

Marin County Transit District

Year End FY2014/15 Financial Report

Summary

Steady economic recovery over the past three years combined with significant new service contracts have improved Marin Transit's financial outlook, and helped fund measured service growth. With the changed outlook and fully funded reserves, the District is planning for service changes and expansions in 2016 as outlined in the District's Short Range Transit Plan (SRTP).

Between July 1, 2014 and June 30, 2015 (Fiscal Year 2014/15), the expenditures for the District's Operations and Capital Programs were \$28,387,309 (table 1). Operation costs were within 1% of the prior year and 7.5% below budget. Operation revenues were 2% higher than the prior year and 5% below budget. The District provided 4.3% more fixed route revenue service hours and carried 4 % fewer unlinked passenger trips. Marin Transit was able to increase mobility for seniors and people with disabilities through its Marin Access programs, while paratransit demand continued to grow.

Table 1: Summary

	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Revised Budget	FY 2014/15 Actual
<i>Operations</i>	25,166,464	27,418,715	29,407,195	28,010,487
<i>Capital</i>	3,688,861	2,589,189	5,363,729	2,987,471
Total Revenue	\$28,855,325	\$30,007,904	\$34,770,924	\$30,997,958
<i>Operations</i>	23,619,796	25,523,336	27,431,753	25,399,842
<i>Capital</i>	3,688,861	2,589,189	5,363,729	2,987,467
Total Expenditures	\$27,308,657	\$28,112,528	\$32,795,482	\$28,387,309
Net Change in Fund Balance	\$1,546,667	\$1,895,376	\$1,975,442	\$2,610,649
<i>Emergency Reserve</i>	4,412,111	4,412,111	4,572,081 ¹	4,572,081
<i>Contingency Reserve</i>	2,929,089	4,824,465	6,639,937	7,275,144
Fund Balance (total reserve)	\$ 7,341,200	\$ 9,236,576	\$11,212,018	\$11,847,225

1. Based on two months of FY15 operations budget

District Reserve Balance

Marin Transit's Board-adopted policy designates an Emergency Reserve equivalent to two months of operating expenses and a Contingency Reserve equivalent to an additional two to four months. If, for a prolonged period, the reserve balance exceeds six months of operating expenditures, Marin Transit will consider options such as, but not limited to, expanding transit service or decreasing fares in an effort to provide the optimal level of transit service and benefits to Marin County.

With the close of FY2014/15, the District has a reserve balance equivalent to 5.2 months of operations expenses. The reserve is well funded and within the desired reserve level. The District is preparing for service expansions in Summer 2016, and evaluating other projects that may require expenditure of reserves, including expanding school services and establishing a District-owned maintenance facility. In anticipation of large future capital needs, the District may need to consider creating a separate capital reserve.

Operations

For the purposes of this report, the Operations Budget includes all revenues and expenses not directly related to purchasing or maintaining the capital infrastructure. All Budget adjustments are shown in Attachment A. Operations revenue and expenses were within 2% of the prior year. Operation expenses were slightly below budget. This was primarily due to resolving differences with Golden Gate Transit in interpreting a contract provision. This resulted in lower operation costs under the fixed route contract in both the current and prior years.

The Operations expenditures enabled Marin Transit to successfully deliver the transit services detailed in Table 2.

Table 2: Fiscal Year 2014/15 Transit Services

Service	FY2013/14 Revenue Hours	FY2014/15 Annual Estimated Revenue Hours	FY 2014/15 Actual Revenue Hours	% of Estimate
Local Large Bus Fixed Route	91,483	87,500	88,373	101%
Community Shuttles	35,082	38,648	39,360	102%
Local Supplemental Service	3,782	4,259	4,869	114%
Muir Woods Shuttle	3,841	3,917	3,866	99%
Novato Dial-A-Ride	2,144	2,650	2,029	77%
West Marin Stagecoach Service	12,262	16,424	16,332	99%
Local Paratransit Service	55,692	58,302	58,388	100%
Total Revenue Hours	204,286	211,700	213,218	101%
Service	Actual Trips	Annual Estimate Trips	Actual Trips	% of Estimate
Catch A Ride	12,979	16,320 trips	19,115	117%
Volunteer Driver	15,381	24,160 trips	16,226	67%

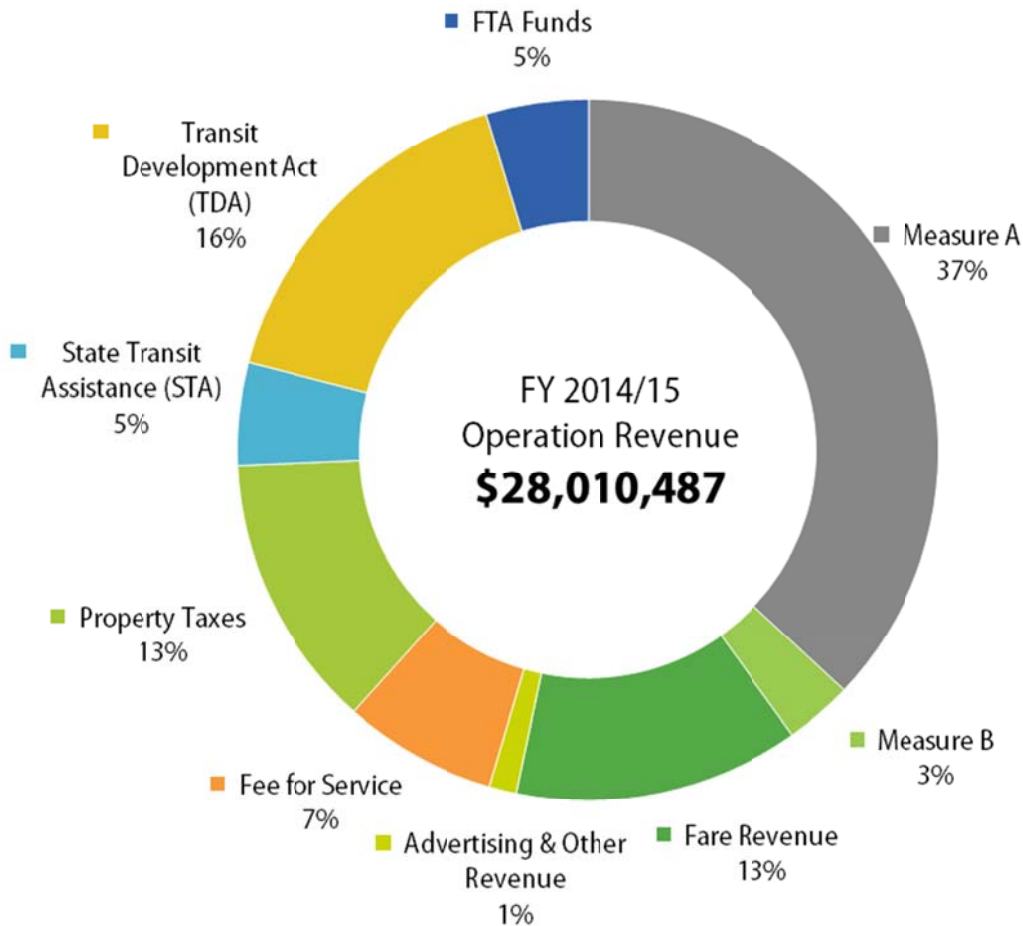
Revenues

Marin Transit operations revenues were \$28,010,487 in FY2014/15, an increase of \$590,000 (2%) over the prior year (Table 2). Increased Transit Development Act (TDA) funding contributed the majority of the increased operations revenue. Marin Transit was able to claim an additional \$526,000 in TDA due increases in the State ¼ cent sale tax receipts in the current year and carry forward of funds from FY2013/14. Property Tax revenue, reimbursement revenue (regional and local paratransit), and Measure B expenditures also increased more than \$100,000 over the prior year.

The District continued to have a diverse set of revenue sources to fund transit operations (Figure 2). Local Sales Tax Measure A was the largest single source of funding, and the District claimed just over \$10 million dollars in Measure A. Actual claims of Measure A funds are on a reimbursement basis and dependent on expenditures. Marin Transit expended all Measure A available in the Substrategy 1.3 for Transit Services for

those with Special Needs. However, overall, Measure A expenditures were \$130,000 less than the prior year due to a decrease in expenditures in Substrategy 1.1 for local fixed route services.

Figure 2: Operations Revenue Sources for FY2014/15



Expenses

Marin Transit’s FY 2014/15 operations expenses of \$25,399,842 (Table 2) were within 1% of FY2013/14 expenses and 7.4% under budget. With these expenditures, the District provided five percent (5%) more revenue hours than the prior year.

Table 2 shows actual FY2013/14 operations revenues and expenses for the year as they compare to the Adopted Budget. All Budget revisions are included in Attachment A. The District was significantly under budget (>\$1 million) in Contract Service Operations due final agreement on the interpretation of the GGBHTD operation contract. Other Expense categories under budget by more than \$100,000 include Staff Salaries and Benefits, Consultant Services, and Fuel. No expense categories were over budget by more the \$5,000.

Marin Transit provides local transit service through purchased transportation contracts. Under this structure, the majority of District operations expenses are for contract service operation (86%) and associated fuel and communication expenses (6%). (Figure 3)

Table 2: Operations FY2014/15 Actuals (Admin, Local, Rural & Marin Access)

	FY2013/14 Actual	FY2014/15 Budget - Revised	FY2014/15 Actual	Percent Budget Used
Revenue				
Fare Revenue	3,751,207	3,840,267	3,669,512	95.55%
Advertising & Other Revenue	344,516	344,984	283,688	82.23%
Reimbursements (GGBHTD, WSW)	1,865,052	1,970,793	1,974,352	100.18%
Interest	5,399	1,800	9,816	545.35%
Measure A	10,429,915	11,814,374	10,299,547	87.17%
Measure B	671,358	897,986	863,617	96.17%
Property Taxes	3,427,936	3,423,216	3,577,395	104.50%
Development Fees	19,898	15,361	33,961	221.08%
State Transit Assistance (STA)	1,360,737	1,162,845	1,310,912	112.73%
Transit Development Act (TDA)	4,015,345	4,478,090	4,542,050	101.42%
Other State	19,753	19,589	19,534	99.71%
FTA Funds	1,375,087	1,230,899	1,297,129	105.38%
National Park Service	159,063	206,991	168,666	81.48%
Transfers to Capital Budget	(26,502)	0	(39,691)	-
Total Revenue	27,418,764	29,407,195	28,010,487	95.25%
Expenses				
Salaries and Benefits	1,535,517	1,757,190	1,410,195	80.25%
Professional Service	370,020	468,903	328,800	70.12%
Professional Service- Legal	99,081	85,000	88,716	104.37%
Security and Maintenance	9,675	15,000	19,183	127.89%
Customer Service	0	121,340	118,760	97.87%
Indirect County Overhead	36,888	36,888	2,009	5.45%
Mobility Management Support Programs	45,377	59,000	73,699	124.91%
Office Supplies	98,970	107,233	86,261	80.44%
General Insurance	25,738	28,840	29,444	102.09%
Contract Service Operation	21,675,359	22,910,222	21,814,329	95.22%
Membership & Prof Development	14,442	27,000	14,671	54.34%
Mileage and Travel	11,613	18,400	13,063	70.99%
Marketing	136,453	228,460	114,661	50.19%
Communication	92,647	121,903	110,284	90.47%
Fuel	1,355,476	1,572,001	1,291,857	82.18%
Misc. Services	21,851	30,000	22,348	74.49%
Office - Rental and Overhead	90,075	95,000	92,236	97.09%
Partner Agency Pass Through	85,000	0	0	-
Transfers to Capital Budget	(180,845)	(250,627)	(230,676)	92.04%
Total Expenses	25,523,337	27,431,753	25,399,842	92.59%
Net Revenue Over Expenditures	1,895,377	1,975,442	2,610,646	132.15%

Figure 3: System wide Operations Expense Categories for FY2014/15

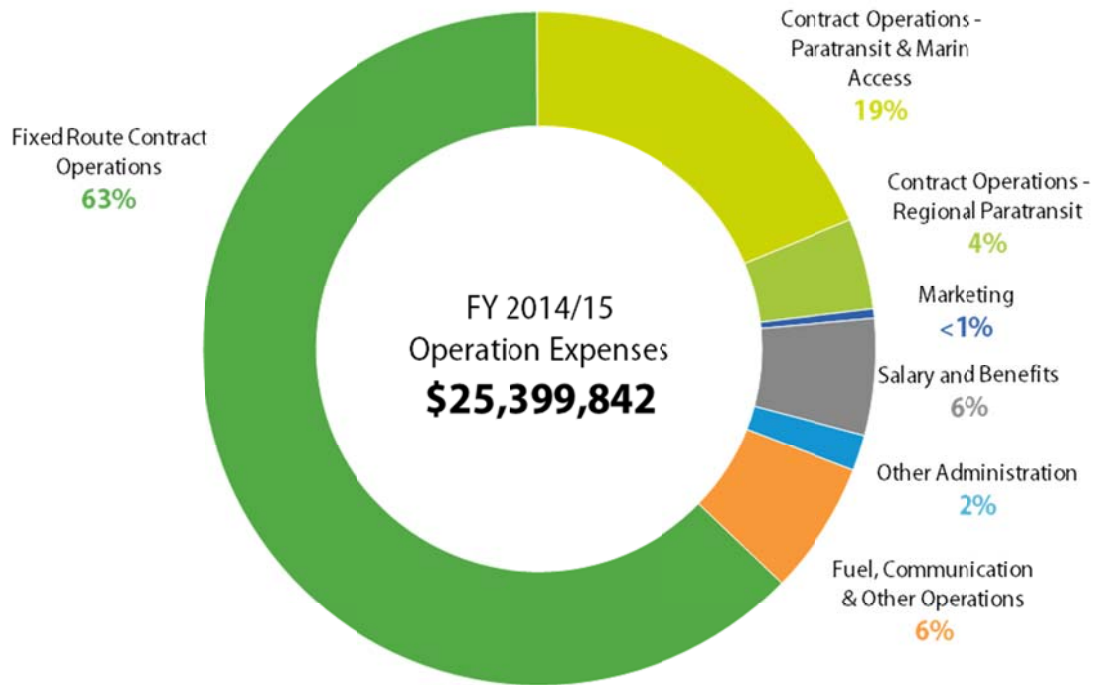
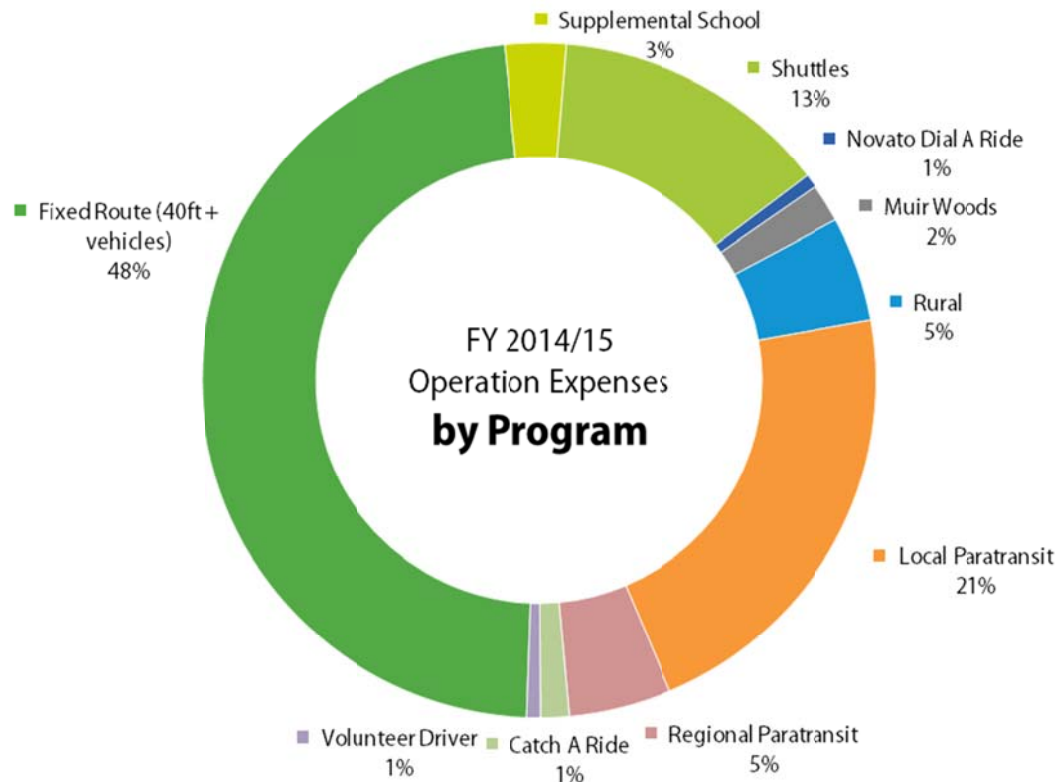


Figure 3: System wide Operations Expense By Program for FY2014/15



Marin Transit accounts for expenses by program area as defined by the Measure A sales tax expenditure sub-strategies. Financial highlights from each program area are summarized below.

Administration

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

Administrative revenue for the District is primarily comprised of Property Tax revenue. For the third year in a row, Property Tax revenue increased significantly at 6% (compared to 5% in FY2014: and 7% FY2013). Overall Administrative revenue increased 5%.

Marin Transit's Administrative expenses declined by \$240,000 in FY2014/15 to \$1,766,084 (Table 3) and these include staff salaries, benefits, and associated office space. This is the second year in a row of declines. The primary cost savings were in staff salaries and benefits and consulting costs. Admin consultant costs were lower as the prior year included one-time consulting costs for the executive recruitment and human resource consulting changes associated with the prior employment model. In addition, more of the District's legal fees were associated directly with programs and not general administration.

Salary and Benefits were lower than budgeted due to multiple vacancies in positions. FY2014/15 expenditures also declined due to savings from a complete year under the District's direct employment model with a defined contribution retirement plan.

The new employment model established a Governmental 401(a) single employer defined contribution pension plan (the Plan) on October 2013. District contributions are based on years of service and are made into individual employee accounts under the Plan. A report of contributions, total balances, and investment returns is provided in Attachment B.

Table 3: Administration FY2014/15 Actuals

		FY 2013/14 Actual	FY2014/15 Budget Original	FY2014/15 Budget Revised	FY2014/15 Actual	Percent Budget Used
Revenue						
4070301	Sale of Surplus Property	0	0	0	245	-
4070400	Interest	5,399	1,800	1,800	9,816	545.33%
4079950	Development Fees	11,309	11,309	11,309	13,583	120.11%
4079954	Residual ABX 126	8,589	4,052	4,052	20,377	502.89%
4080101	PropTax-CurrntSecured	2,949,699	3,044,786	3,044,786	3,126,747	102.69%
4080102	County Fee-Admin Basic Tax	(47,520)	(45,483)	(45,483)	(49,661)	109.19%
4080103	Property Tax-Unitary	28,103	27,166	27,166	29,656	109.17%
4080104	PropTax-CurrntUnSecur	63,394	62,270	62,270	69,581	111.74%
4080105	Educ Rev Augm Fund-Redist	360,255	286,191	286,191	304,033	106.23%
4080106	PropTax-Supp CY SECR	68,410	42,839	42,839	88,406	206.37%
4080107	PropTax-Supp Unsecured	1,565	232	232	1,149	495.26%
4080108	PropTax-Redemption	1,622	2,382	2,382	2,516	105.63%
4080109	Property Tax-Prior Unsecured	2,408	2,833	2,833	4,969	175.40%
4089901	National Park Service	34	0	0	0	-!
4119940	Other State	253	232	232	208	89.66%
Subtotal Revenue		3,453,520	3,440,609	3,440,609	3,621,625	105.26%
4700001	Property Tax Transfer	(1,022,429)	(1,337,624)	(1,337,624)	(994,095)	74.32%
Net Revenue		2,431,091	2,102,985	2,102,985	2,627,530	124.94%
Expense						
5010200	Salaries and Benefits	1,511,091	1,748,190	1,748,190	1,402,125	80.20%
5030301	Consultant Services	182,841	230,163	230,163	61,425	26.69%
5030305	Prof Svcs - Audit	24,960	31,115	31,115	45,058	144.81%
5049901	Office Supplies	6,949	8,000	8,000	6,535	81.69%
5049902	Small Furn/Equip	3,548	6,000	6,000	2,599	43.32%
5049903	Software Maintenance	50,839	55,000	55,000	44,521	80.95%
5049904	Copier Suppl & Srvc	6,381	8,000	8,000	6,854	85.68%
5049905	Postage	1,826	2,500	2,500	1,135	45.40%
5049906	Computers	12,840	10,300	10,300	4,630	44.95%
5050201	Communication - Phone	16,180	22,915	22,915	20,635	90.05%
5060301	Insurance - Gen Liability	25,738	28,840	28,840	29,444	102.09%
5090101	Memberships & Prof Dev.	14,442	27,000	27,000	14,671	54.34%
5090202	Mileage and Travel	11,613	18,400	18,400	13,063	70.99%
5090801	Marketing	7,003	23,766	23,766	19,144	80.55%
5100401	County Fee - Special District	36,888	36,888	36,888	2,009	5.45%
5121200	Office Rental	90,075	95,000	95,000	92,236	97.09%
Subtotal Expense		2,003,214	2,352,077	2,352,077	1,766,084	75.09%
5100100	Salary/Benefit Transfers	(1,126,697)	(1,754,090)	(1,754,090)	(1,306,935)	74.51%
5100101	Transfer Overhead	(340,852)	(470,443)	(470,443)	(442,267)	94.01%
Net Expense		535,665	127,544	127,544	16,882	13.24%

Local Service

The Local Service budget (Table 4) includes all revenues and expenses related to the provision of fixed route service and general purpose dial-a-ride (excluding rural service). After making significant shifts between contractors in the prior year, staff devoted much of the year to renegotiating the local service contract with GGBHTD. As part of the Short Range Transit Plan update in FY2014/15, Marin Transit planned future local transit expansions that will be implemented in Summer 2016. These expansions are possible due to the new contract with GGBHTD effective July 1, 2015.

Local Service revenues are primarily State Transit Assistance (STA), Transit Development Act (TDA), Measure A, and fare revenue. Marin Transit claimed 3% less revenue in the local program due to the decrease in expenses. However, Marin Transit received an increase of \$640,000 (13%) in State Transit Assistance (STA & TDA) funding due to increased state allocations. Fare revenue declined 3% primarily because of a change in fare allocations by GGBHTD that reduced recorded fare revenue for the Routes 35 and 36. Marin Transit staff will continue to monitor fare revenue to ensure this was a onetime adjustment and not a more significant trend.

Marin Transit expended following grant funding for local service in FY 2014/15:

FY2015 Funds	Program	Grant Program	Source
\$216,017	Youth Pass	MTC's Transit Improvement Program (TPI) (2 years of allocations)	Federal STP – transferred to FTA Section 5307
\$81,850	Coordinated Student Transportation Study	Caltrans State Planning Grant	Federal FTA Section 5304
\$13,181	Canal Operations	MTC's Lifeline Cycle 4 – additional funding	State Transit Assistance 2014 funding

In FY2014/15, Marin Transit increased service hours by less than 2% (Figure 4) and shifted the contract operator for 3,000 supplemental school revenue hours from GGBHTD to MV Transportation.

Contract operations expenses decreased 4% (\$571,636) despite contract rates that increase between 2.7% and 3% per year. While the shift of hours between contractors provided a small savings (<\$100,000), the primary cost savings factor was the resolution of an outstanding discrepancy between GGBHTD and Marin Transit over how to calculate revenue hours. In prior years, Marin Transit had recorded GGBHTD contract costs based on estimates. The final resolution led to a \$567,806 reduction in prior year contact operations expenses recorded in FY2014/15. Fully allocated costs by program are shown in Figure 5.

Table 4: Local Service FY2014/15 Actuals

		FY 2013/14 Actual	FY2014/15 Budget Original	FY2014/15 Budget Revised	FY2014/15 Actual	Percent Budget Used
Revenue						
4060301	Advertising Revenue	293,793	323,928	323,928	218,971	67.60%
4070301	Lease of Property	50,723	21,056	21,056	64,472	306.19%
4090101	Fee For Service	13,536	0	0	26,559	-
4092001	Measure A Sales Tax	7,824,594	8,614,531	8,614,531	7,112,752	82.57%
4092003	Measure A Sales tax - Interest	85,000	0	0	0	-
4110101	State Transit Assistance	1,094,956	1,086,276	1,086,276	1,217,391	112.07%
4110102	Transit Development Act (TDA)	4,015,345	4,478,090	4,478,090	4,542,050	101.43%
4110103	State Transit Assistance - Lifeline	185,587	0	0	13,181	-
4139910	Fed-FTA 5307JARC	144,622	0	0	0	-
4139912	Fed-FTA 5307 STP	0	0	0	216,017	-
4139913	Fed-FTA 5307 CMAQ	0	116,728	116,728	0	0.00%
4139931	Fed-FTA 5316 JARC	94,245	0	0	0	-
4139951	National Park Service	131,802	156,329	156,329	120,773	77.26%
4139961	Fed-FTA 5304 State Planning	22,673	90,000	90,000	81,850	90.94%
4140100	Fare Revenue	3,320,148	3,385,628	3,385,628	3,207,233	94.73%
Subtotal Revenue		17,277,024	18,272,566	18,272,566	16,821,249	92.06%
4700001	Property Tax Transfer	3,544	0	0	0	-
4700002	Program Revenue Transfer	96,457	100,000	100,000	99,846	99.85%
Total Revenue		17,377,025	18,372,566	18,372,566	16,921,095	92.10%
Expense						
5010200	Salaries and Benefits	23,470	9,000	9,000	4,936	54.84%
5030301	Consultant Services	166,307	185,000	185,000	233,724	126.34%
5030602	Custodial Service	9,675	15,000	15,000	19,183	127.89%
5040101	Fuel	510,242	564,519	564,519	489,952	86.79%
5050205	Communication-AVL	35,139	43,702	43,702	42,635	97.56%
5050206	Communication-Data	621	10,000	10,000	2,331	23.31%
5080101	Purchased Transportation	15,605,149	16,041,997	16,041,997	15,033,513	93.71%
5090801	Marketing	90,346	92,700	92,700	39,082	42.16%
5100404	Expense Transfer - GGT Wave	85,000	0	0	0	-
5122010	Signs	21,851	30,000	30,000	22,348	74.49%
Subtotal Expense		16,547,800	16,991,918	16,991,918	15,887,704	93.50%
5100100	Salary/Benefit Transfers	627,949	977,161	977,161	772,109	79.02%
5100101	Overhead Transfer	201,275	403,487	403,487	261,282	64.76%
Total Expense		17,377,025	18,372,566	18,372,566	16,921,095	92.10%

Figure 4: Local Revenue Service Hours by Program

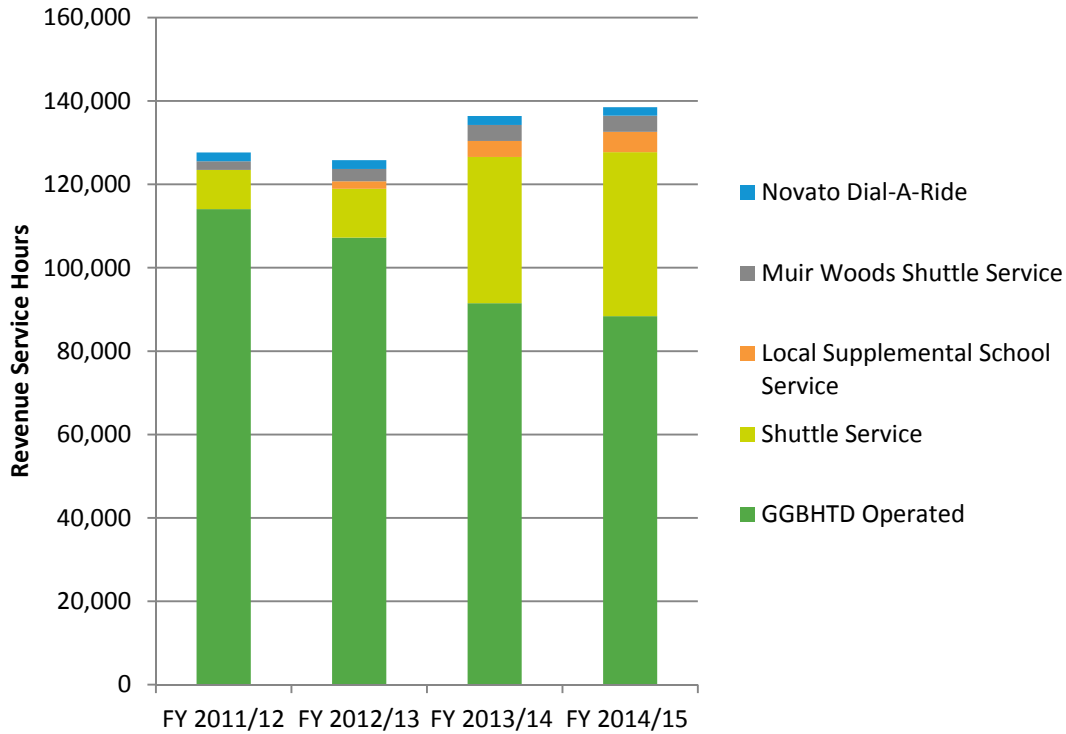
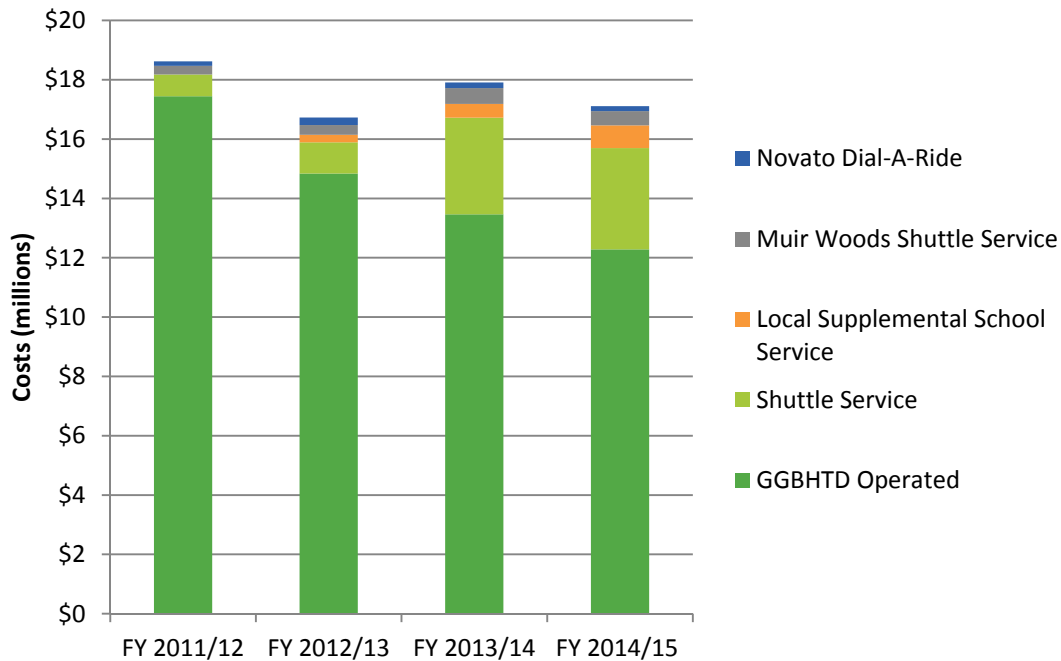


Figure 4: Local Costs by Program¹



¹ Marin Transit started tracking Supplemental School service costs separately in FY2012/13.

Rural Service

Rural Service is operated as the West Marin Stagecoach Service and includes Northern Route 68, Southern Route 61, and limited service to Tomales on Route 65. Table 5 shows the revenues and expenses related to rural service operations.

As part of a strategic initiative, Marin Transit increased rural revenue service hours by 33% at the end of FY2013/14 to respond to demand for additional peak weekend service and to expend Rural Substrategy sales tax reserves over a five-year period. Service expansion was based on recommendations in the District's West Marin Needs Assessment and Short Range Transit Plan (SRTP). Marin Transit primarily expanded service on the Northern Route 68 serving San Rafael-San Anselmo-Pt Reyes. This consisted of more evening service, additional trips, and more consistent schedules. Service costs increased a corresponding 33%. Rural expenditures also included the operation of a Marin Headlands service contracted on behalf of and funded by the National Park Service.

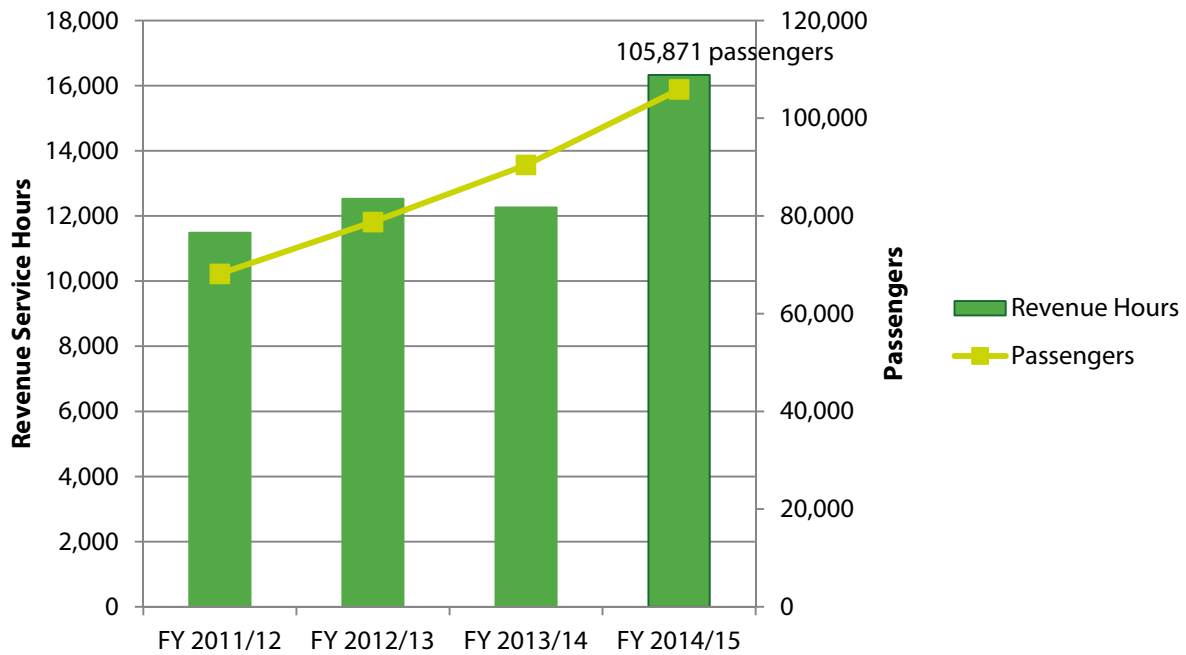
Ridership increased at a slower pace (17% growth) than the expansion of hours (Figure 6). This is expected as new service is established, and staff will monitor the productivity to determine future service levels. Rural fare revenue increased by 18%, and Federal Transit Administration (FTA) Section 5311 funding fell slightly under the regional distribution formula.

Table 5: Rural Service FY2014/15 Actuals

		FY 2013/14 Actual	FY2014/15 Budget Original	FY2014/15 Budget Revised	FY2014/15 Actual	Percent Budget Used
Revenue						
4092001	Measure A Sales Tax	570,757	895,973	895,973	886,505	98.94%
4139920	Fed-FTA 5311 Rural	252,393	246,109	246,109	212,197	86.22%
4139951	National Park Service	27,226	50,662	50,662	47,893	94.53%
4140100	Fare Revenue	108,591	122,897	122,897	128,410	104.49%
Total Revenue		958,968	1,315,641	1,315,641	1,275,005	96.91%
Expense						
5010200	Salaries and Benefits	956	0	0	3,135	-
5030301	Consultant Services	8,138	15,450	15,450	2,906	18.81%
5040101	Fuel	151,398	255,609	255,609	180,232	70.51%
5050205	Communication-AVL	11,689	14,567	14,567	14,212	97.56%
5050206	Communication-Data	0	0	0	831	-
5080101	Purchased Transportation - In Report	638,073	899,337	899,337	890,257	98.99%
5080102	Purchased Transportation-Excluded	0	0	0	2,840	-
5090801	Marketing	23,389	25,000	25,000	31,236	124.94%
Subtotal Expense		833,642	1,209,963	1,209,963	1,125,649	93.03%
5100100	Salary/Benefit Transfers	96,220	81,430	81,430	111,593	137.04%
5100101	Transfer Overhead	29,107	24,247	24,247	37,763	155.74%
Total Expenditures		958,970	1,315,640	1,315,640	1,275,005	96.91%

In prior years, Marin Transit has not claimed the full allocation of Measure A Rural funds. In FY2014/15, Marin Transit increased expenditure of Measure A on rural service by \$315,748, and spent very close to the desired \$200,000 in reserve funds. At the close of the fiscal year, however, the Rural Measure A reserve balance held by TAM remained unchanged at just over one million dollars due to the increased allocation of FY2013/14 Measure A.

Figure 6: Rural Stagecoach Revenue Hours and Passengers



Marin Access (Paratransit and Mobility Management)

The Marin Access FY2014/15 actuals (Table 6) include revenues and expenses for Paratransit Services for both Local and Regional trips (Intra- and Inter-county) and Marin Transit's mobility programs for the County's seniors, people with disabilities and, and low-income residents.

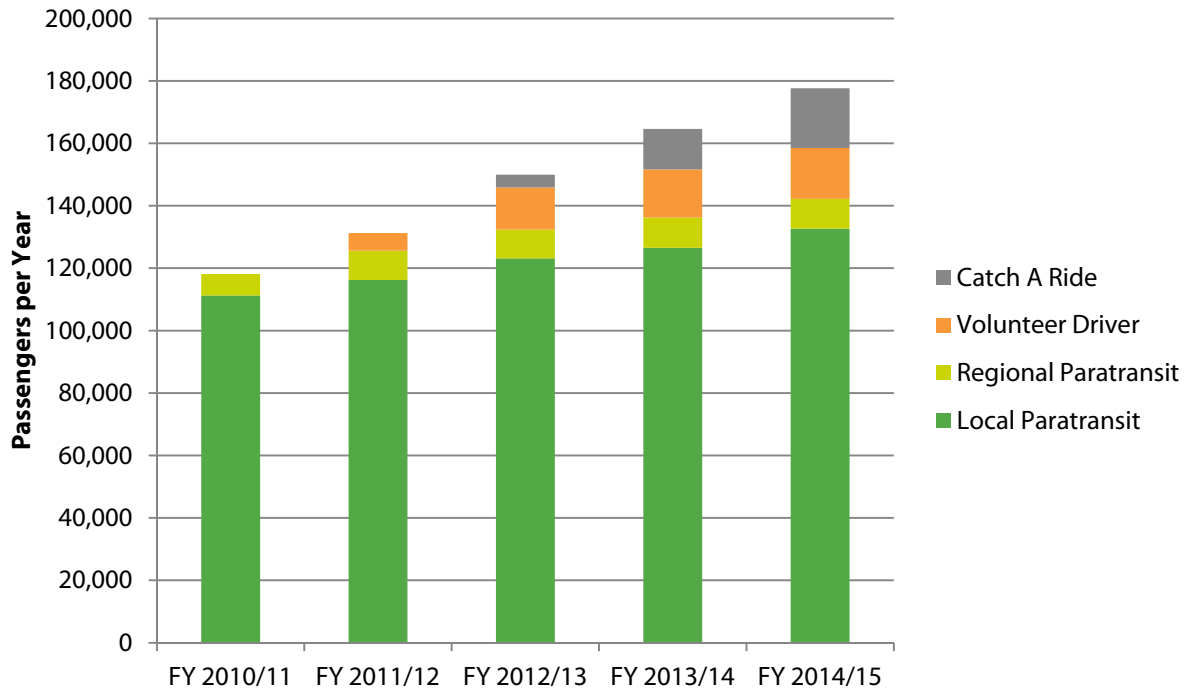
The District continues to provide increased mobility through innovative programs like Catch-A-Ride and volunteer drivers. Ridership in Marin Access programs increased eight percent (8%) in FY2014/15 (Figure 7) and overall Marin Access costs also increased eight percent (8%).

Table 6: Marin Access FY2014/15 Actuals

		FY 2013/14 Actual	FY2014/15 Budget Original	FY2014/15 Budget Revised	FY2014/15 Actual	Percent Budget Used
Revenue						
4090101	Fee For Service	7,114	1,970,793	0	5,357	-
4092001	Measure A Sales Tax	1,949,564	2,303,870	2,303,870	2,303,870	100.00%
4099950	Measure B	671,308	897,986	897,986	863,617	96.17%
4110101	State Transit Assistance	80,194	76,569	76,569	80,340	104.92%
4119910	State Prop Tx Relief HOPTR	19,500	19,357	19,357	19,326	99.84%
4139915	Fed-FTA 5310 Mobility	668,628	512,122	512,122	677,859	132.36%
4139941	Fed-FTA 5317 New Freedom	192,525	265,940	265,940	109,207	41.06%
4140100	Fare Revenue	322,467	331,742	331,742	330,289	99.56%
4601001	Misc.-Reimbursement	1,844,403	0	1,970,793	64,447	3.27%
4601003	GGBHTD – Local Paratransit Payment	0	0	0	725,800	-
4601004	GGBHTD – Regional Paratransit Payment	0	0	0	1,152,188	-
Subtotal Revenue		5,755,703	5,755,703	6,378,379	6,332,301	99.28%
4700001	Property Tax Transfer	992,383	1,337,624	1,337,624	954,404	71.35%
4700002	Program Revenue Transfer	(96,457)	(100,000)	(100,000)	(99,846)	99.85%
Total Revenue		6,651,629	7,616,003	7,616,003	7,186,859	94.37%
Expense						
5030301	Consultant Services	86,855	92,175	92,175	74,402	80.72%
5030320	Customer Service	0	121,340	121,340	118,760	97.87%
5040101	Fuel	693,836	751,873	751,873	621,674	82.68%
5049903	Software	16,587	17,433	17,433	19,987	114.65%
5050203	Communication- Mobile Data Terminal	3,552	3,600	3,600	3,871	107.53%
5050204	Communication-MERA Radio	19,336	19,319	19,319	19,268	99.74%
5050206	Communication-Data	6,130	7,800	7,800	6,500	83.33%
5080101	Purchased Transportation	4,410,557	4,856,550	4,856,550	4,774,784	98.32%
5080102	Purchased Transportation - Regional	1,021,581	1,112,338	1,112,338	1,112,936	100.05%
5090801	Marketing	15,715	86,994	86,994	25,199	28.97%
5098001	Misc-Exp Transit User Training	5,700	9,000	9,000	5,897	65.52%
5098002	Gap Grant	27,005	40,000	40,000	50,158	125.40%
5098003	Low Income Rider Scholarships	12,672	10,000	10,000	17,644	176.44%
Subtotal		6,319,526	7,128,422	7,128,422	6,851,080	96.11%
5100100	Salary/Benefit Transfers	254,992	407,150	407,150	250,881	61.62%
5100101	Transfer Overhead	77,161	80,431	80,431	84,898	105.55%
Total Expense		6,651,679	7,616,003	7,616,003	7,186,859	94.37%

The expanding Catch-a-Ride and Volunteer Driver Program alternatives to paratransit did not significantly slow the growth in high cost paratransit service demand. Local paratransit contract service operation costs increased 7.5%, and ridership and revenue hours increased 5% and 6% respectively. Marin Transit’s new paratransit contract is anticipated to start in January 2016. This contract has significantly lower rates and will enable the District to continue to fund mobility programs without impacting fixed route service levels.

Figure 7: Marin Access Passengers by Program



Measure A Sales tax is the largest single funding source for Marin Access. GGBHTD reimburses all direct costs for providing Regional Paratransit and provides a contribution to local paratransit. Marin Transit receives Measure B funds from the County vehicle license fees to fund special mobility programs and staff. This includes a gap grant program that awards small grants to organizations to fund projects that fill transportation gaps for seniors. An accounting of the Gap Grant awards is provided in Table 9. In addition, Marin Transit funds programs with property tax funds, federal Americans with Disabilities Act (ADA) set aside funding, and grant funding. Marin Transit expended the following grant funds in FY 2014/15:

FY2014/15 Expenditure	Total Grant Award	Program	Source
\$31,770	\$137,835	Senior Guide and Mobility Management	Federal New Freedom (Cycle 4)
\$58,395	\$143,881	Premium ADA (Catch A Ride)	Federal New Freedom (Cycle 4)
\$19,040	\$160,436	Isolated Populations – Traditional Volunteer Driver	Federal New Freedom (Cycle 5)

Table 9: Gap Grant Status

Grant Recipient	Project Description	Award Amount	FY2015 Payments	Grant Remaining
<i>Awarded FY12-13</i>				
Marin Villages	Volunteer Driver Program	\$30,205	\$8,960	CLOSED
<i>Awarded FY13-14</i>				
West Marin Senior Services	Senior Shopping Shuttle	\$20,000	\$9,940	CLOSED
Lifelong Medical Care	Vehicle operating funds	\$20,000	\$19,990	CLOSED
<i>Awarded FY14-15</i>				
West Marin Senior Services	Inverness to Point Reyes Shuttle	\$25,000	\$11,267	\$13,732
City of Sausalito	Point to Point Connections	\$15,000	-	\$15,000

Capital

Marin Transit's Capital Program includes all expenses related to purchasing and maintaining the transit system capital assets (Table 9). These include vehicle purchases, vehicle leasing, bus stop improvements, technology projects, and communication systems. The District leverages Measure A sales tax revenue and received \$1.3 million in State and Federal funds for Capital projects that accounted for 53% of capital revenues.

The major difference between the capital budget and actual expenses is that the District budgeted full funding for the seven 40ft vehicle replacements in FY2013/14. These funds will not be expended until the vehicle delivery anticipated in Winter 2015. A separate Capital Report is included at Attachment C.

Table 8 summarizes the status of major capital projects. Staff completed the construction of 12 bus stop improvements, purchased eleven vehicle, and worked on the procurement of an additional 34 vehicles. Staff worked with MTC to complete the installation of Clipper on all Marin Transit fixed route vehicles, maintained Marin Transit only bus stops, maintained bus stop flags and eye level signage, and expanded the Automatic Vehicle Location (AVL) system.

Table 8: Status Update for Major Capital Projects

Project	Status as of June 30, 2015
Vehicles	
Seven hybrid 30ft Vehicles	Vehicles will be built in Hayward in November and January.
Four hybrid 40ft Vehicles	
Replace Three Paratransit Vehicles	Vehicles are in service.
Replace Thirteen Paratransit Vehicles	Eight of Thirteen vehicles are in service
Replace Nine Paratransit Vehicles	Vehicles are ordered and will be delivered by September 2015
Purchase Six Paratransit Vehicles	Vehicles are ordered and will be delivered by September 2015
Replace Three Stagecoach Vehicles	Vehicles are ordered and will be delivered in fall 2015
Facilities & Stops	
Bus Stop Improvements – State of Good Repair	Improvements are complete at 12 locations throughout the County. Additional funding is available for a final phase of improvements.
Downtown Novato Bus Stop Improvement	Design work in progress.
Technology Projects	
Scheduling Software	Fixed route scheduling software purchased and installed
Technology Backbone	Implemented a hosted paratransit scheduling system
Clipper Fare Payment	Project is complete, and Clipper is available on all fixed route services.
Other	
Golden Gate Transit Capital costs	Paid local share for bus related capital including buses, SRTC safety and security, admin building improvements, and bus equipment

Table 9: Capital FY2014/15 Actuals

		Total Project	FY 2014/15 Revised Budget	FY2014/15 Actual	Future Years	Measure A / Local Funding	State Funding	Federal Funding
LV	Replace Seven 40ft Hybrid Vehicles	5,073,675	200,000	4,201	4,813,000	0%	19%	81%
LX	Replace 4 30ft Hybrid Vehicles	2,832,000	50,000	5,038	2,722,000	19%	0%	81%
PV	Replace Three Paratransit Vehicles	244,872	244,872	231,016	0	20%	0%	80%
PZ	Replace Thirteen Paratransit Vehicles	1,114,173	1,114,173	972,895	0	20%	0%	80%
PR	Replace Nine Paratransit Vehicles	870,000	0	0	870,000	0%	18%	82%
PE	Purchase Six Paratransit Vehicles	580,000	0	0	580,000	7%	93%	0%
SV	Replace Three Stage Coach Vehicles	668,870	0	0	668,870	0%	25%	75%
MW	Lease Muir Woods Vehicles	24,000	24,000	0	0	100%	0%	0%
	Subtotal Vehicles	11,407,590	1,633,045	1,213,150	7,535,000	9%	11%	80%
BI	Bus Stop Improvements SGR	2,000,000	1,392,395	759,553	0	0%	20%	80%
NH	Downtown Novato Hub - Design	475,727	237,681	170,575	0	100%	0%	0%
BW	Muir Woods Infrastructure Improvements	638,000	583,153	13,499	0	0%	0%	100%
SN	South Novato Bus Stop Improvements	998,676	0	58,463	0	0%	100%	0%
	Subtotal Bus Stop Improvements	4,112,403	2,105,548	1,002,090	0	12%	13%	74%
AV	Automated Vehicle Location Equip.	40,000	40,000	35,301	0	100%	0%	0%
FB	Fareboxes	30,000	30,000	3,324	0	100%	0%	0%
TB	Mobility Management Tech.y Backbone	375,000	360,000	4,401	0	20%	0%	80%
MD	Mobile Data Terminals	11,004	11,004	11,137	0	100%	0%	0%
ME	MERA (County Radio System)	26,000	26,000	25,038	0	100%	0%	0%
TC	Clipper (Stage and Shuttles)	137,000	147,000	128,706	0	100%	0%	0%
	Subtotal Technology Projects	619,004	614,004	207,907	0	52%	0%	48%
GG	Golden Gate Capital Costs	413,007	413,007	330,949	NA	100%	0%	0%
BM	Bus Stop Maintenance	100,000	100,000	22,855	NA	100%	0%	0%
VR	Major Vehicle Repairs	100,000	100,000	69,241	NA	100%	0%	0%
IF	Infrastructure Support	288,948	288,948	134,719	NA	100%	0%	0%

	Total Project	FY 2014/15 Revised Budget	FY2014/15 Actual	Future Years	Measure A / Local Funding	State Funding	Federal Funding
<i>Subtotal Ongoing Capital Expenses</i>	901,955	901,955	564,319	0	100%	0%	0%
Total Expenditures	13,636,877	5,156,048	2,987,466	7,535,000	26%	12%	59%

Attachment A: FY2014/15 Budget Amendments

Document Number	Board Authorization	Description	Function	Program	Project	GL	Original	Change	Final
FY15-01	N/A	Move Marin Access revenue budget "Fee for Service" to "Misc Reimbursement", based on auditor re-classification of revenue in FY14.	Operating	Marin Access	NA	4090101 Fee for Service	\$1,970,793	-\$1,970,793	0
			Operating	Marin Access	NA	4601001 Misc Reimbursement	0	+\$1,970,793	\$1,970,793
FY15-02	11/17/14	Increase capital project budget for Downtown Novato Bus Stop Improvement	Capital	CPT	NH	5230104 Facility and Stops	130,000	+\$107,681	\$237,681
						4092002 Measure A	\$130,000	+107,681	\$237,681
FY15-03*	NA	Roll forward of FY14 budget for Clipper implementation	Capital	CPT	TC	5230102 Fare Revenue Collection	\$47,000	+\$100,000	\$147,000
						4092002 Measure A	\$47,000	+\$100,000	\$147,000
FY15-03	03/16/2015	Create Capital Project and Total Project Costs (future years)	Capital	CPT	PR	Replace Nine Paratransit Vehicles	0	\$870,000	\$870,000
			Capital	CPT	PE	Purchase Six Paratransit Vehicles	0	\$580,000	\$580,000
FY15-04	03/16/2015	Create Capital Project and Total Project Costs (future years)	Capital	CPT	SV	Purchase Three Stage Vehicles	0	\$668,879	\$668,879
FY15-05**	03/16/2015	Increase Rural budget for Purchased Transportation for National Park's Headland's shuttle	Operating	EXC	NP	5080102 Purchased Transportation – Separate Report	0	+\$42,500	\$42,500
			Operating	EXC	NP	4139951–Fed National Park Revenue	0	+\$42,500	\$42,500

Attachment B: Annual Report of Marin Transit's Defined Contribution Retirement Account 401(a)

The Marin County Transit District established a Governmental 401(a) single employer defined contribution pension plan (the Plan) in October 2013. The plan is available to all of its employees who have attained twenty-one years of age and have more than 1,000 hours of service. Based on years of service, the District is required to contribute 10% to 15% of each employee's compensation into an individual employee account under the Plan. The following statement of balances is intended to provide a reporting of contributions and allow for review of plan effectiveness.

Investment Balances

	July 1, 2013- June 30, 2014	July1, 2014 – June 30, 2015
Starting Balance	\$50,652	\$127,748
Contributions¹	\$70,100	\$133,364
Earnings	\$6,995	\$2,682
Ending Balance	\$127,748	\$263,794
Estimated Average Annual Rate of Return²	10.8%	1%
Total Participants	11	12
Active Participants	11	11

¹ Through 6/15/2014 payroll (Cash basis)

² Calculated based on an average of the quarterly returns on invested assets