



MARIN COUNTY TRANSIT DISTRICT BOARD OF DIRECTORS

Join on Zoom: <https://www.zoom.us/j/87972683373>

Webinar ID: 879 7268 3373

Monday, March 15, 2021

Until further notice the Marin County Transit District meetings will not be providing an in-person meeting location for the public to attend. Members of the Board of Directors and staff may participate in this meeting electronically or via teleconference. Members of the public are encouraged to participate remotely as described below.

How to watch the meeting:

Zoom: To join Webinar visit <https://www.zoom.us/j/87972683373>

Webinar ID: 879 7268 3373

Teleconference: Members of the public wishing to participate via teleconference, can do so by dialing in to the following number at **11:00 A.M.**

March 15, 2021: +1 669 900 6833; Access Code: 879 7268 3373.

How to provide comment on agenda items:

- To provide written public comment prior to or during the meeting, please email info@marintransit.org (if intended to be read aloud as public comment, please state "Public Comment" in subject line). Please email your comments no later than **10:30 A.M. Monday, March 15, 2021** to facilitate timely distribution to the Board of Directors. Please include the agenda item number you are addressing and include your name and address. Your comments will be forwarded to the Board of Directors and will be placed into the public record.
- During the meeting (only): Use the comment form available at <https://www.marintransit.org/meetings> to submit your meeting-related comments on this agenda. Your comments will become part of the public record.
- During the meeting (only): Ensure that you are in a quiet environment with no background noise (traffic, children, pets, etc.) To raise your hand on Zoom press ***9** and wait to be called upon by the President or the Clerk to speak. You will be notified that your device has been unmuted when it is your turn to speak. You will be warned prior to your allotted time being over. Your comments will also become part of the public record.



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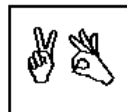
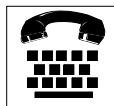
AGENDA

Monday, March 15, 2021

11:00 a.m. Convene as the Marin County Transit District Board of Directors

1. Open Time for Public Expression (limited to three minutes per speaker on items not on the Transit District's agenda)
2. Workshop: Planning for Transit Service in the Near Term
Recommended Action: Discussion only.

Adjourn



All Marin Transit public meetings are conducted in accessible locations. Copies of documents are available in accessible formats upon request. If you require Translation Assistance, American Sign Language Interpreters, Assistive Listening Devices or other accommodations to participate in this meeting, you may request them by calling (415) 226-0855 (voice) or contact the California Relay Service by dialing 711 to connect to the telephone listed above. **Requests must be received no less than five working days prior to the meeting to help ensure availability.** For additional information, visit our website at <http://www.marintransit.org>

Late agenda material can be inspected in the office of Marin Transit, between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. The office is located at 711 Grand Avenue, Suite 110, San Rafael, CA 94901.

In case of Zoom outage dial 515-604-9094. Meeting ID: 142-334-233

Todas las reuniones públicas de Marin Transit se llevan a cabo en lugares accesibles. Están disponibles copias de los documentos en formatos accesibles, a solicitud. Si usted requiere ayuda con la traducción, intérpretes de Lenguaje Americano de Señas, dispositivos de ayuda auditiva, u otras adaptaciones para participar en esta reunión,

puede solicitarlas llamando al (415) 226-0855 (voz) o comunicarse con el Servicio California Relay marcando al 711 para conectarse al número de teléfono mencionado.

Las solicitudes deben recibirse a más tardar cinco días laborables antes de la reunión para ayudar a asegurar la disponibilidad. Para obtener información adicional, visite nuestro sitio web en <http://www.marintransit.org>

Material de agenda de última hora puede ser inspeccionado en la oficina de Marin Transit, entre las horas de 8:00 am y 5:00 pm. La oficina está ubicada en 711 Grand Avenue, Suite 110, San Rafael, CA 94901.

En caso de interrupción de Zoom, marque al 515-604-9094. ID de Reunión 142-334-233

711 grand ave, #110
san rafael, ca 94901

ph: 415.226.0855
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marintransit.org

March 15, 2021

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

SUBJECT: Planning for Transit Service in the Near Term

Dear Board Members:

board of directors

kate colin
president
city of san rafael

judy arnold
vice president
supervisor district 5

stephanie moulton-peters
2nd vice president
supervisor district 3

damon connolly
director
supervisor district 1

eric lucan
director
city of novato

katie rice
director
supervisor district 2

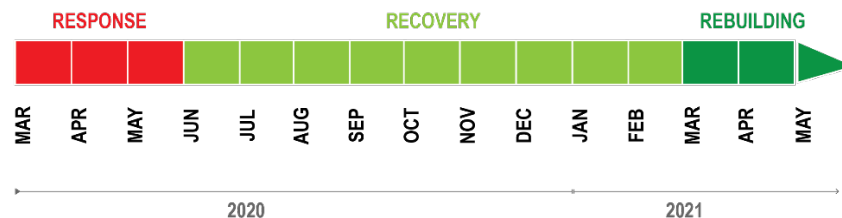
dennisrodoni
director
supervisor district 4

brian colbert
alternate
town of san anselmo

RECOMMENDATION: This is a discussion item.

SUMMARY: The COVID 19 pandemic has challenged transit agencies to provide service under unprecedented conditions. Shelter-in-place orders initiated in March 2020 have drastically reduced ridership. Economic conditions and ridership losses due to the pandemic have reduced transit revenues. Marin Transit has quickly responded to these changing conditions over the past year but many uncertainties about the future remain.

Recovery from the pandemic has been slow and taken much longer than originally anticipated. Staff developed the chart below last summer after nearly six months of pandemic conditions. While the Response phase is accurately represented, the Recovery phase continues today and will likely continue into the upcoming fiscal year.



The purpose of the Board Workshop is to discuss two key aspects of future service plans: ridership and revenues. We will focus primarily on the coming fiscal year, FY 2021/22. This discussion will inform Marin Transit's annual budget preparation process and provide direction for service planning for the year. To frame the discussion, staff will present recent ridership and revenue trends and outline potential assumptions to plan for next year. A brief summary of these topics is provided below.

Ridership

Marin Transit is currently experiencing a 55 percent decline in systemwide ridership compared to last year. Fixed route ridership dropped significantly early in the pandemic and rose steadily as riders returned to work in essential services and made essential trips. Ridership on paratransit and demand response services has suffered the greatest losses and remains low at just 25 percent of ridership last year.

Marin Transit has continued to provide transit service to those who need it most during this pandemic. Due to physical distancing requirements, the number of passengers on transit vehicles is limited to approximately 25 percent of the vehicle's normal seated capacity. Passengers waiting for a bus are passed-up if the bus reaches its capacity limit of about nine passengers per bus. Marin Transit added supplemental back-up bus service or regular service multiple times over the past year to avoid passing up waiting passengers on our most heavily travelled routes. Service levels in our highest ridership areas now operate as frequently as every five minutes. The supplemental service has reduced pass-ups and helped ensure that riders can reliably catch a bus without significant delays. Supplemental back-up bus services have addressed ridership demand during the pandemic, but they have also stretched our resources to their limits. The ability to increase bus capacities as the County recovers will be a critical factor in planning for transit service in the near term.

Marin Transit suspended Supplemental School services, Yellow Bus, and the Muir Woods Shuttle at the onset of the pandemic. These services accounted for approximately 25 percent of our ridership in past years. We recently reinstituted certain Supplemental School routes as some high schools returned to in-classroom learning in February and March. We are discussing the potential for resuming Muir Woods shuttle service with the National Parks Service. Assumptions about the future of these transit services will be significant as we plan for next year.

Revenues

Marin Transit entered this period of extraordinary disruption and uncertainty in a strong financial position. Recent years of strong economic growth enabled the District to fully fund the District's emergency and contingency reserves. Marin Transit continues to maintain a capital reserve for anticipated facility and fleet needs.

Sales tax based revenues account for approximately 60 percent of Marin Transit's operating revenue. Transportation Authority of Marin and Metropolitan Transportation Commission initially forecasted severe declines in these revenues. Sales tax based revenues have not declined as precipitously as expected and revised projections are more optimistic, albeit still less than projected prior to the pandemic. Assumptions about these revenues will be significant as we plan for services next year.

Marin Transit initially expected ridership and related fare revenue to return to close to the same levels as the prior year at some point during this fiscal year. Ridership has slowly increasing though it will not achieve nearly the levels experienced pre-COVID. Although fare revenue represents eleven percent of our annual operating revenue, it is an important aspect of our overall revenue and the only source that the District controls. Staff projects fares for the current year to be 65 percent or \$2.68 million lower than the pre-pandemic level. This loss is more than the entire rural transit budget. The District implemented a new fare structure on July 1, 2020 that provided opportunities for fare savings to riders, and staff predicted it would slightly reduce overall fare revenue. Due to the pandemic, we cannot fully assess the impact of the fare change

at this time. Fare revenue assumptions and any further change to fare policy will be an important factor in determining Marin Transit's financial capacity.

The Federal CARES Act provided needed financial relief to transit agencies during the pandemic. Recently enacted CRRSAA recognizes the depth of the pandemic impacts and provides additional transit funding. Marin Transit received \$10.1 million in CARES Act funding and may receive up to \$3.6 million in CRRSAA funding. These funds have offset sales tax based revenue losses, fare losses, and increased costs due to COVID cleaning and service requirements. However, these are one-time revenues and Marin Transit cannot depend on further federal supplements such as these.

Key Assumptions

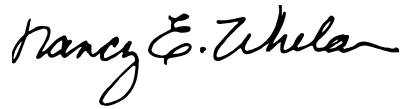
Staff and your Board are required to make numerous assumptions to prepare the annual budget and service plan. In these uncertain times, predicting the future is particularly difficult. At the Board workshop, staff will present information on the key factors and assumptions that need to be considered for the District's future plans. Key assumptions for your consideration include:

- Ridership and Service Levels
 - Fixed Route ridership will rebound to an estimated 70 percent of pre-pandemic levels.
 - Demand Response ridership will rebound to an estimated 60 percent of pre-pandemic levels.
 - Vehicle capacities will increase as the County advances through the State's tiers.
 - 50 percent capacity by June 2021 (~20 passengers per bus)
 - Backup services will no longer be needed once capacities are increased.
 - Fixed Route service levels will be maintained or reallocated as needed.
 - Supplemental School resources will be maximized in the fall, service to schools will be dependent upon vehicle capacity limits in August 2021.
 - A limited number of hours will be allocated to Muir Woods to provide for a restoration of service as soon as June 2021.
- Financial Projections
 - State Transportation Development Act and Measure AA sales revenues are based on projections from Transportation Authority of Marin and will be updated in spring. Current projections may be too conservative with declines for three years and then 3.4 percent growth.
 - State Transit Assistance (Diesel Tax) – FY 2021/22 projections are funded Metropolitan Transportation Commission (MTC), and future years are projected with 1.5 percent growth.
 - Inflation for general expenses is assumed to be 3.0 percent per year.
 - County revenue splits with Golden Gate Bridge Highway and Transportation District (GGBHTD) and Sonoma Marin Area Rail Transit (SMART) based on service levels are assumed to be stable.
 - Fare revenues are tied to ridership assumptions.
 - Purchased transportation costs are assumed to increase 8-10 percent at contract re-bids and follow annual price increases between seven-year bid periods.

Attached is a presentation intended to provide a basis for your Board's discussion.

FISCAL/STAFFING IMPACT: None associated with this report.

Respectfully submitted,

A handwritten signature in black ink, reading "Nancy E. Whelan". The signature is written in a cursive style with a large, stylized 'N' and 'W'.

Nancy Whelan
General Manager

Attachments



Marin Transit Board Workshop

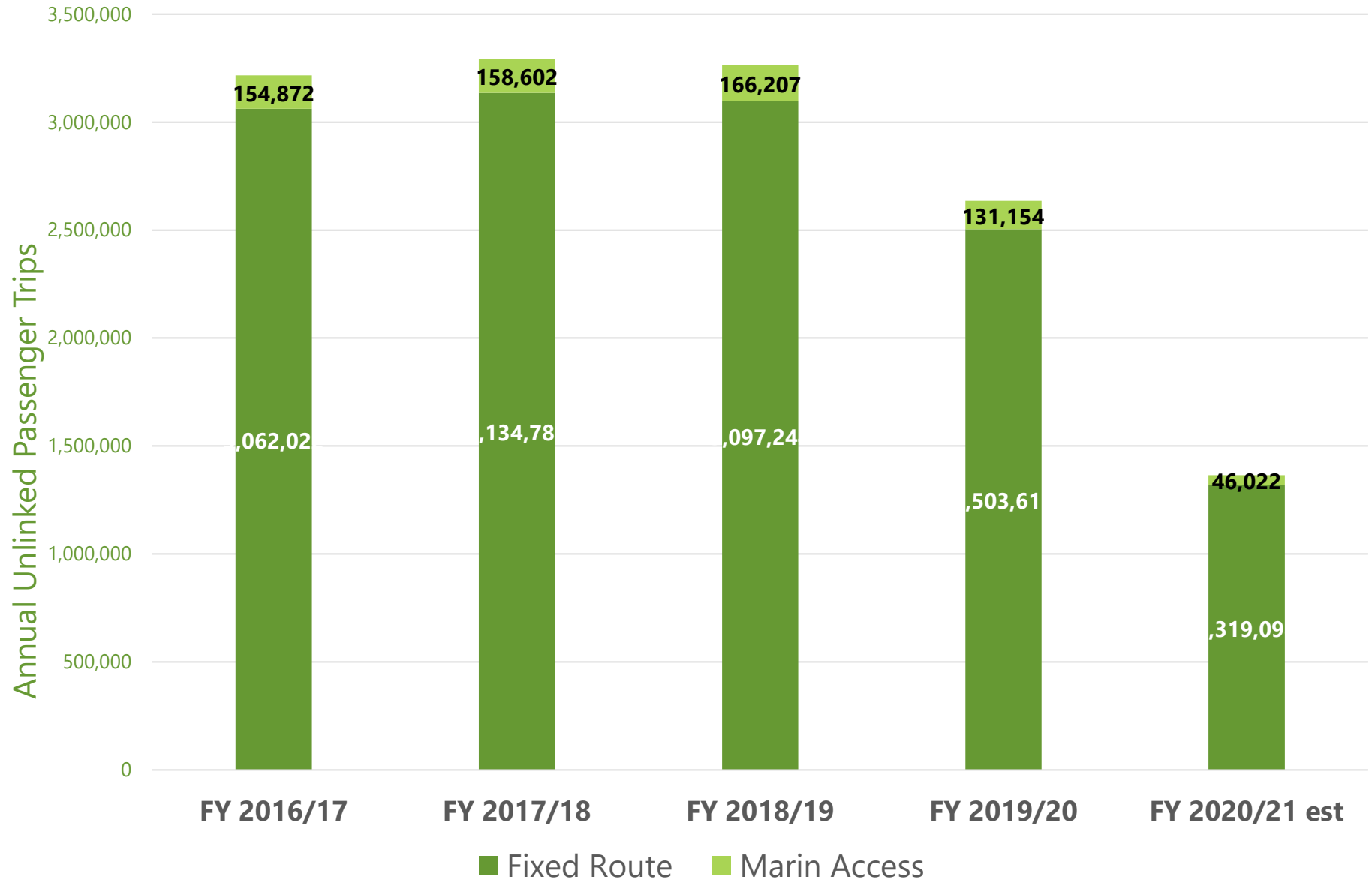
Planning for Transit's Near-Term Future

Marin Transit Board of Directors

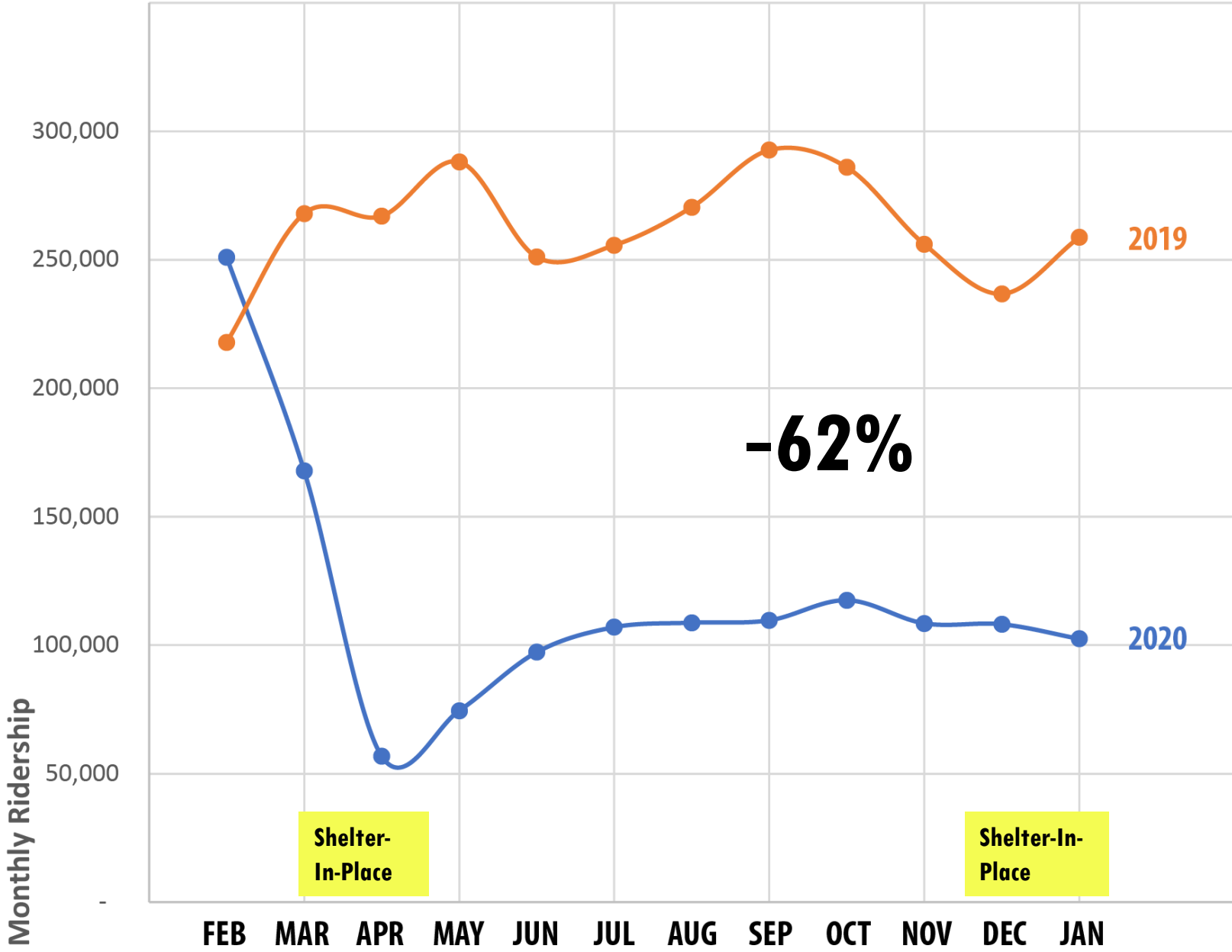
March 15, 2021

Ridership Impacts and Outlook

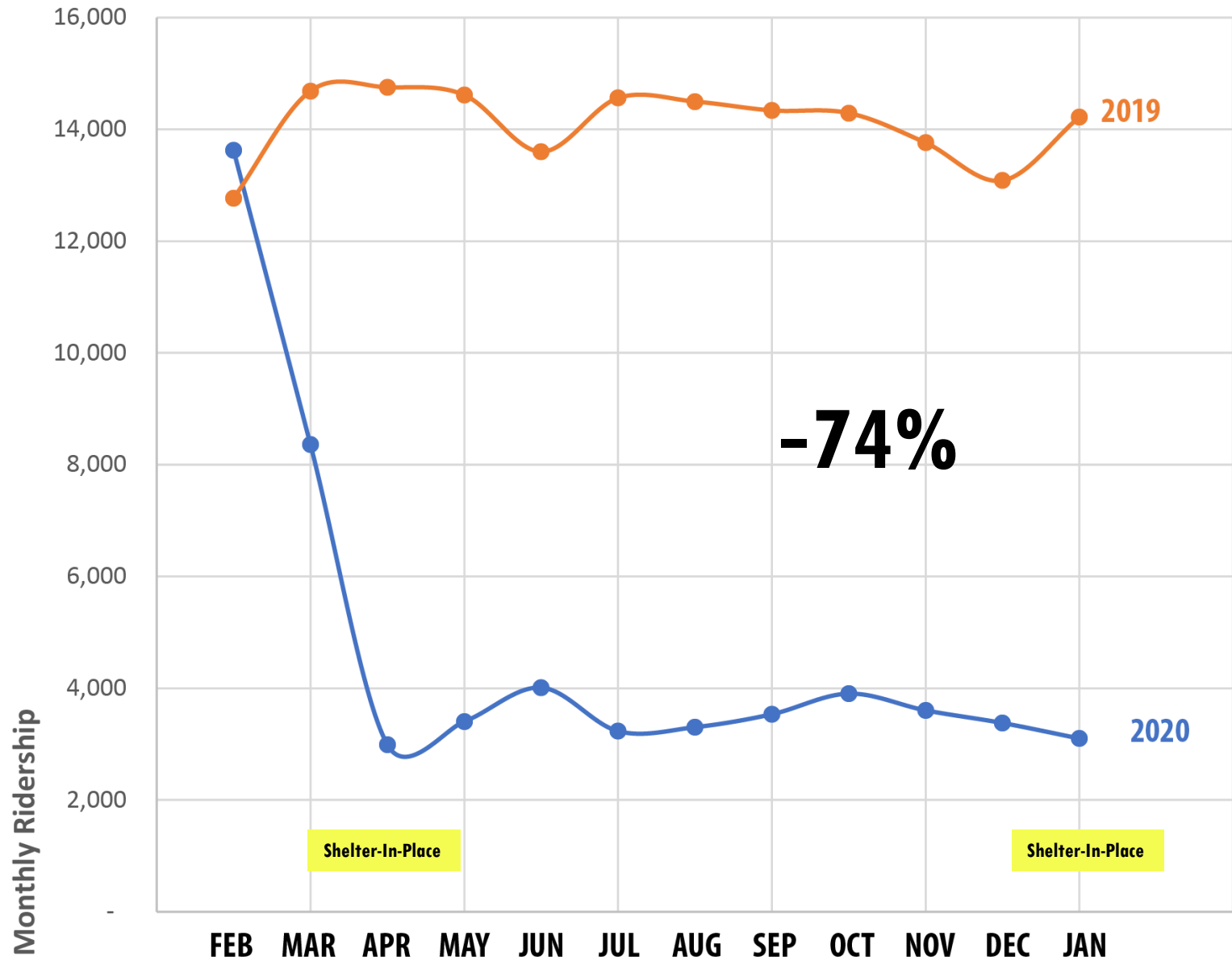
Ridership Trends



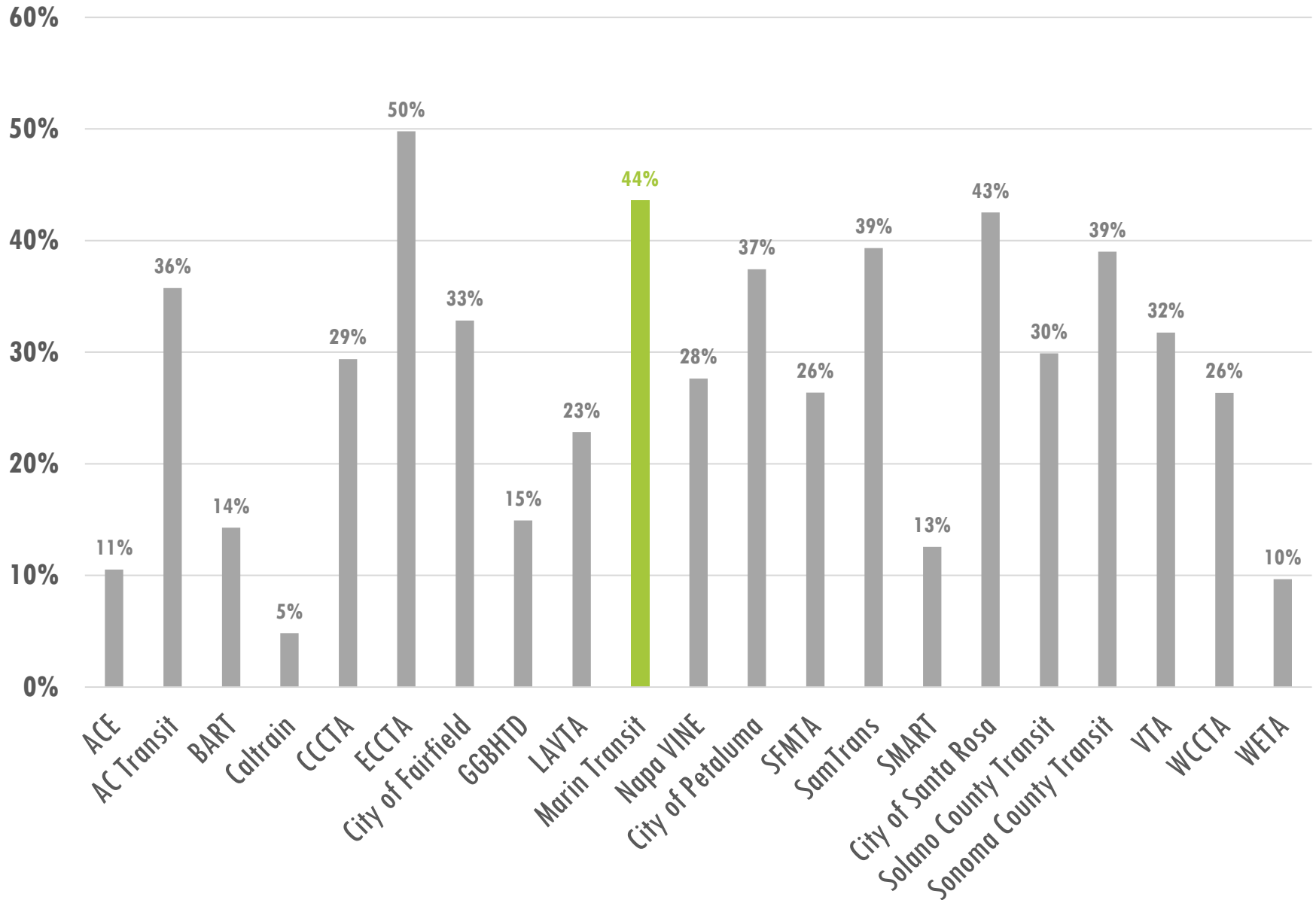
Monthly Comparisons (Pre vs. Post COVID) — Fixed Route



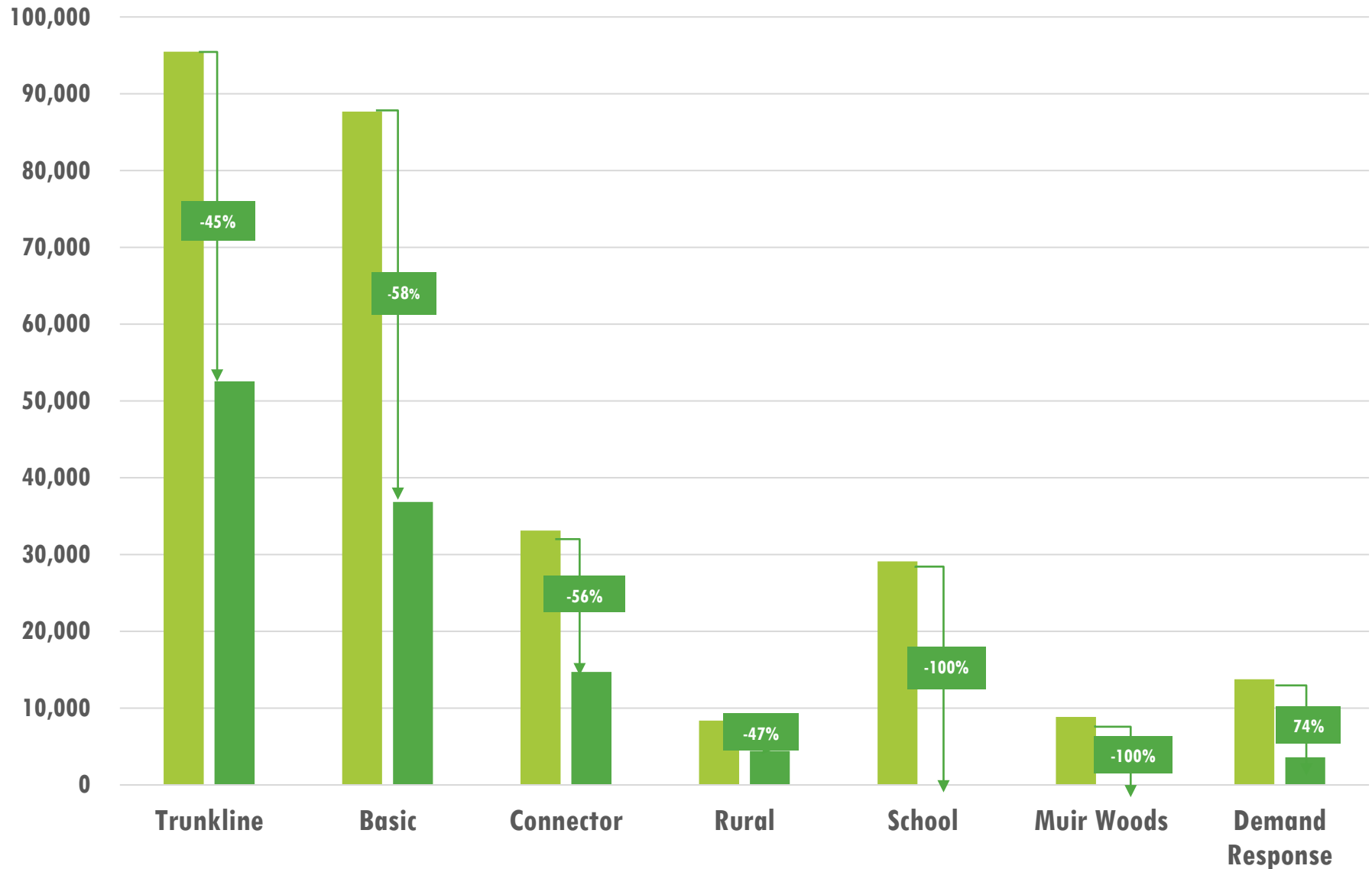
Monthly Comparisons (Pre vs Post COVID) - Demand Response



Overall Ridership - % Pre-COVID (Nov Data)



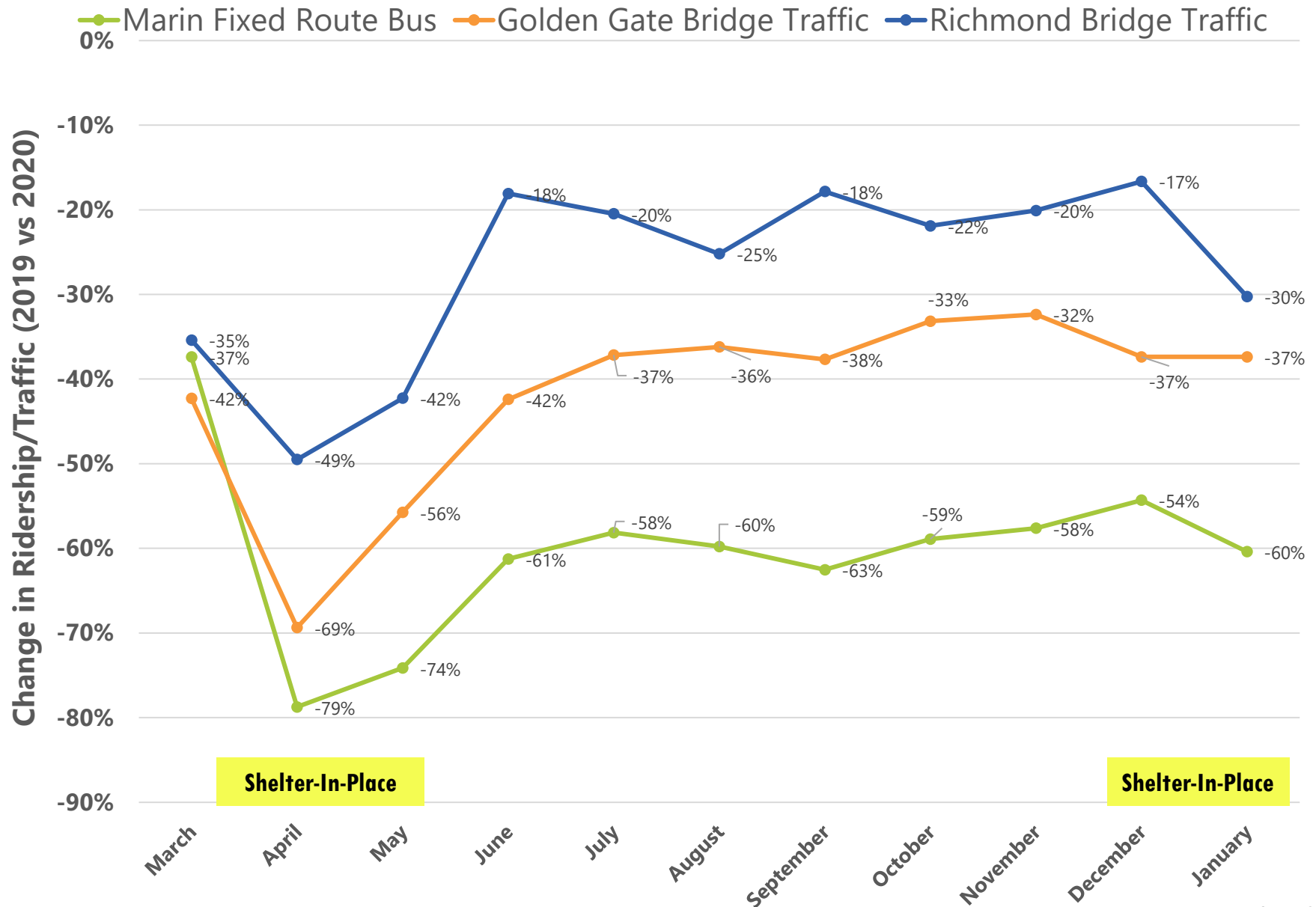
Ridership Losses by Program



Based on November 2019 vs November 2020 data

Item 2

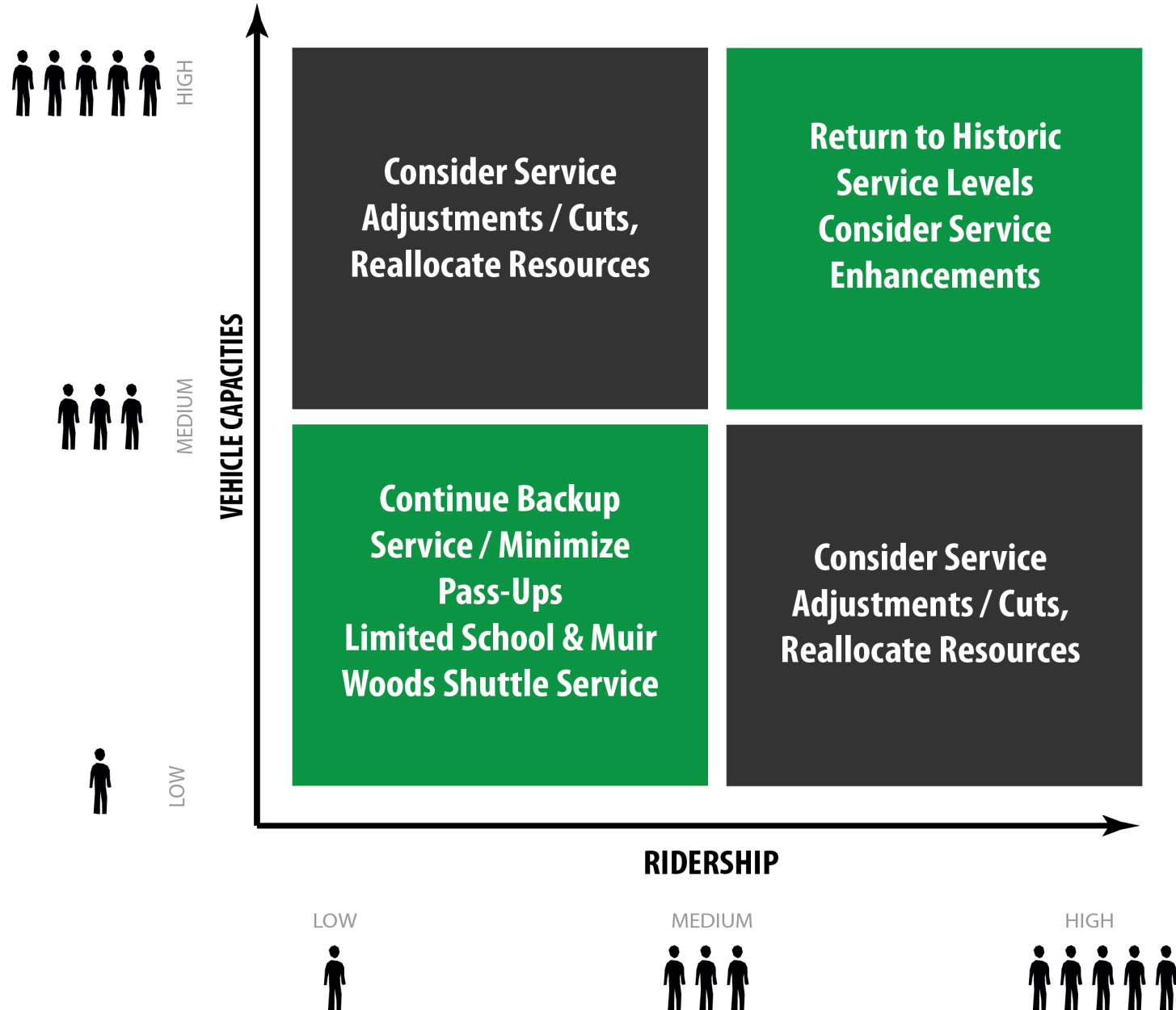
Change in Traffic and Ridership (2020 vs 2019)



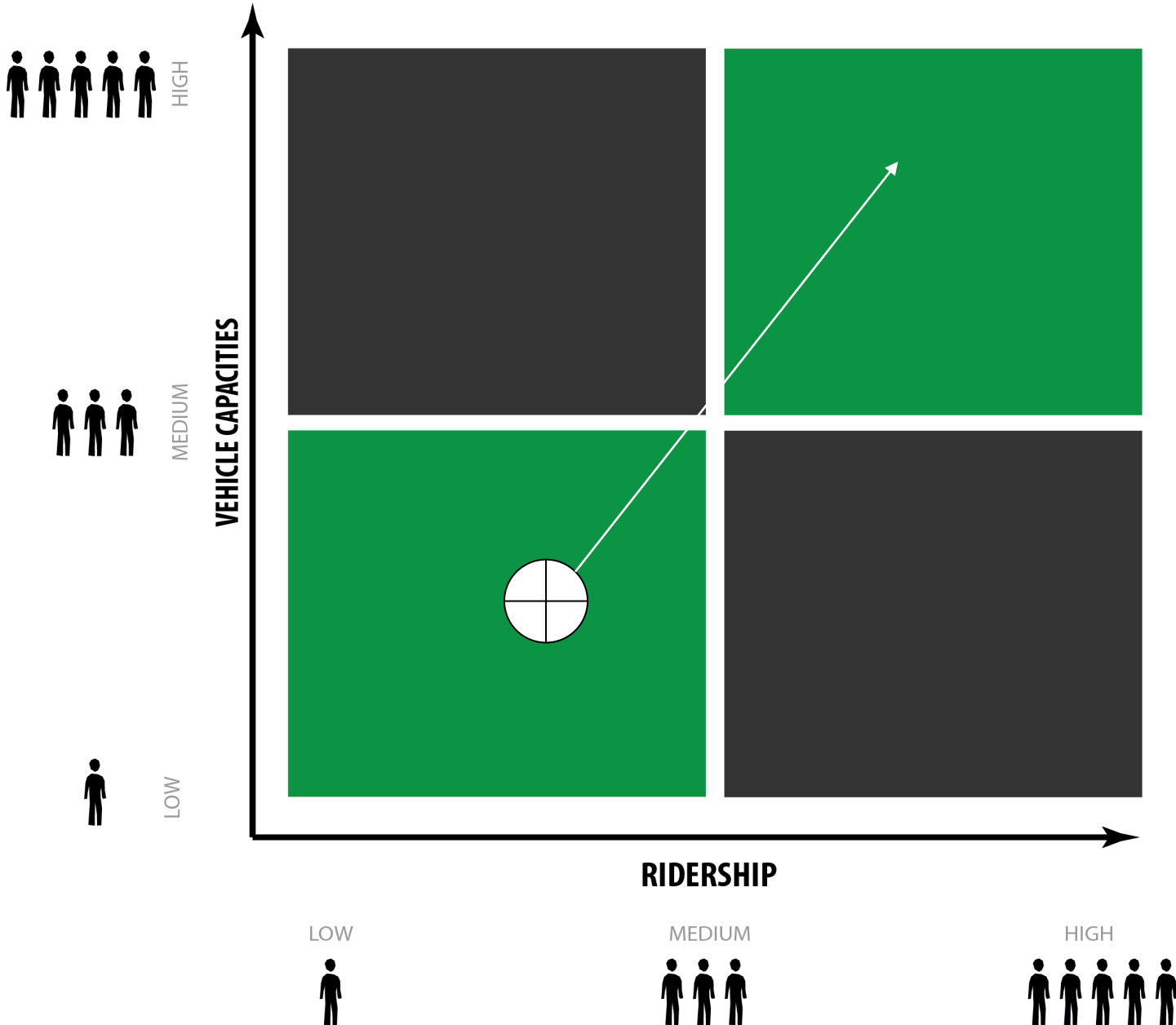
Factors that will impact a return to transit and future ridership

- Vaccination Rollout
- Reopening of schools
- Reopening of Adult day programs
- Return to work + new commute patterns
- Work from home impacts
- Roadway congestion

Ridership Assumptions



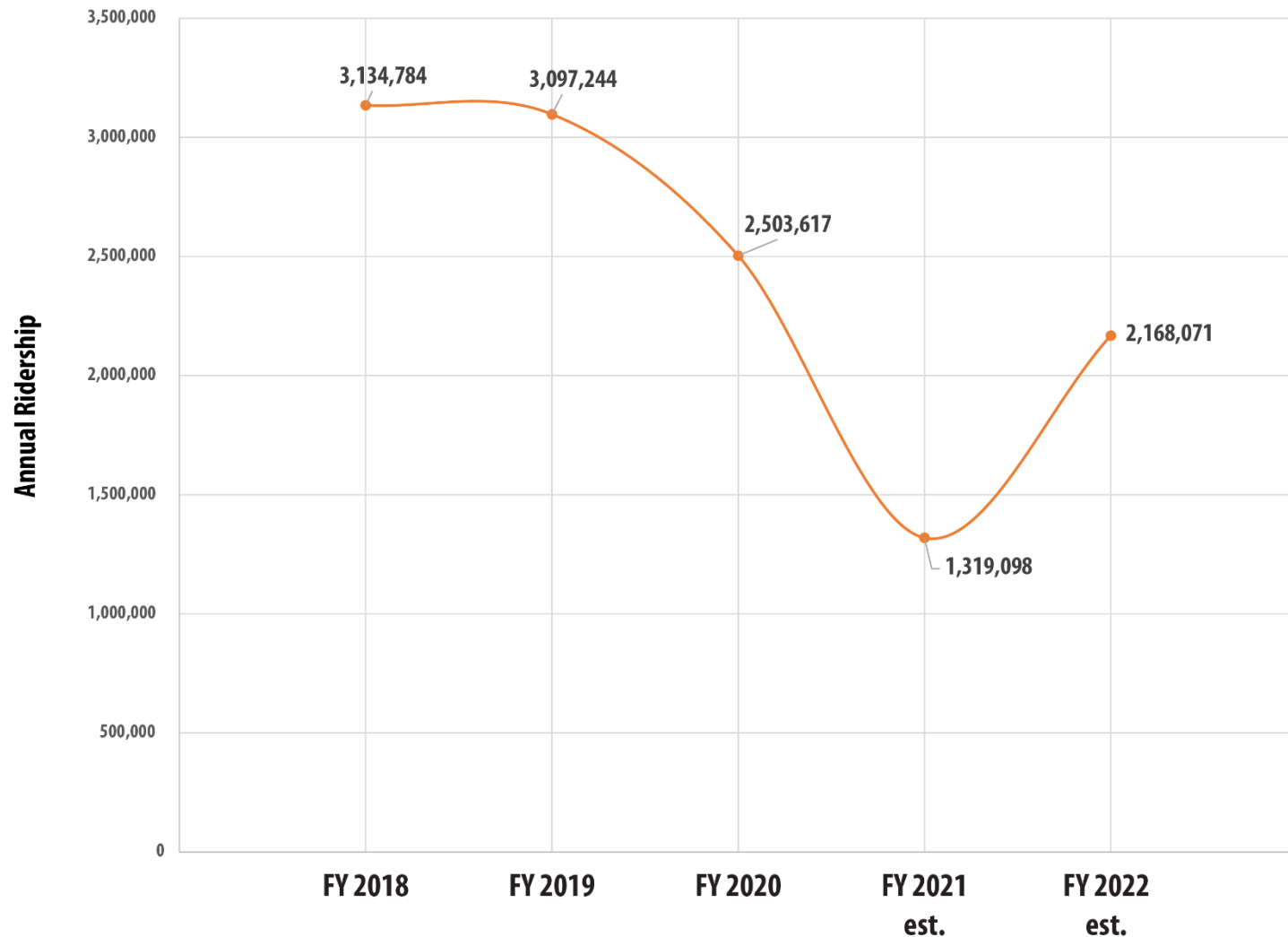
Ridership Assumptions



- **Vehicle capacities will increase as the County advances through the State's tiers of reopening**
 - 50% capacity by June 2021 (~20 passengers per bus)
 - Backup services discontinued in June 2021
 - Fixed Route service levels will be maintained or reallocated as needed
 - Supplemental School resources will be maximized in the fall, service to schools will be dependent upon vehicle capacity limits in August 2021
 - A limited number of hours will be allocated to Muir Woods to provide for a restoration of service as early as June 2021

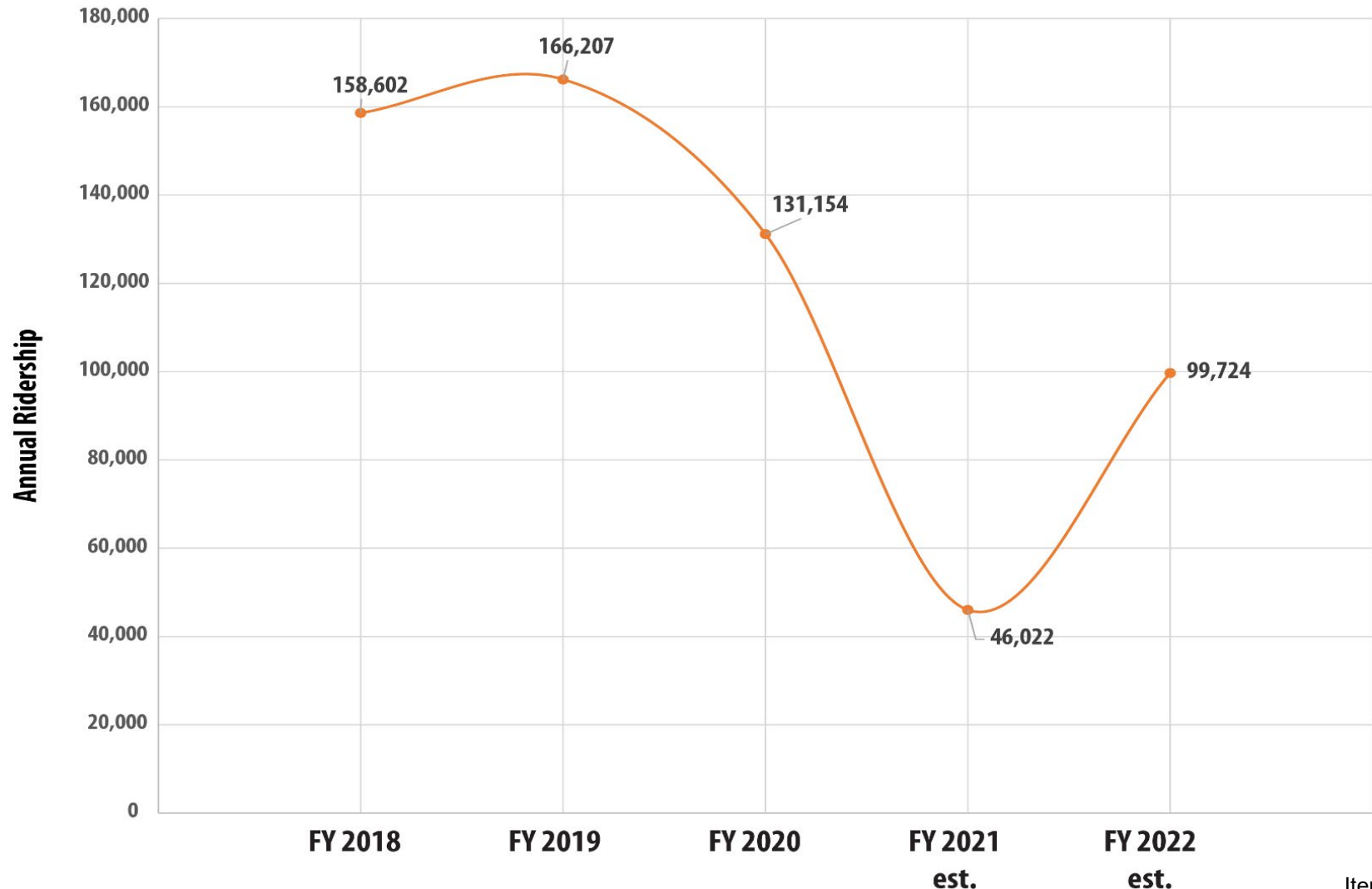
Ridership/Service Assumptions (cont'd)

- Fixed Route ridership will return to 60% pre-COVID in the first half of FY 2022 and a maximum of 80% of pre-COVID at the end of FY 2022 (average of 70% pre-COVID)



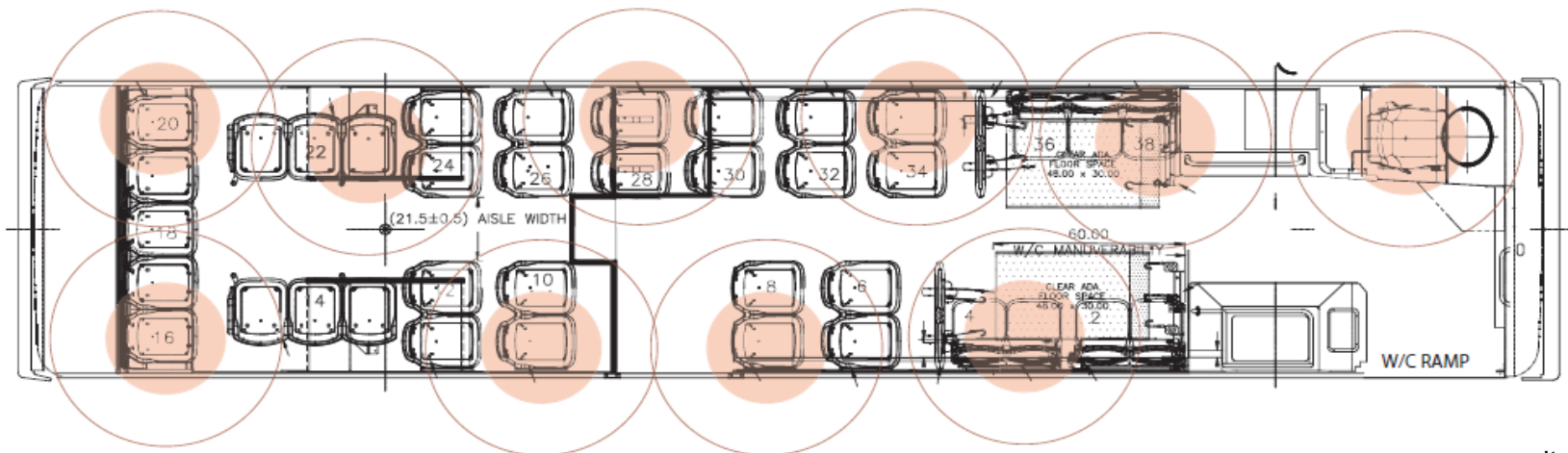
Ridership/Service Assumptions (continued)

- Demand Response ridership will return to 50% pre-COVID in the first half of the FY 2022 and a maximum of 70% of pre-COVID at the end of FY 2022 (Average of 60% pre-COVID)

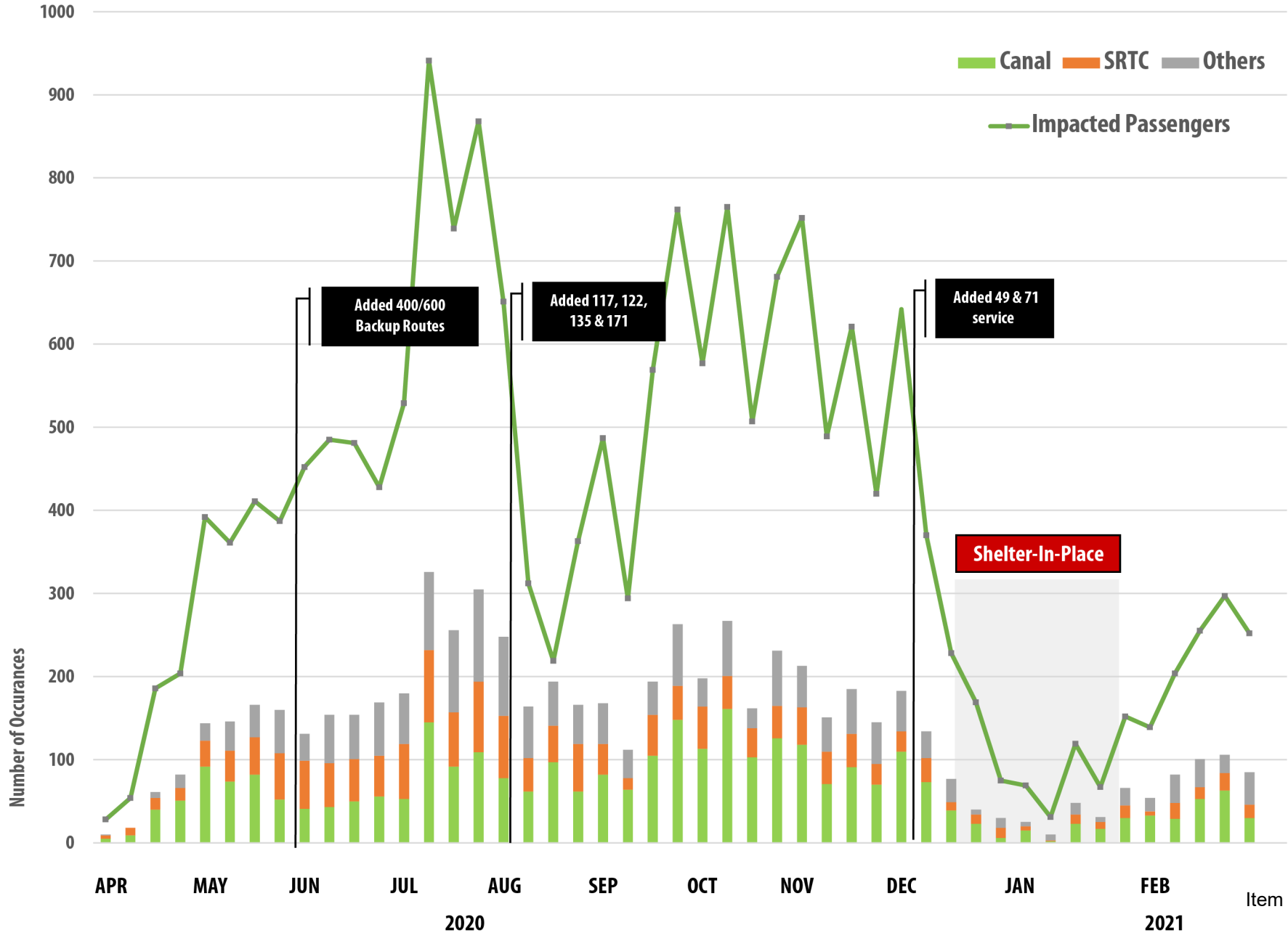


Vehicle Capacity Constraints Implemented in mid-April 2020

- Based on six feet of distance between passengers
- Results in 25% capacity
 - 9 passengers / vehicle (40')
 - 4 passengers / vehicle (shuttle)
 - 2 passengers / vehicle (paratransit / Connect)



Pass-Up Activity Monitoring



Proposed Program for Modifying Vehicle Capacity



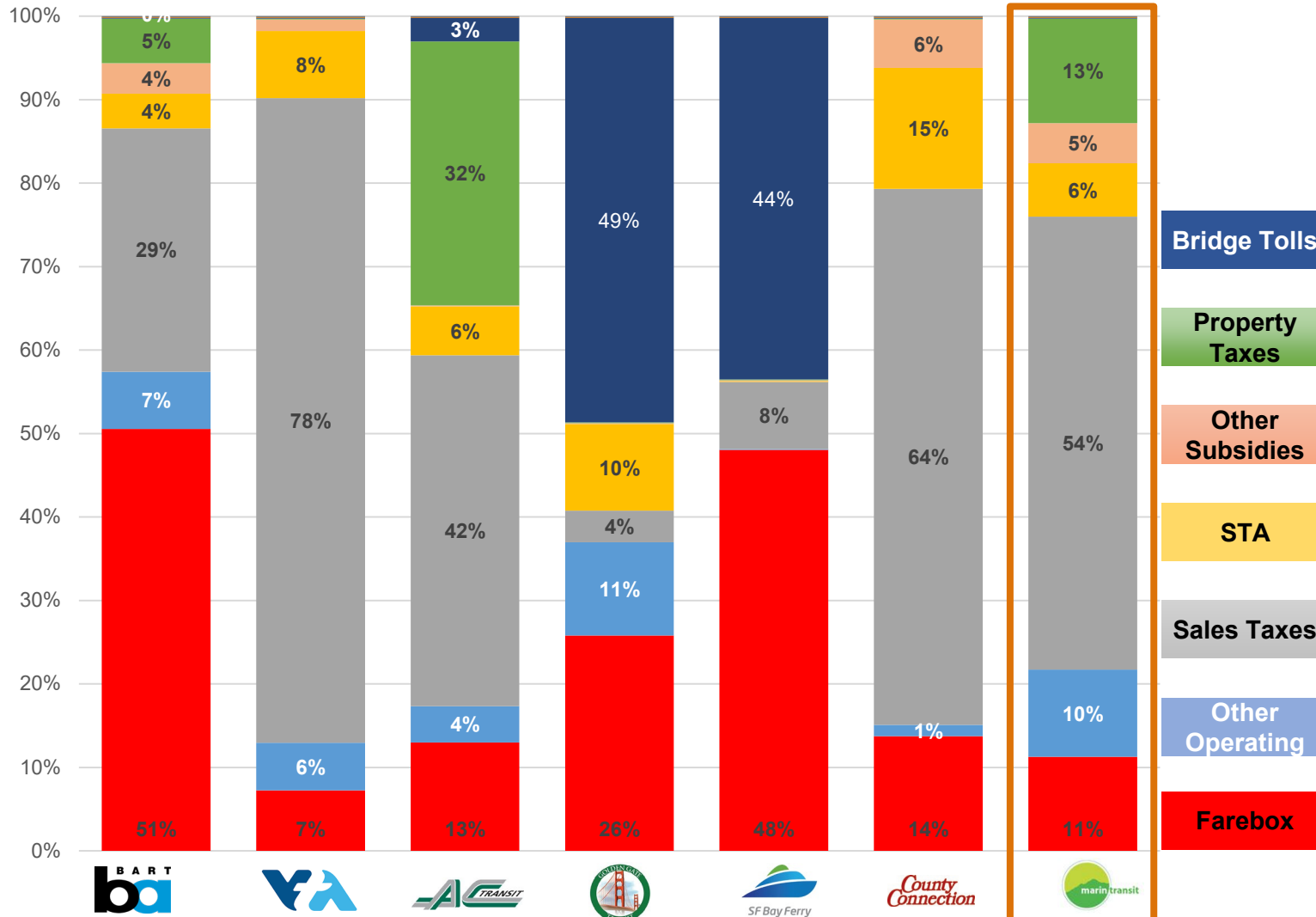
	Widespread Tier 1	Substantial Tier 2	Moderate Tier 3	Minimal Tier 4
Proposed Transit Capacity (% of seated)	25% Capacity	25% Capacity	50% Capacity	75-100% Capacity

- **Marin Transit will increase passenger capacity to 50% when:**
 - Marin County achieves Orange Tier (moderate risk) status and remains in the Orange Tier for 30 days, AND
 - All drivers have had access to COVID 19 vaccinations and received one or both shots, AND
 - Driver barriers in all fixed route vehicles are installed
- **Ongoing Health and Safety measures continue (face coverings, enhanced cleaning, compliance monitoring, etc.)**
- **Timing, passenger notifications, and implementation coordinated with GGT and SMART**

Financial Impacts & Outlook

Primary Revenue Sources

Selected Bay Area Transit Agencies FY19-20 Adopted Budgets - Revenue Share Comparisons



Top 2 Sources by Agency

BART

Farebox: \$480M
Sales taxes: \$277M

VTA

Sales Taxes: \$394M
STA: \$41M

AC Transit

Sales Taxes: \$194M
Prpty Taxes: \$146M

SamTrans

Sales Taxes: \$197M
Other Operating: \$52M

GGT

Bridge Tolls: \$69M
Farebox: \$37M

SF Bay Ferry

Farebox: \$25M
Bridge Tolls: \$22M

County Connection

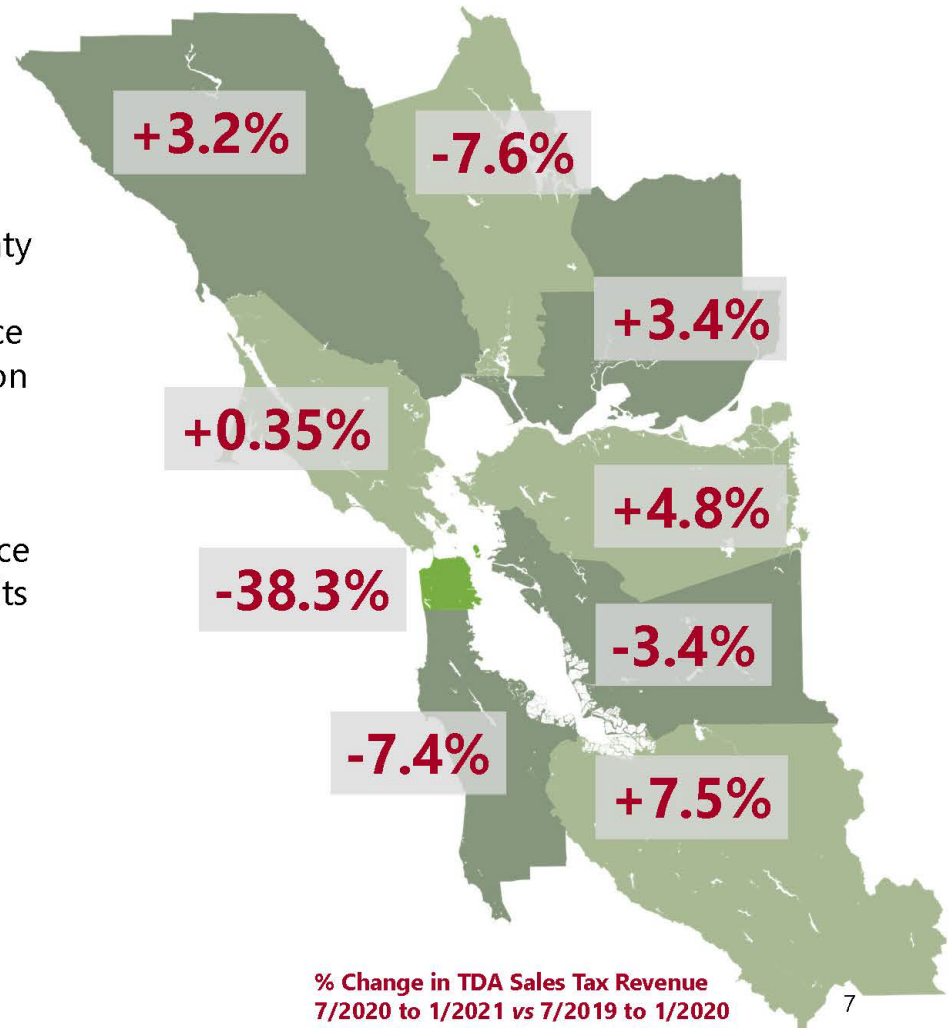
Sales Taxes: \$27M
Farebox: \$6M

Marin Transit

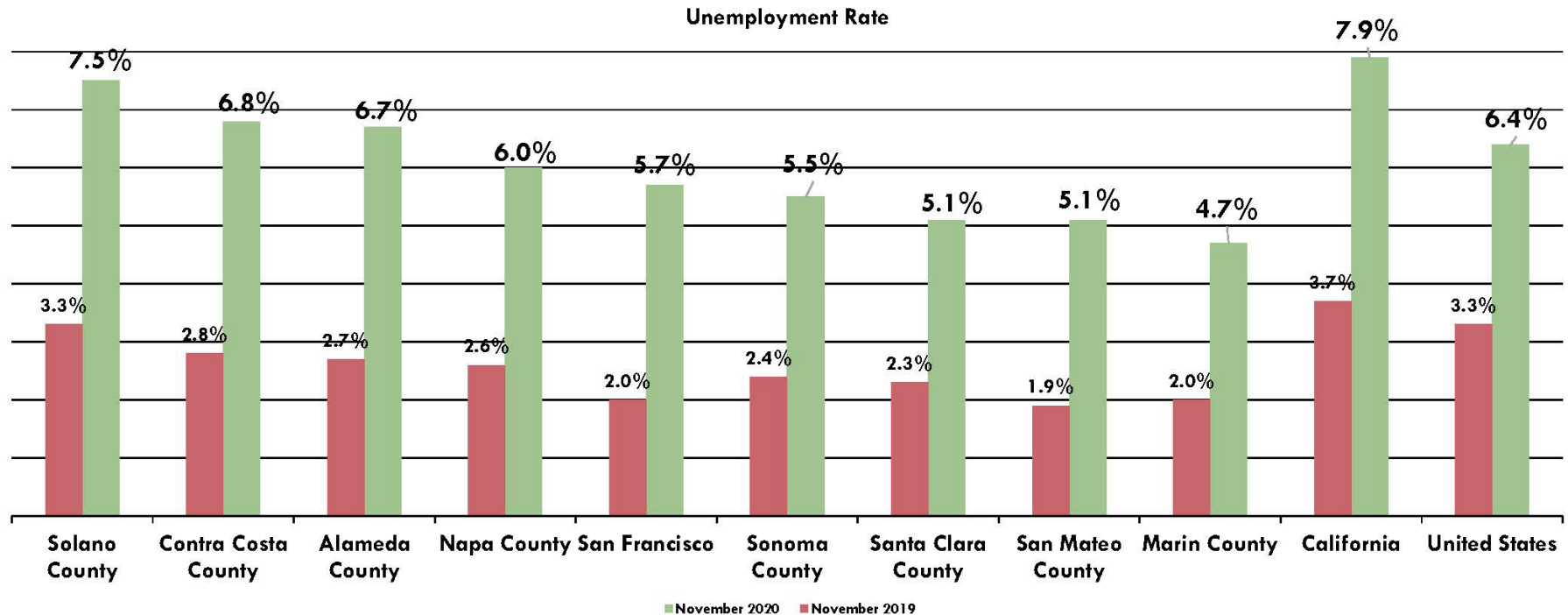
Sales Taxes: \$20M
Property Taxes: \$4M

TDA Sales Tax Revenue Uneven Impacts

- So far over the course of the pandemic sales tax revenue impacts have varied significantly by county
- Changes in daytime population, the disappearance of tourism, and the impacts of the *Wayfair* decision have likely played key role in the differing performance of the sales tax around the Bay Area
- As the sales tax is the single most important source of funding for transit operations in the Bay Area, its overall all resilience during the pandemic is a positive for many transit operators



Unemployment Rate: Substantially Higher Year over Year



Source: US Bureau of Labor Statistics, January 2021

Retail, Personal Services, and Leisure & Hospitality show greatest job dislocation

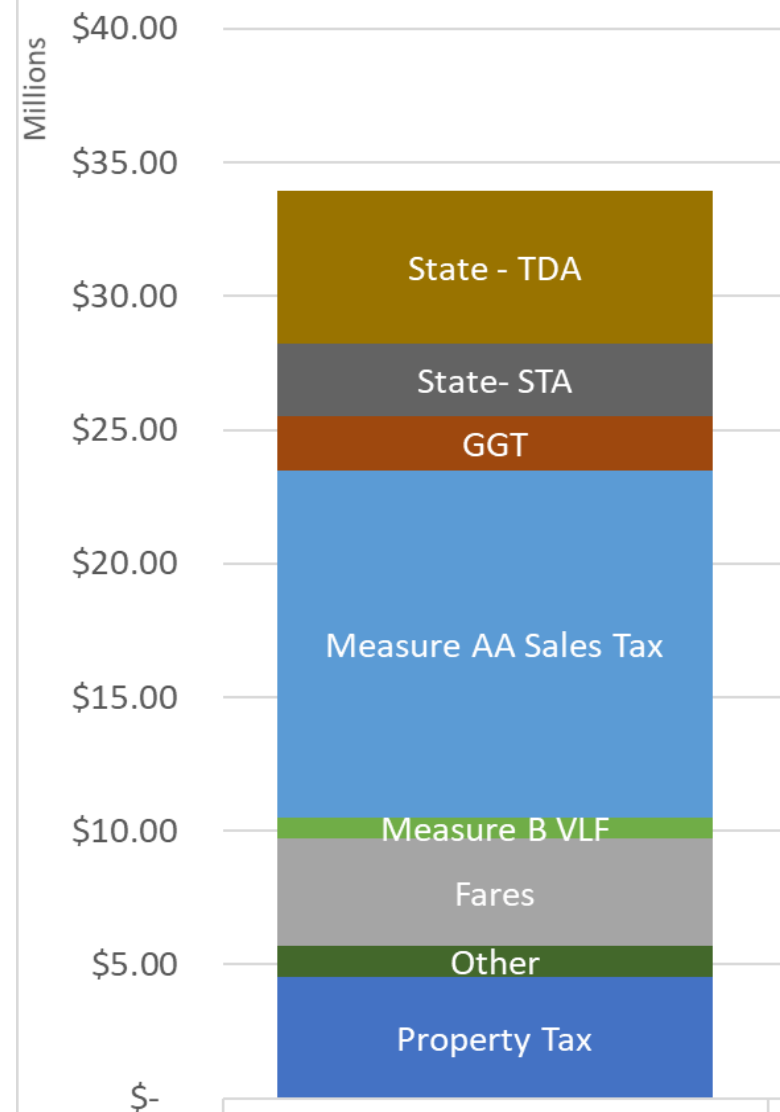
Marin County - Year over Year Job Change

Sector	Dec. 19	Dec. 20	COVID Impact	% Gain/Loss
Leisure & Hospitality	16,200	12,500	(3,700)	-22.8%
Retail Trade	15,200	13,000	(2,200)	-14.5%
Government	15,700	14,100	(1,600)	-10.2%
Education & Health Services	21,800	20,600	(1,200)	-5.5%
Other Services	5,700	4,600	(1,100)	-19.3%
Professional & Business Services	18,800	18,100	(700)	-3.7%
Wholesale Trade	2,500	2,200	(300)	-12.0%
Information	2,600	2,300	(300)	-11.5%
Manufacturing	5,700	5,500	(200)	-3.5%
Construction	7,500	7,400	(100)	-1.3%
Financial Activities	5,600	5,600	0	0.0%
Transportation & Utilities	1,400	1,400	0	0.0%
Total Non-Farm Employment	118,700	107,300	(11,400)	-9.6%

Source: Bureau of Labor Statistics (Not Seasonally Adjusted)

*Slide from Marin Economic Forum

Major Revenues and Trends



Baseline FY21

State TDA - County sales tax based

- FY2021 allocation reduced -40%
- Updated FY2021 estimate -20%

FY2022 budget 17% below FY2019 level

State STA – Diesel tax, increased significantly with SB1. Price drop in diesel fuel impacted revenues more than drop in demand, FY2022 budget 8% below FY2019 level

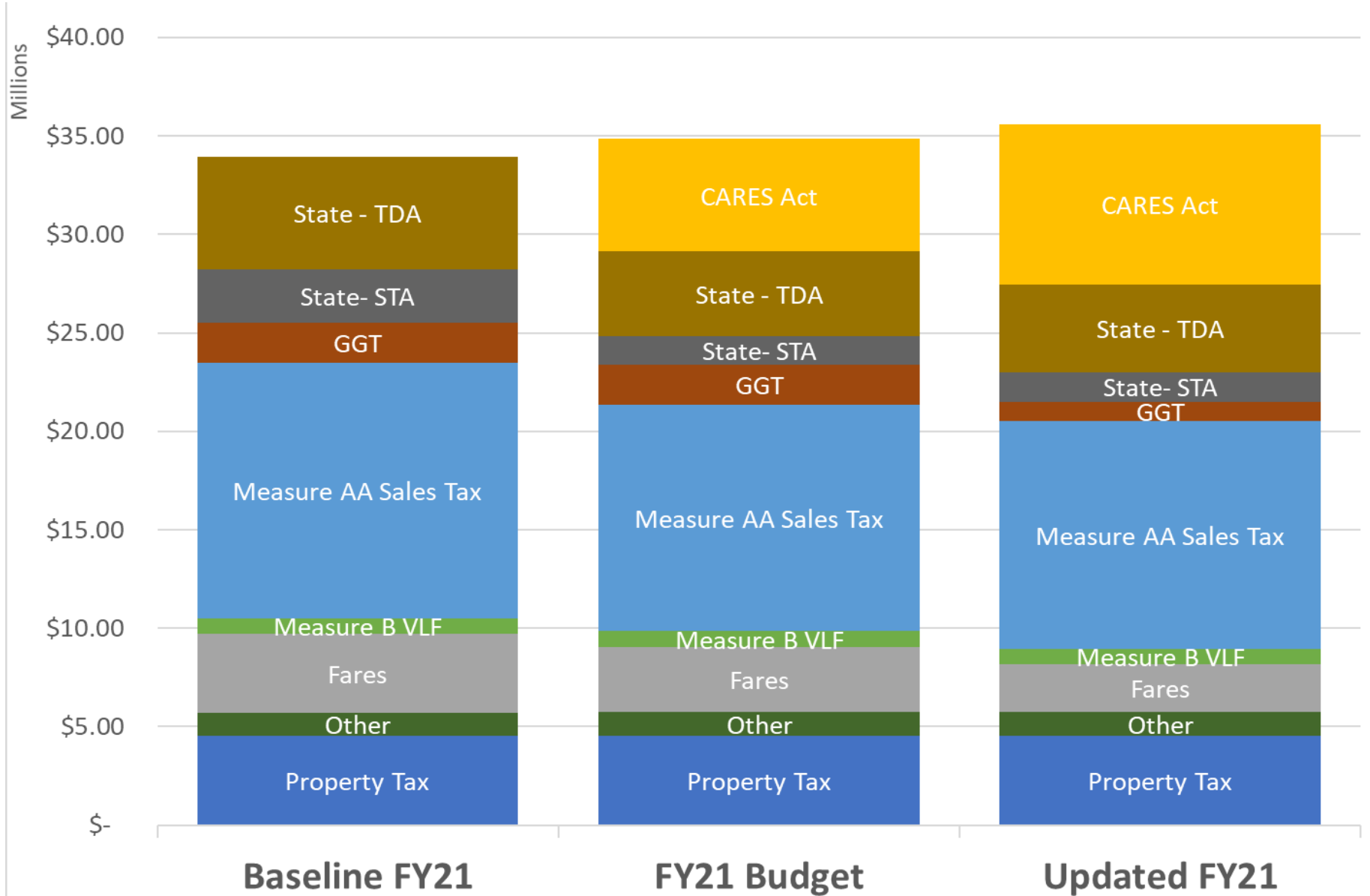


Measure AA local sales tax – TAM used reserves to flatten impacts, underlying trend similar to State – TDA

Fares – Significant declines, ridership dependent, but less declines than other transit agencies

Property Tax – Less growth, but stable

Recovery: FY2021 Projected Revenues



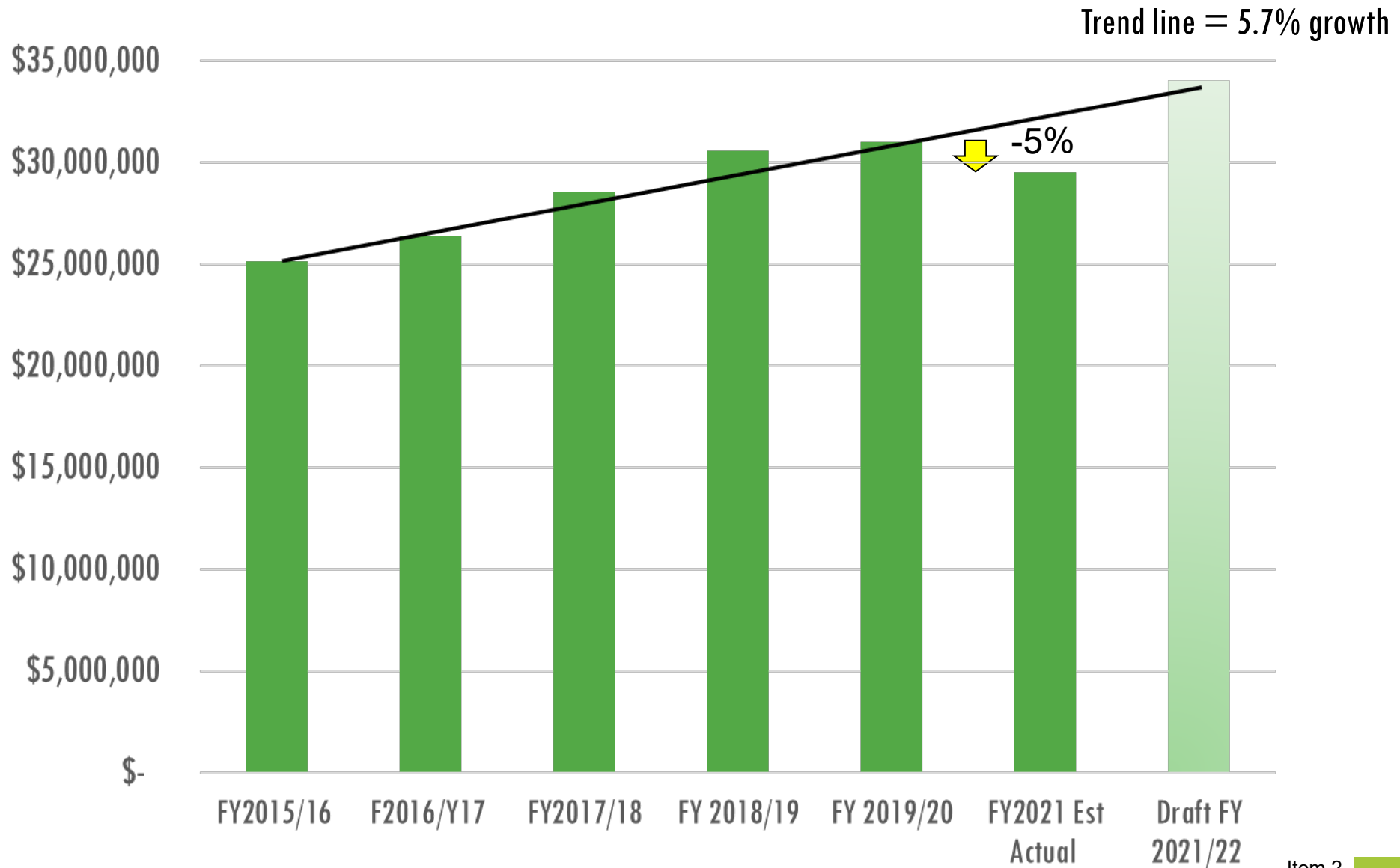
CARES Act \$10.13 million
CRRSSA Act \$2.3 - \$3.6 million



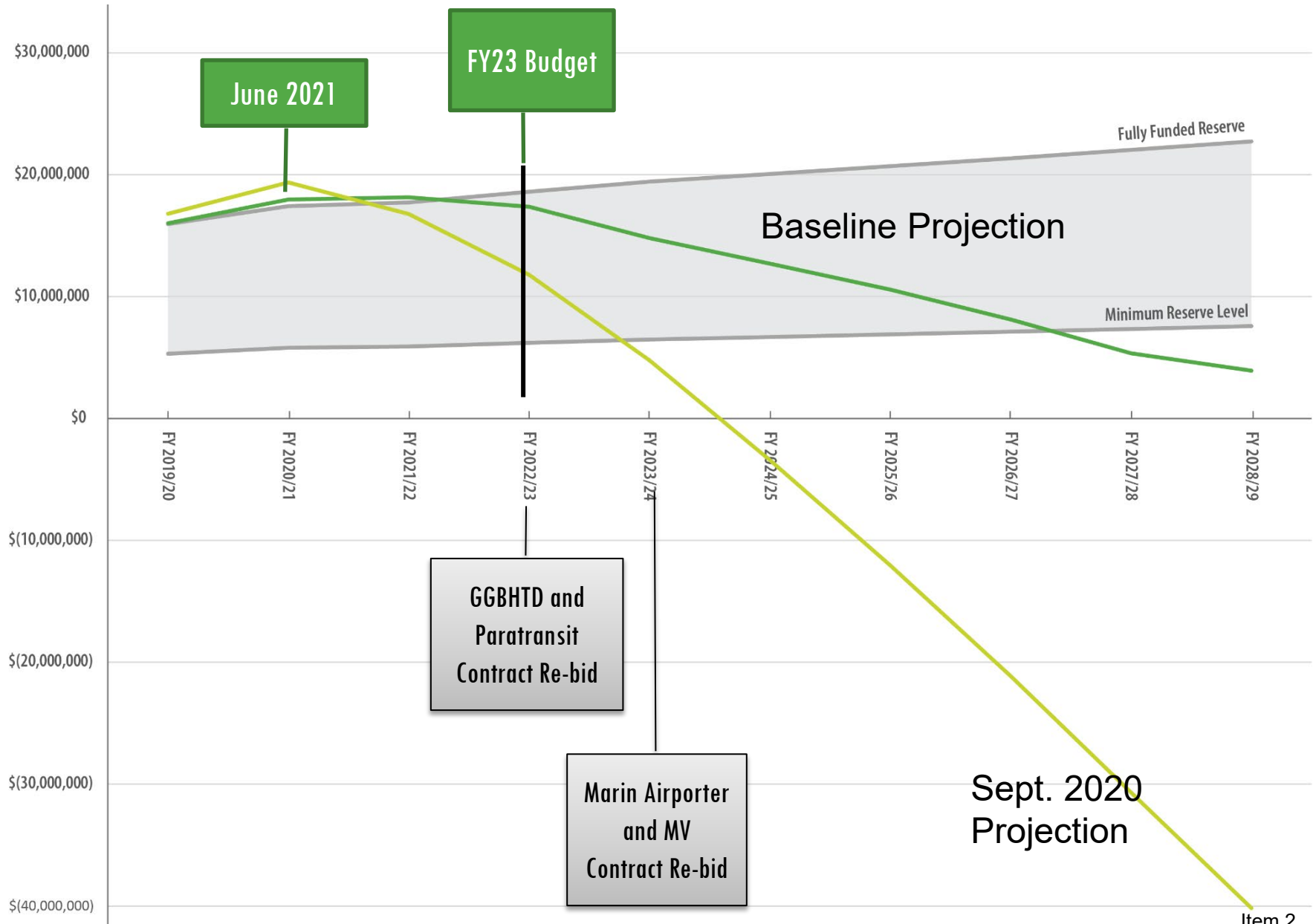
New relief bill - \$20 million more?

- Scaled cumulative regional allocations based on 132% of transit agencies FY18 expense budget
- For Marin Transit that equals about \$35.5 million total for all three bills
- MTC may not follow this allocation

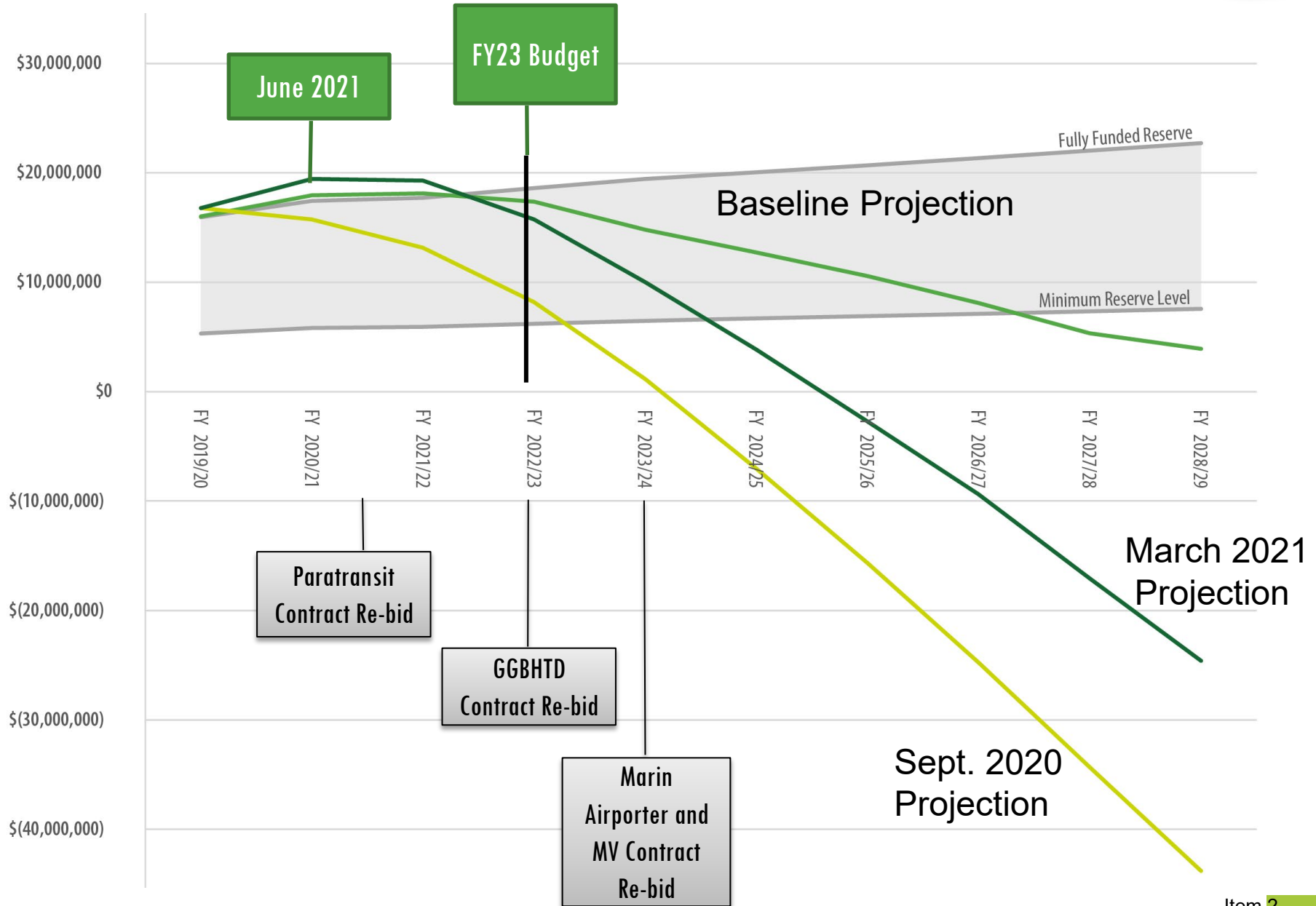
District Expenses



Outlook as of September 2020 - Reserve Level Projections



Outlook as of March 2021- Reserve Level Projections



Fare Revenue — More Details

Fare Revenue (Pre-COVID)

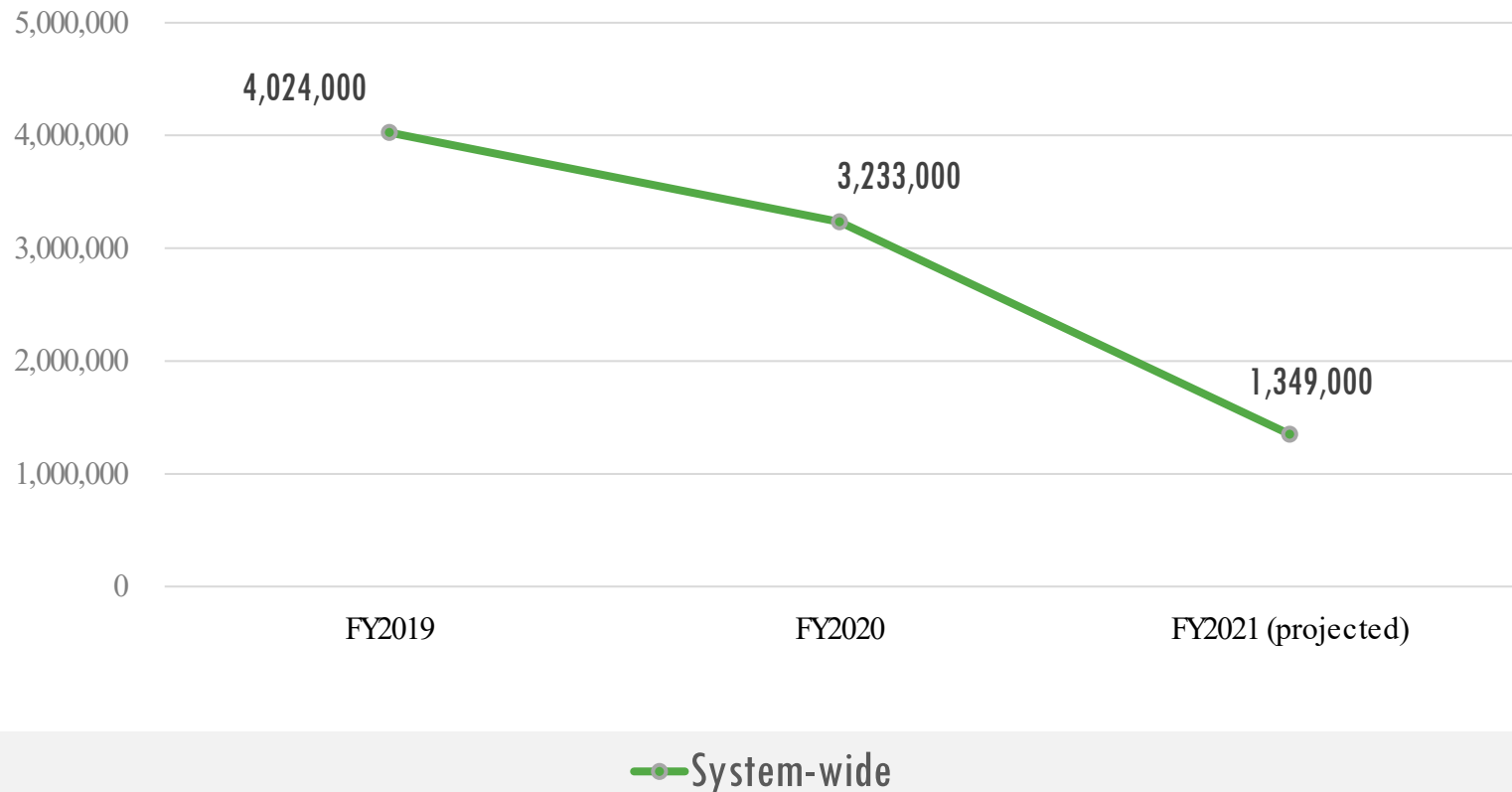
Fixed Route: \$3,710,000

Demand Response: \$314,000

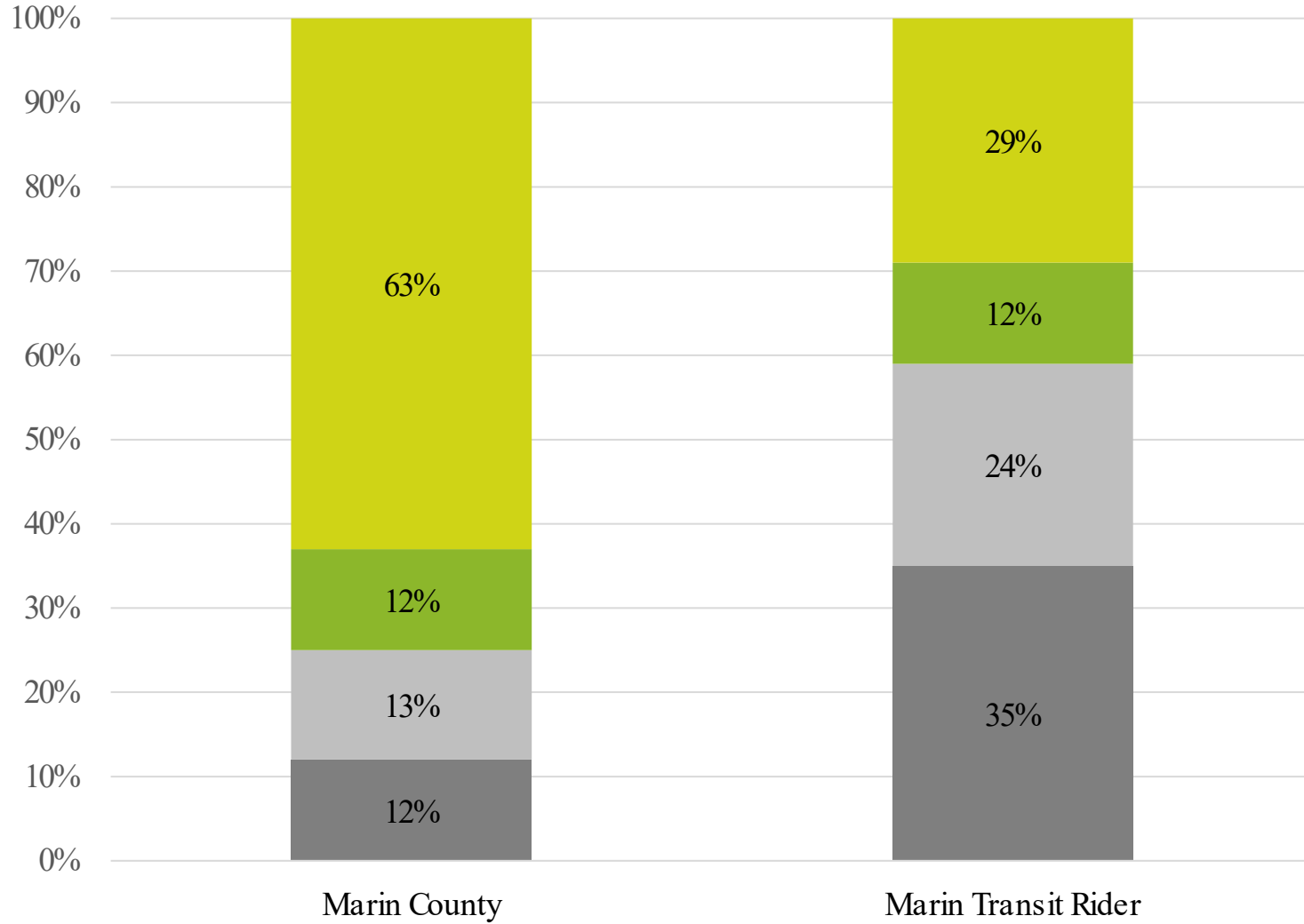
Projected Fare Loss FY2021

Fixed Route: **-\$2.36 million**

Demand Response: **-\$192,500**



Ridership Profile



■ < \$25,000 ■ \$25,000 - \$49,999 ■ \$50,000 - \$74,000 ■ \$75,000+

- Low base fare (\$2)
- ½ price for youth, persons w/disabilities and seniors (\$1)

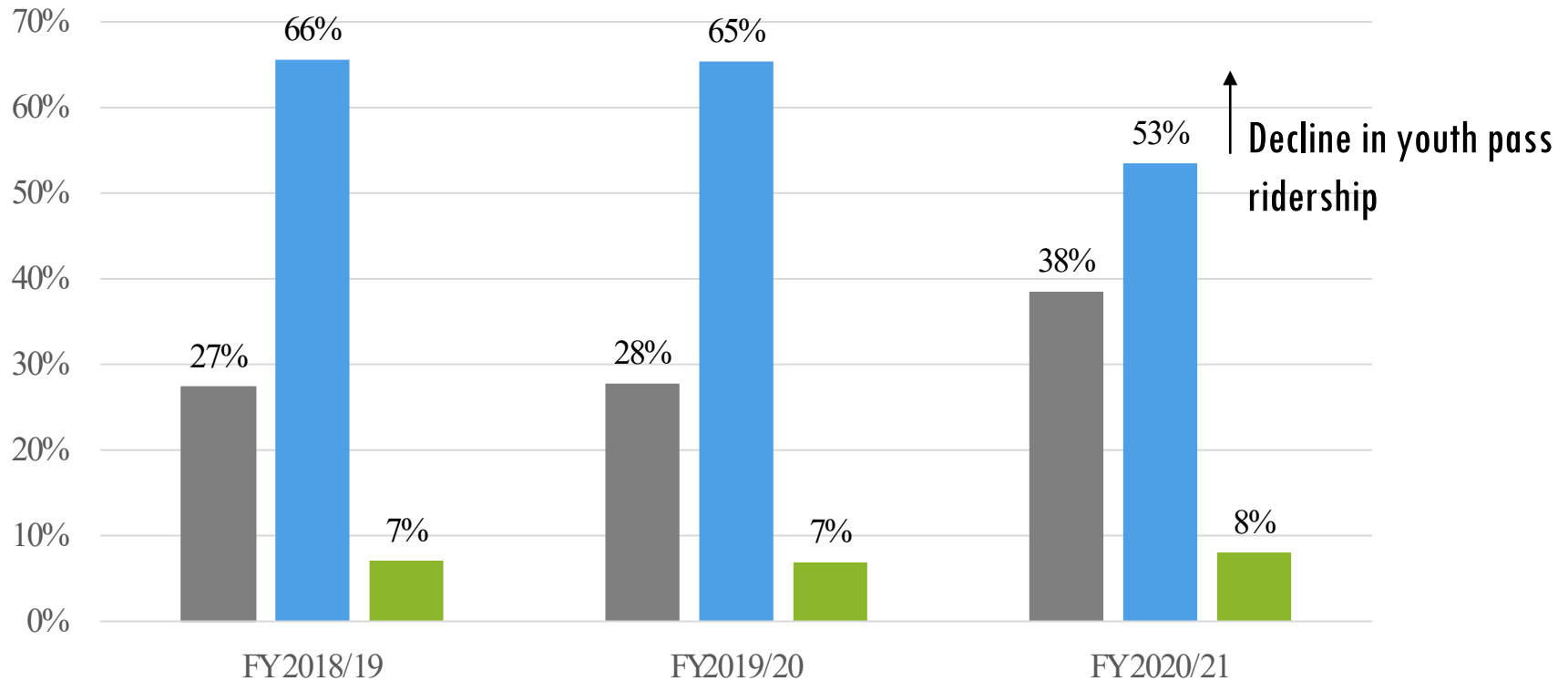
We provide options to reduce barriers for low income

- Free fares to low-income youth riders
- Lower fares for frequent riders (passes)
- Free fares to low-income riders on Marin Access
- Free fares for vulnerable populations (Homeward Bound)
- Reduced fares for low-income riders (Clipper Start)

A “fee for service” model is generally recognized in transit industry as the best option to ensure quality service. Is it working for Marin Transit?

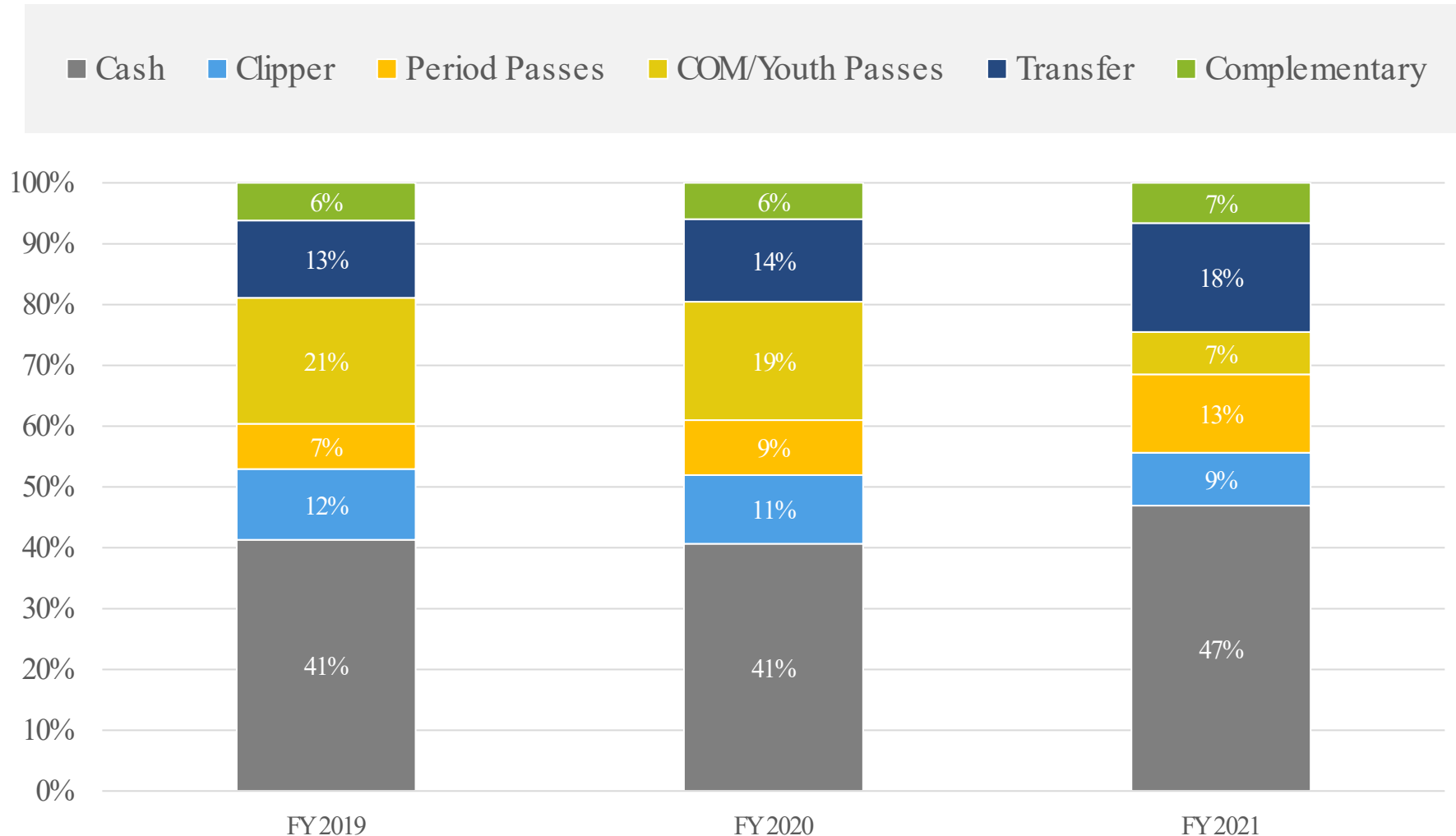
Percentage of Rides with Reduced Fares

~73% of trips have a reduced or free fare



- Full Fare (\$2 single cash fare)
- Discounted (Clipper, Senior/ADA/Youth, COM card, Youth Pass & Period Passes)
- Free (Children, employees, Homeward Bound, LIFA Pass)

Use of Reduced Fare Products



1. Monthly, Weekly, and Day Pass available for Adult, Youth, and Senior rates
2. Children age 5 and under, employees, ferry transfers, Homeward Bound passes, and other free tickets

- Federal relief funding has bridged short-term losses
- District has sufficient financial resources to continue current services in FY2021/22 and FY2022/23
- The major factors influencing the long-term financial outlook are:
 - Sales tax growth
 - Fixed route contract rates
 - Paratransit demand and contract rates

If revenues do not rebound to match projected expenses, District will need to scale services to realign expenses with revenues

Discussion

Assumptions for Discussion

Sales tax projections	Conservative, declines for 3yrs, then 3.4% growth (based on TAM projections)
STA (diesel tax) growth	1.5% growth
General expense inflation	3.0%
Fixed Route fare revenue	Partial recovery in FY 2022, back to pre-COVID level in FY 2023
Service Levels	Stable (based on SRTP)
Paratransit Demand	60% of pre-COVID in FY 2022, return to 100% pre-COVID in FY 2023
Cost increases at re-bids	8.0%-10.0%

- Q:** If District isn't financially constrained and capacities are lifted, do we continue to operate under-performing services? If so, for how long?

- Q:** If we need to add service and are constrained by the vehicle fleet or funding, how do we prioritize services? (Transit dependent vs. rural vs. students vs. recreational)

- Q:** How do we ensure fares aren't a barrier to access the services? Are the current discounted fare programs enough?