, the grant or cooperative agreement for Federal financial assistance will impose certain obligations upon the Yuba-Sutter Transit Authority, and may require the Yuba-Sutter Transit Authority to provide the local share of the project cost;

WHEREAS, the Yuba-Sutter Transit Authority has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project;

NOW, THEREFORE, BE IT RESOLVED BY THE YUBA-SUTTER TRANSIT AUTHORITY BOARD OF DIRECTORS;

- 1. That the Transit Manager, or designee, is authorized to execute and file an application for Federal assistance on behalf of the Yuba-Sutter Transit Authority with the Federal Transit Administration for Federal Assistance authorized by 49 U.S.C. chapter 53, Title 23, United States Code, or other Federal statutes authorizing a project administered by the Federal Transit Administration. The Yuba-Sutter Transit Authority has received authority from the State of California, Department of Transportation, the Designated Recipient, to apply for Urbanized and Non-Urbanized Area Formula and Non-Formula Program assistance pursuant to Sections 5307, 5309, 5310, 5311, 5317 and 5339.*
- 2. That the Transit Manager, or designee, is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a Federal assistance grant or cooperative agreement.*

3. *That the Transit Manager, or designee is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of the Yuba-Sutter Transit Authority.*

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY INTRODUCED, PASSED AND ADOPTED BY THE YUBA-SUTTER TRANSIT AUTHORITY AT THE REGULAR MEETING THEREOF HELD ON FEBRUARY 16, 2017.

*Preet Didbal
Chairman of the Board of Directors*

Attest:

*Sandra Anderson
Secretary to the Board of Directors*

P:/Common/resolutions/reso1-17tmgrantauth2017.doc

AGENDA ITEM IV – G
STAFF REPORT

**DISCOUNT MONTHLY PASS PROGRAM
GRANT CLOSE-OUT REPORT**

Attached is the year-end performance summary for the Discount Monthly Pass Program that was funded through a grant from the Feather River Air Quality Management District (FRAQMD) for the period January through December 2016. Three discount monthly bus pass programs for youth (ages 5 to 18), seniors (now age 64 and over) and persons with disabilities were operated under a single FRAQMD grant in the final amount of \$136,400. Under this popular program, Yuba-Sutter Transit’s regular \$15 discount monthly passes were offered for just \$6 each with the remainder being covered with grant funds.

For 2016, a total of 13,928 discount passes were sold and 349,545 discount pass trips were taken which represents 38 percent of all local and rural fixed route trips taken in 2016. At a subsidy of \$9 per pass, this left an unused balance of \$11,048 in FRAQMD funding which will be returned to FRAQMD for re-programming in future funding cycles. Compared to 2015, total discount pass sales were off by 9 percent while discount pass ridership was down 10 percent which is slightly less than the systemwide local and rural route ridership reduction of 11 percent that was experienced during this same period. The performance of each discount pass category varied significantly as shown in the following table.

	<u>Discount Pass Sales</u>			<u>Discount Pass Ridership</u>		
	2015	2016	% Change	2015	2016	% Change
Youth Pass	7,688	6,496	-15.5%	153,079	122,202	-20.2%
Senior Pass	2,494	2,375	-4.8%	79,695	71,130	-10.8%
Disabled Pass	5,078	5,057	-0.4%	156,586	156,213	-0.2%
Total	15,260	13,928	-8.7%	389,360	349,545	-10.2%

As shown in the table above, the most significant change compared to the previous year was the reduction in the sale and use of discount monthly youth passes due primarily to the impact of just one 2015 policy change that continued through all of 2016. Effective September 2015, the eligibility age for a discount youth cash fare was increased from 12 to 18 for consistency with the eligibility age for a discount youth pass in anticipation of Connect Card implementation. This change resulted in a tremendous increase in youth cash ridership with many of those passengers being former youth pass riders. In fact, while discount youth pass ridership dropped by 20 percent from 2015 to 2016, discount youth cash ridership increased by 88 percent during the same period. The net impact of

this policy shift was a 3.2 percent **increase** in total youth ridership (cash and pass). In fact, while overall systemwide local and rural route ridership was off 11 percent from 2015 to 2016, total discount (senior, disabled & youth) fare ridership (cash and pass) was down less than 1 percent from 2015 to 2016.

Staff will be prepared at the meeting to discuss this program in detail.

RECOMMENDATION: Information only.

/Agenda Items/Discount Pass Annual Report Item IV-H 2-17/

**Combined Monthly Discount Pass Program Data Comparison
2016 Annual Report
Revised February 6, 2017**

January 2015 -- Discount Pass Price Increased from \$5 to \$6

September 2015 -- Discount Youth Cash Fare Extended from Age 12 to Age 18 & Transfer Policy Changed to Not Allow a Transfer to be Exchanged for a Transfer

January 2016 -- All Discount Monthly Passes Accepted on All Rural Routes

Discount Monthly Pass Sales

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Discount Monthly Passes Sold - 2015	1,300	1,354	1,383	1,299	1,235	1,106	867	1,315	1,448	1,385	1,322	1,246	15,260
Discount Monthly Passes Sold - 2016	1,144	1,265	1,293	1,253	1,210	1,037	845	1,114	1,260	1,238	1,194	1,075	13,928
Percent Change	-12%	-7%	-7%	-4%	-2%	-6%	-3%	-15%	-13%	-11%	-10%	-14%	-9%

Discount Monthly Local & Rural Route Pass Ridership*

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Discount Monthly Pass Boardings - 2015	32,339	34,454	39,747	34,200	34,370	25,761	22,567	31,089	38,515	37,531	29,761	29,026	389,360
Discount Monthly Pass Boardings - 2016	24,537	31,107	31,995	32,475	31,662	26,249	20,316	30,806	33,859	32,029	29,308	25,202	349,545
Percent Change	-24%	-10%	-20%	-5%	-8%	2%	-10%	-1%	-12%	-15%	-2%	-13%	-10%

Discount Local & Rural Route Cash Fare Ridership*

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Discount Cash Fare Boardings - 2015	7,328	6,501	8,086	8,369	7,832	8,551	8,312	8,282	9,042	11,256	9,677	10,246	103,482
Discount Cash Fare Boardings - 2016	9,682	11,048	11,172	11,795	11,269	11,256	9,869	13,718	12,997	13,109	12,144	11,190	139,249
Percent Change	32%	70%	38%	41%	44%	32%	19%	66%	44%	16%	25%	9%	35%

All Discount Local & Rural Route Ridership (Pass & Cash)*

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
All Discount Boardings - 2015	39,667	40,955	47,833	42,569	42,202	34,312	30,879	39,371	47,557	48,787	39,438	39,272	492,842
All Discount Boardings - 2016	34,219	42,155	43,167	44,270	42,931	37,505	30,185	44,524	46,856	45,138	41,452	36,392	488,794
Percent Change	-14%	3%	-10%	4%	2%	9%	-2%	13%	-1%	-7%	5%	-7%	-1%

All Local & Rural Route Ridership*

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Total</u>
Total Boardings All Fare Categories - 2015	86,767	86,867	98,732	92,323	88,660	79,481	76,624	87,593	92,211	96,032	77,132	78,786	1,041,208
Total Boardings All Fare Categories - 2016	69,766	81,804	83,384	83,713	78,887	71,959	62,301	84,472	85,451	82,411	77,755	69,827	931,730
Percent Change	-20%	-6%	-16%	-9%	-11%	-9%	-19%	-4%	-7%	-14%	1%	-11%	-11%

*All Discount Monthly Passes Accepted on All Rural Routes Effective January 2016 and Rural Discount Fare Ridership Figures Have Been Added to 2015 Totals for Comparison Purposes

AGENDA ITEM IV – H
STAFF REPORT

LIVE OAK EXPANSION DEMONSTRATION PROJECT CLOSE-OUT REPORT

Background

Yuba-Sutter Transit has provided rural route service to the City of Live Oak since 1988 under an agreement. Pursuant to this agreement, the city pays Yuba-Sutter Transit the fully allocated cost (including depreciation) for each hour of service (as determined by the most recent fiscal audit) minus any fare revenue received. Prior to July 1, 2015, the Live Oak Route had offered two round trips every Monday, Wednesday and Friday. Until July 2015, these services were funded exclusively from State Transit Assistance (STA) funds that are allocated to the city and claimed directly by Yuba-Sutter Transit. The expenses and fare revenue for this service are included in Yuba-Sutter Transit's systemwide farebox recovery ratio and Yuba-Sutter Transit is solely responsible for setting service levels and passenger fares up to the level of STA funds available. The cost for any service beyond that level would be the sole responsibility of the city.

The Live Oak Route has performed rather well in recent years especially when compared to Yuba-Sutter Transit's two other rural routes and this route consistently cost less to operate than the amount of STA funding that had been available resulting in an FY 2015 year-end balance of just over \$107,000 for a service that had an annual net operating cost of around \$40,000. To determine if there would be enough ridership to justify a higher level of service, the Live Oak City Council requested the July 2015 expansion of the service from three to five days a week with additional local stops within the city and a new option for direct service to Yuba College's Sutter County Center.

Partially off-setting the projected additional first year cost (July 2015 through June 2016) of \$30,000 for the expanded service, Yuba-Sutter Transit received a \$10,000 grant from the Feather River Air Quality Management District (FRAQMD). A second grant for \$5,000 was received to support the expanded service level for another six months through December 2016. A third grant for another \$10,000 is now being used to support this service for another 12 months through December 2017. This report covers the entire 18 month demonstration period for the expanded Live Oak Route from June 2015 through December 2016.

Expanded Service

The Live Oak route was expanded from three to five days a week (Monday - Friday) offering two round trips each service day beginning July 1, 2015. The previous three Live Oak bus stops were modified and expanded to a total of six stops to provide scheduled service to more areas of the city while all service policies including route deviations particularly for seniors and persons with disabilities remained in effect. Another highlight of the expanded Live Oak service was the potential for direct service for Live Oak residents to Yuba College's Sutter County Center when the bus traveled to and from Marysville/Yuba City. A copy of the current Live Oak Route service brochure is attached for reference.

As shown in the table below, the response to the expanded Live Oak service has been impressive through the first 18 months with a monthly average of 308 passenger trips provided through December 2016. This figure is up 80 percent over the monthly average during the previous twelve months and slightly higher than the 75 percent increase in the average monthly number of vehicle service hours (VSH) operated. Much of this growth, however, occurred among those who ride on discount fares (cash or pass) such as seniors, youth and persons with disabilities as average monthly fare revenue increased by just 53 percent while the average fare declined 15 percent from \$1.24 per passenger trip in FY 2015 to \$1.05 over the next 18 months. Part of this reduction is due to the acceptance of all discount monthly local fixed route passes on rural routes beginning January 2016. Prior to that date, only discount monthly youth passes had been accepted. While ridership generally kept pace with the increase in VSH, the lower average fare combined with an increase in the contracted cost per VSH resulted in a 96 percent increase in the average monthly subsidy (compared to the 75 percent increase in VSH) and a 12 percent increase in the subsidy per VSH.

Program vs. Pre-Program Comparisons

	Jul 15 – Dec 16	Jul 14 – Jun 15	Change	% Change
Passenger Trips / Month	308	171	137	80%
Vehicle Service Hours (VSH) / Month	74.47	42.53	31.94	75%
Trips per VSH	4.14	4.02	0.12	3%
Total Operating Cost / Month	\$6,287	\$3,255	\$3,032	93%
Passenger Fare Revenue / Month	\$324	\$212	\$112	53%
Net Subsidy / Month	\$5,963	\$3,043	\$2,920	96%
Net Subsidy per VSH	\$80.07	\$71.56	\$8.51	12%

Summary

The City of Live Oak began FY 2016 with a deferred STA revenue balance of approximately \$107,000 (June 30, 2015). Even with FRAQMD grant funding, this balance is now projected to drop to around \$48,000 by June 30, 2017. Based on current cost and revenue projections from all sources, Live Oak’s STA balance is now expected to be fully expended by June 30, 2018. While ridership growth on the expanded Live Oak Route has kept pace with the increase in VSH, the long term sustainability of the expanded level of service is certainly in question given the Yuba-Sutter Transit operating agreement along with the existing fare structure and projected funding levels. Staff will continue to monitor this service closely while investigating other long term funding and operational options.

Staff will be prepared at the meeting to discuss this report in more detail.

RECOMMENDATION: Information only.

OTHER SERVICE CONNECTIONS

Yuba-Sutter Transit offers a wide range of other public transportation services. These include weekday and Saturday local fixed route service; weekday and Saturday Dial-A-Ride service for seniors and persons with disabilities; weekday commuter and midday service to downtown Sacramento; and, rural service to Wheatland and the Yuba County foothills.

Connections to and from the Live Oak Route are available at both the Alturas & Shasta Terminal in Yuba City and the Yuba County Government Center in Marysville with Routes 1, 2 and 4 for local route service throughout Yuba City, Marysville and Linda.

Connections are also available at the Yuba County Government Center for service to and from downtown Sacramento.

Applicable fares must be paid on other services.

HOLIDAYS

Yuba-Sutter Transit does not operate any service on the following holidays:

New Year's Day	Independence Day
Martin Luther King's Birthday	Labor Day
President's Day	Thanksgiving Day
Memorial Day	Christmas Day



TICKET BOOK OUTLETS



Customer Service Center in Yuba City



Administrative Office
2100 B St., Marysville



Or Call (530) 634-6880 for Mail Delivery



Service Information
(530) 742-2877
(TTY) 634-6889

www.yubasuttertransit.com
2100 B St., Marysville, CA 95901

Subject to change without notice.
Materials available in accessible formats
upon request, call (530) 634-6880.



Live Oak Route Information



Service Information
(530) 742-2877
(TTY) 634-6889

www.yubasuttertransit.com
Effective January 1, 2016



LIVE OAK ROUTE

The Live Oak Route is a combined fixed route and demand response service offering two round trips each weekday between Live Oak and the Cities of Yuba City and Marysville. Passengers can catch the bus at any of six designated stops in Live Oak without an advance reservation. Passengers may also request pick-up and drop-off at the Yuba College Sutter County Center on the way to or from Live Oak. Call at least one hour in advance for pick-up at the Sutter County Center or request drop-off there when you first board the bus.

Advance reservations are also available for demand response service within the city limits of Live Oak and anywhere within ¼ mile of the route to Yuba City and Marysville. This demand response service is provided in conjunction with the scheduled service.

For more information and trip planning assistance, call (530) 742-2877 (TTY 634-6889).

LIVE OAK SCHEDULES

MONDAY THROUGH FRIDAY

	<u>1st</u>	<u>2nd</u>	<u>3rd</u>
Yuba Co. Govt. Center	--	11:35	5:35
Alturas & Shasta Terminal (Yuba City)	--	11:40	5:40
Yuba College, Sutter Co. Center*	--	11:50	5:50
Ash St. & Hwy 99	7:00	12:00	6:00
Maple Park Neighborhood Center	7:02	12:02	6:02
Pennington Rd. & O St. (Live Oak Park)	7:05	12:05	6:05
Richard Ave. & Presley Ave.	7:07	12:07	6:07
Date & O Streets (Senior Village)	7:12	12:12	6:12
Butte View Estates (Larkin Rd.)	7:15	12:15	6:15
Yuba College, Sutter Co. Center*	7:25*	12:25*	--
Alturas & Shasta Terminal (Yuba City)	7:40	12:40	--
Yuba Co. Govt. Center	7:45	12:45	--

*by request only (please call 742-2877 at least 1 hour in advance)

GENERAL POLICIES

The Live Oak Route operates with or without reservations serving designated stops every weekday though curbside service is available by advance reservation in designated areas.

To reserve a ride, simply call (530) 742-2877 and give the dispatcher your pick-up point, where you want to go and let us know if you will be returning on a later run that day. The bus will stop at any safe location within the city limits of Live Oak and anywhere within ¼ mile of the route to Yuba City and Marysville. Passengers must call at least one hour in advance for demand response service and service to the Yuba College Sutter County Center request stop.

If you have a regular appointment, call and arrange with dispatch for a standing reservation. This scheduled pick-up and drop-off will continue until you adjust or cancel it. Repeated no shows or late cancellations for standing rides will result in suspension of the standing reservation.

FARES

Basic One-Way Fare	\$2.00
Senior (Age 63+)/Disabled/ADA Eligible Fare	\$1.00 (With photo I.D. card*)
Youth Fare (Age 5-18)	\$1.00
Children - Age 4 and Under With Adult	Free (Limit of two free fares per adult)
Transfers	None
Ticket Book	\$10.00

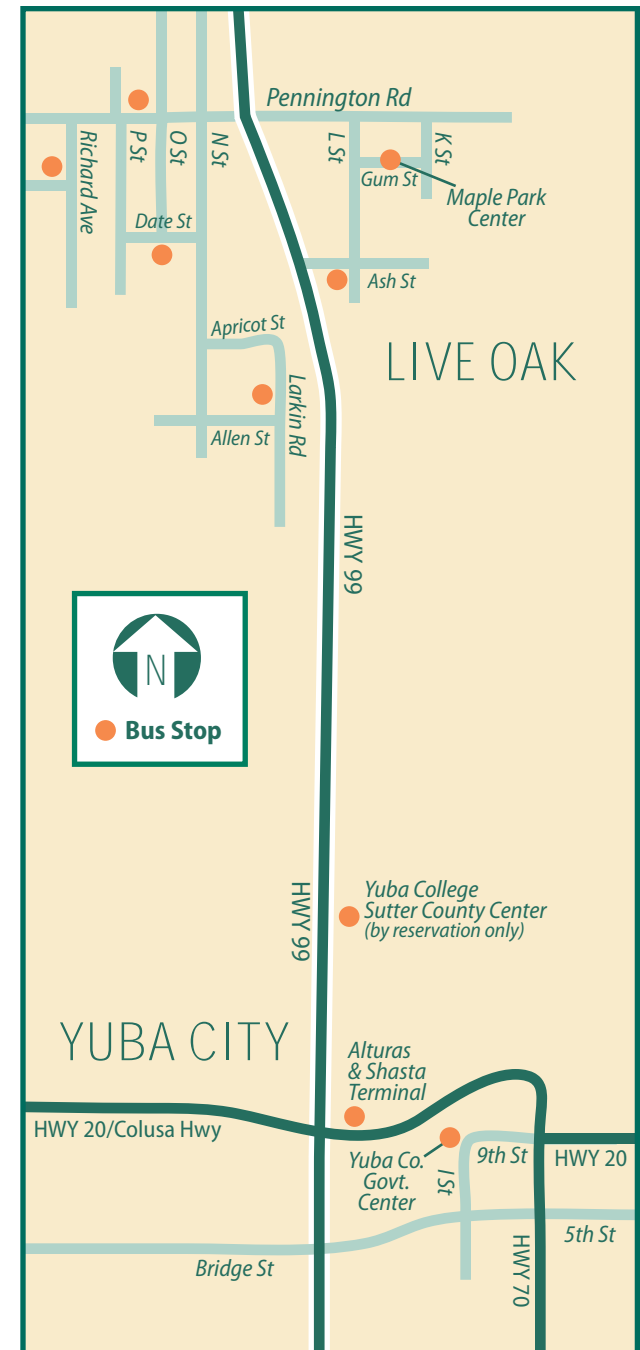
NEW FOR 2016:

VALID LOCAL DISCOUNT MONTHLY PASSES FOR YOUTH, SENIORS AND PERSONS WITH DISABILITIES WILL BE ACCEPTED ON THE LIVE OAK ROUTE. PROOF OF ELIGIBILITY REQUIRED.

*With a Yuba-Sutter Transit senior/disabled/ADA eligible photo identification (I.D.) card; Medicare card; or, DMV placard I.D. printout. Valid senior/disabled/ADA eligible photo I.D. cards issued by another transit agency will be honored for up to 21 days. Medicare card and DMV placard holders may be required to provide photo identification to verify identity.

ADDITIONAL INFORMATION

- All of Yuba-Sutter Transit's buses are wheelchair accessible. Please let us know if you will need to use the lift when you make your reservation.
- Bike racks are available on all Yuba-Sutter Transit buses.
- Don't be a no show! If you are unable to make a scheduled trip, please call (530) 742-2877 and cancel your trip.
- Deposit exact change. Drivers do not make change.



AGENDA ITEM IV – I
STAFF REPORT

FY 2016-17 MID-YEAR PERFORMANCE REPORT

Attached is the systemwide performance report for the services operated by Yuba-Sutter Transit for the first half of FY 2017 (July 2016 through December 2016) presented in comparison with the performance for the same period in the previous fiscal year. After an astounding string of 12 straight years of annual ridership records including an almost unbelievable run of ridership increases in 24 of the last 25 years, ridership took a significant dip in FY 2016 finishing 8.0 percent below the record 1.3 million passenger trips that were provided in FY 2015 – the worst one year percentage decrease since FY 1989. That downward trend has continued through the second quarter of FY 2017 with year-to-date systemwide ridership off by another 9.0 percent compared to the first half of FY 2016.

While similar or worse ridership declines are being experienced by many of the transit agencies in the greater Sacramento area and beyond in recent years, major local contributing factors certainly include the restructuring of Routes 1 and 4 and the elimination of the “transfer-for-a-transfer” policy that both became effective September 2015. Other potential factors include continuing on-time performance challenges; chronic reliability problems with our older buses; continued low fuel prices; and, the general lack of population and employment growth in the region. Though still significant, the 8.6 percent second quarter ridership drop (the seventh straight same quarter ridership reduction) is down from the record 11.8 percent systemwide ridership decline in the third quarter of last year which may indicate that the worst may be over one year after the September 2015 changes. While more pronounced in the last year, the longer term trend is that systemwide ridership has been down in 21 of the last 22 months in year-to-year comparisons.

Individually, the greatest ridership drop in terms of passenger trips was on the local fixed route system for all of the reasons noted above. Of the three major services, the Sacramento Commuter and Midday Express service saw the biggest percentage drop to extend a steady long term ridership decline that began in January 2015. Even though year-to-date Dial-A-Ride ridership was down 3.7 percent, it has held rather steady since FY 2014 especially when compared to the other two major services. Rural route ridership continues to vary widely due to the limited nature of these services, but the positive ridership impact of the 2015 expansions of the Live Oak and Wheatland services continues to be evident. Vehicle service hours were nearly unchanged through the first six months of the fiscal year.

Despite the overall ridership reduction, the major systemwide financial performance indicators were actually up though all of this increase and more was due to a single large institutional purchase of discount ticket books in the first quarter. The impact of this atypical purchase is being gradually absorbed into the financial indicators as these ticket books are used by future local fixed route and Dial-A-Ride passengers. Even if all of this one-time ticket book purchase was removed from the fare revenue calculation, the revised fare box ratio (the percentage of operating costs covered by passenger fares) would still be over 20 percent which is still well above the minimum requirement of 14.6 percent.

The outlook for the remainder of FY 2017 is likely to be more of the same though staff does expect year-to-year systemwide ridership reductions to slow even more through June. For next fiscal year (FY 2018), the major potential risk factor is the uncertain ridership and financial impact of the ongoing roll-out of the Connect Card electronic fare system which will ramp up considerably this summer.

Staff will be prepared to discuss the performance summary in detail at the meeting.

RECOMMENDATION: Information only.

**MID-YEAR PERFORMANCE REPORT
FISCAL YEAR 2016-2017**

	Passenger Trips	Vehicle Serv. Hours	Pass. Trips Per VSH	Est. Fare Revenue	Fare Rev. Per VSH	Est. Farebox Ratio
Fixed Route:						
July 2016 - December 2016	458,990	26,018.22	17.64	\$341,671	\$13.13	17.7%
July 2015 - December 2015	505,134	26,256.54	19.24	\$323,265	\$12.31	17.1%
Percent Change	-9.1%	-0.9%	-8.3%	5.7%	6.7%	3.8%
Dial-A-Ride:						
July 2016 - December 2016	34,200	12,357.08	2.77	\$80,145	\$6.49	8.8%
July 2015 - December 2015	35,502	12,579.86	2.82	\$70,961	\$5.64	7.8%
Percent Change	-3.7%	-1.8%	-1.9%	12.9%	15.0%	11.9%
Sacramento Services (Commuter & Midday):						
July 2016 - December 2016	65,546	6,778.82	9.67	\$295,312	\$43.56	58.9%
July 2015 - December 2015	73,978	6,841.04	10.81	\$323,130	\$47.23	65.6%
Percent Change	-11.4%	-0.9%	-10.6%	-8.6%	-7.8%	-10.3%
Foothill Route:						
July 2016 - December 2016	869	494.30	1.76	\$1,019	\$2.06	2.8%
July 2015 - December 2015	1,263	513.39	2.46	\$1,954	\$3.81	5.3%
Percent Change	-31.2%	-3.7%	-28.5%	-47.9%	-45.8%	-47.3%
Live Oak Route:						
July 2016 - December 2016	2,020	447.28	4.52	\$1,930	\$4.31	5.8%
July 2015 - December 2015	1,707	452.40	3.77	\$1,927	\$4.26	5.9%
Percent Change	18.3%	-1.1%	19.7%	0.2%	1.3%	-1.4%
Wheatland Route:						
July 2016 - December 2016	338	240.38	1.41	\$257	\$1.07	1.4%
July 2015 - December 2015	274	190.64	1.44	\$294	\$1.54	2.1%
Percent Change	23.4%	26.1%	-2.2%	-12.6%	-30.7%	-32.5%
Systemwide Summary:						
July 2016 - December 2016	561,963	46,336.08	12.13	\$720,335	\$15.55	21.0%
July 2015 - December 2015	617,858	46,833.87	13.19	\$721,531	\$15.41	21.4%
Percent Change	-9.0%	-1.1%	-8.1%	-0.2%	0.9%	-1.8%

Notes:

1. All financial calculations are estimates pending final fiscal audits.