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10-Year SRTP Plan

BOARD WORKSHOP

November 3, 2025

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Overview

Financial Plan

Discussion

Capital Plan (if time allows)

Discussion / Next Steps

Overview

Background: Short Range Transit Plan (SRTP)

- What is the SRTP?
  - Major guiding strategic plan for Marin Transit
  - Typically updated every 2-4 years
  - Last update was the “mini” SRTP in December 2022
  - Last full update was adopted in January 2020
- MTC has postponed the current SRTP cycle to summer 2027
  - Marin Transit opting to complete the process early to plan for near-term needs
- **10-year Period of this SRTP: FY2026/27- FY2035/36**

SRTP History

- Marin Transit’s first SRTP was completed in 2006, when the District began establishing itself as a separate agency from Golden Gate Transit
- Updates were completed in 2009, 2012, 2016, 2018, 2020, and 2022
- The document establishes the District’s priorities, and details major changes such as:
  - March 2010 service reductions on underperforming routes
  - March 2012 restructuring of service in Novato and Tiburon as part of Transit Needs Assessment studies
  - June 2016 service expansion in response to the countywide Transit Market Assessment

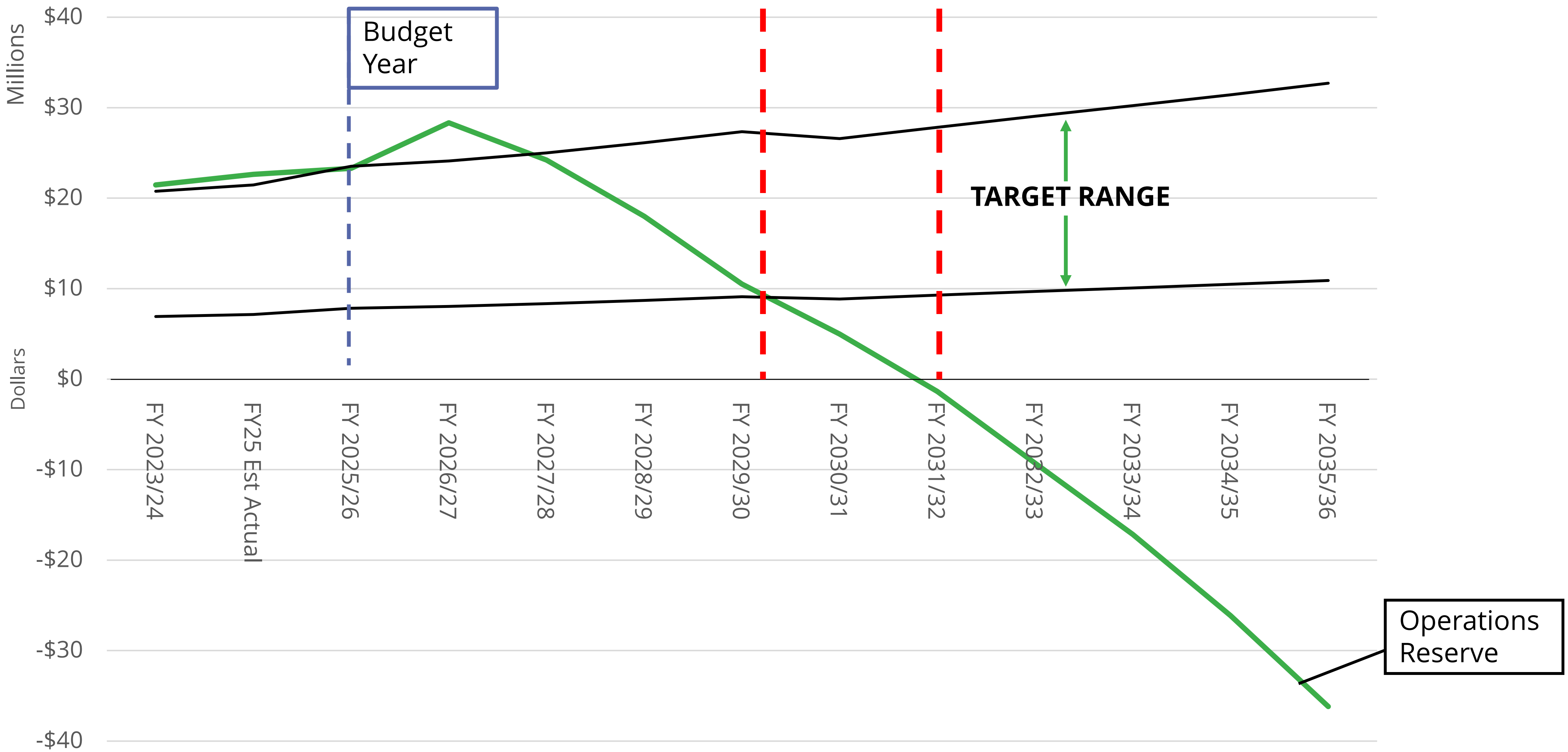
What’s in the SRTP?

- **System Overview**: Describes the District’s history, governance structure, ridership (including demographics), fares, fleet, facilities, and coordination with other agencies
- **Goals, Targets, and Performance**: Evaluates the District’s service against adopted goals and targets
- **Financial Plan**: Details the District’s operating and capital budgets, including projections for the 10-year duration of the plan
- **Service Plan**: Describes planned service provision for the 10-year duration of the plan, as well as unfunded service needs
- **Capital Plan**: Details the District’s capital assets (buses, facilities, etc), capital improvements (bus stop improvements, roadway improvements, etc), and planned purchases/upgrades for the 10-year duration of the plan

SRTP Timeline

- Sept 9, 2024 Board adopted updated Service Typologies & Targets
- Nov 3, 2025 1st Board Workshop
- Early 2026 Optional 2nd Board Update or Workshop
- April 2026 Presentation to Board of Draft SRTP
- May 2026 Board asked to adopt Final SRTP

MCTD Reserve Balance - projection @June 2025



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Why are we here today?

- The financial projections show a fiscal cliff within the next 3-5 years
- Costs are rising faster than revenues
- **Today's workshop is to discuss how we can balance our 10-year outlook**
- Most notably:
  - Service Plan must be fiscally constrained
  - Need to reduce fixed route service in the next 10 years to stay financially solvent
  - 15,000 annual revenue hours will need to be cut in FY 2028/29
- Individual actions will come back later for adoption
- If sales tax revenues exceed current projections, we can revisit this plan in the next SRTP

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Financial Plan

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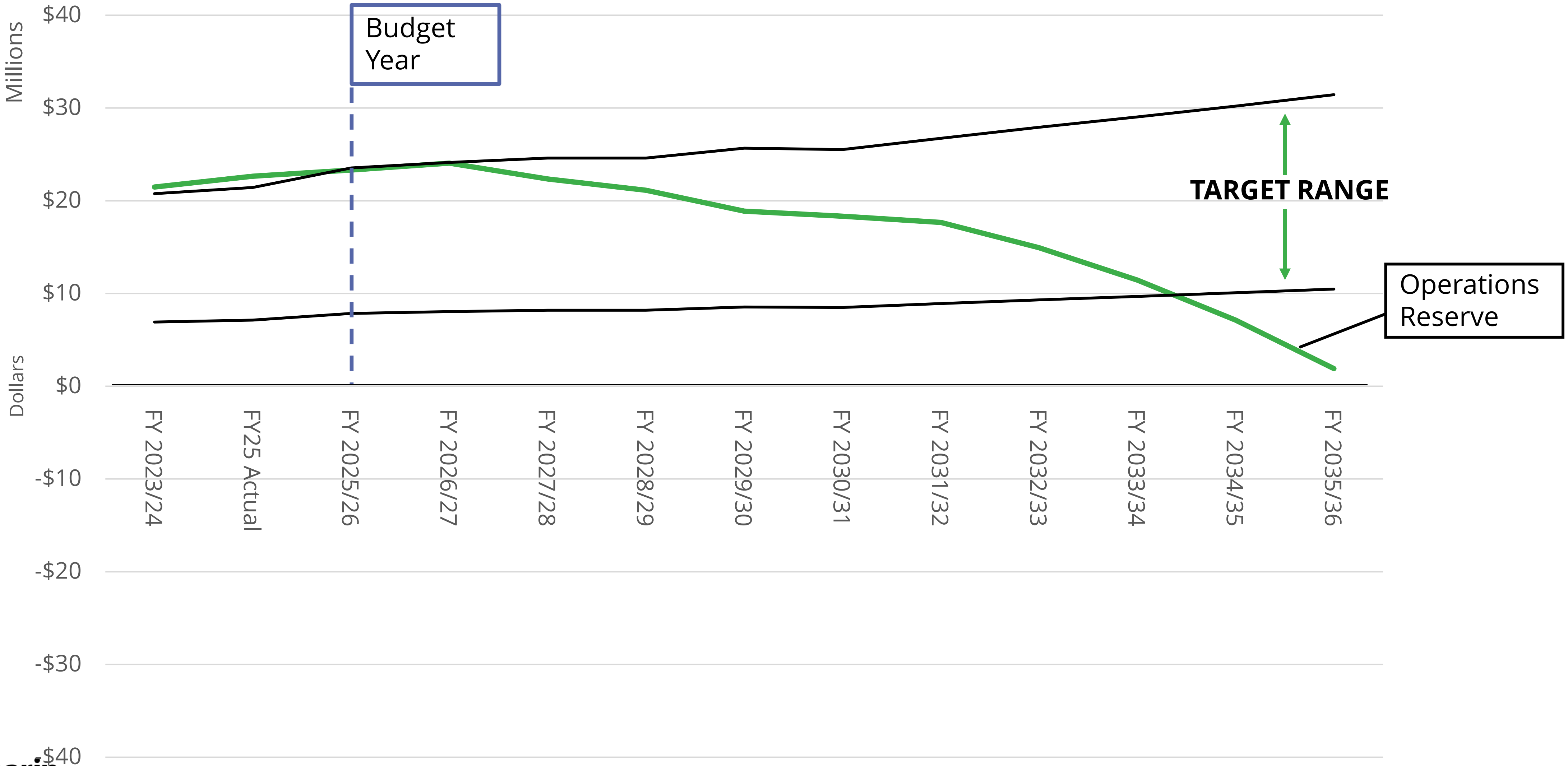
MCTD Reserve Balance - Draft SRTP



Draft SRTP Operations Plan Assumptions

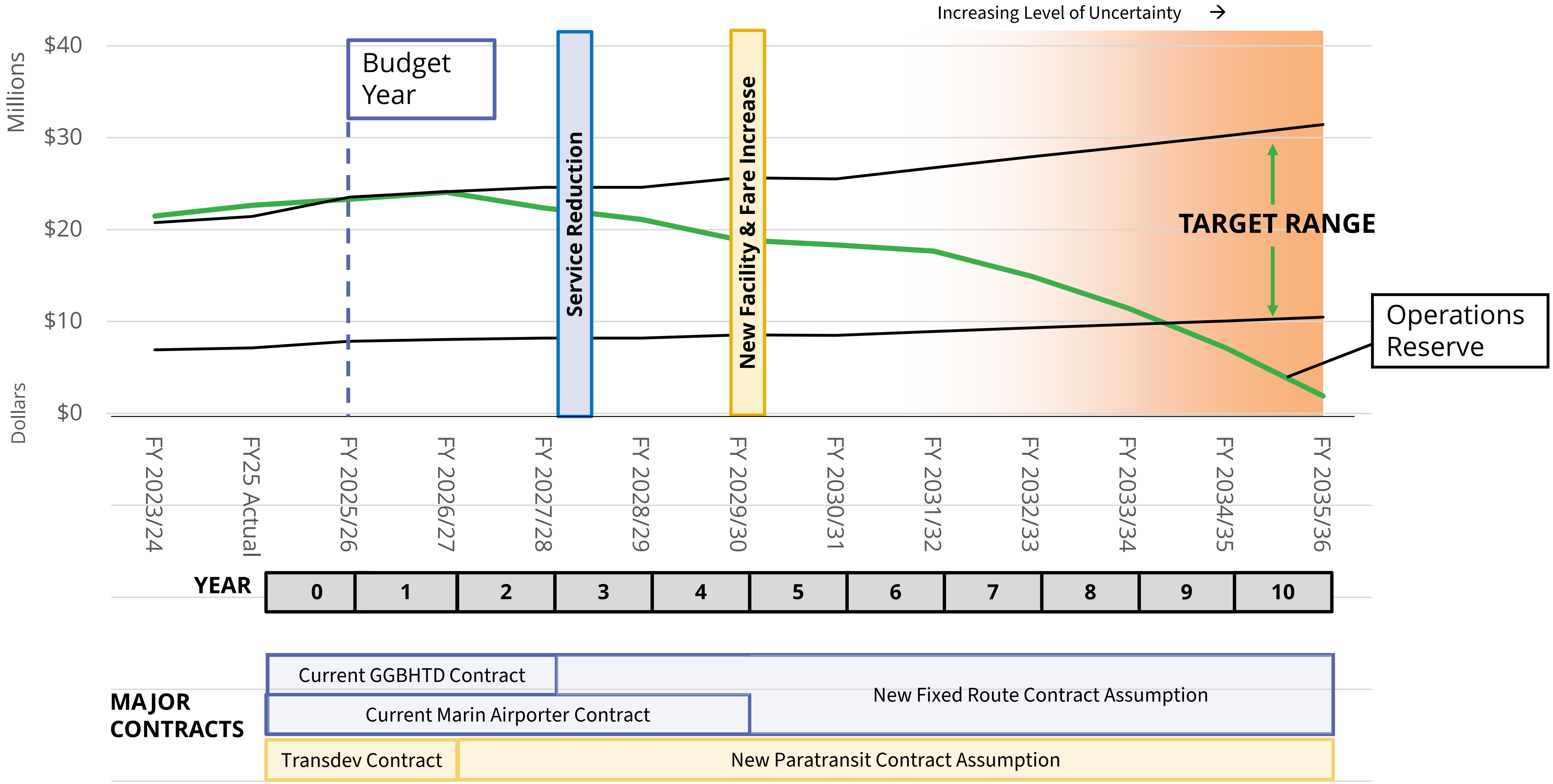
Category	Assumption
Fixed Route Service Cuts	15,000 (8%) fixed route hours in FY2028/29
Fare Increases	Fixed Route FY2030/31 +$1($3.00) Paratransit FY2030/31 +$2 ($6.00)
Rebid Fixed Route Service	Effective July 1, 2030 10% costs savings on fixed fee due to providing facility
Rebid Demand Response Service	Effective July 1, 2027 10% reduction in fixed fee (lower hours than prior bid)
Paratransit Service Hour Growth	YR1 0% YR2-10 2%
Property Tax Growth	4% per year
TDA	2.8% per year
Measure AA Revenues	Adjusted from TAM projections to YR1 2.4%, YR2 2.7%, YR3-YR10 2.8%

Discussion Topics

1. **Sales Tax Projections**
2. **Service Reductions**
3. **Contract Rebid Assumptions**
4. **Fare increases**

Other options…

MCTD Reserve Balance - Draft SRTP



Impact of Actions/Assumptions on Fiscal Stability

Items included in Draft SRTP

	Action or Assumption	Estimated 10-Year Impact	Minimum time for Implementation
	Adjust TAM sales tax revenue forecast	+$20 million	N/A
	Reduce fixed route hours by 8% in FY2029 (15,000 hrs)	+$20 million	1.5 to 2 years
	Assume cost savings at contract rebids	+$10.5 million	N/A
	Increase Fixed Route Fares by $1.00	+$6 million	2 years

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SRTP Sales Tax Projections

Adjustment of current TAM Measure AA projections

TAM takes a conservative approach to projections as the funding agency to avoid over commitments

There continues to be a high level of uncertainty in market conditions that effect sales tax revenue - unemployment rates, inflation, tariffs

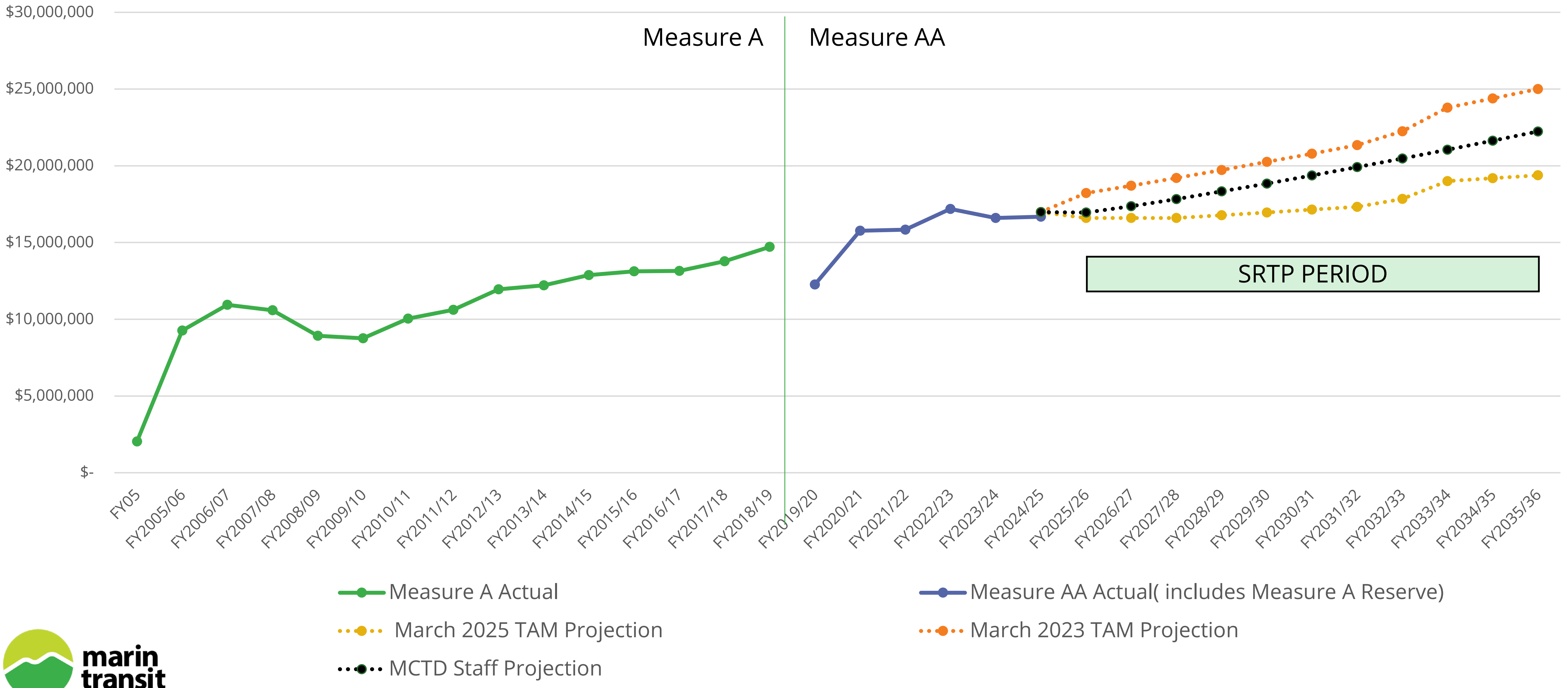
Risks:

- **Too pessimistic:** spend time and resources creating unnecessary scenarios that are upsetting and discouraging to transit riders and general public.
- **Too optimistic:** not prepared for needed service cuts when revenues are below the projections

Recommendation – Use adjusted sales tax projections that are consistent with professional guidance, while ensuring there continues to be a two-year runway to develop additional service cut scenarios if sales tax revenues are below the adjusted projections.

Impact: +$20 million

Marin Transit share of Local Sales Tax Measures



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Service Reduction Assumptions

These are planning assumptions, and all significant service changes require a separate board action and public hearings

Draft SRTP includes:

- Reduction of 8% of fixed route service (15,000 hours)
- Final magnitude determined June 2027
- Effective August 28, 2028
- 188,400 hours to 173,400

Impact: +$20 million

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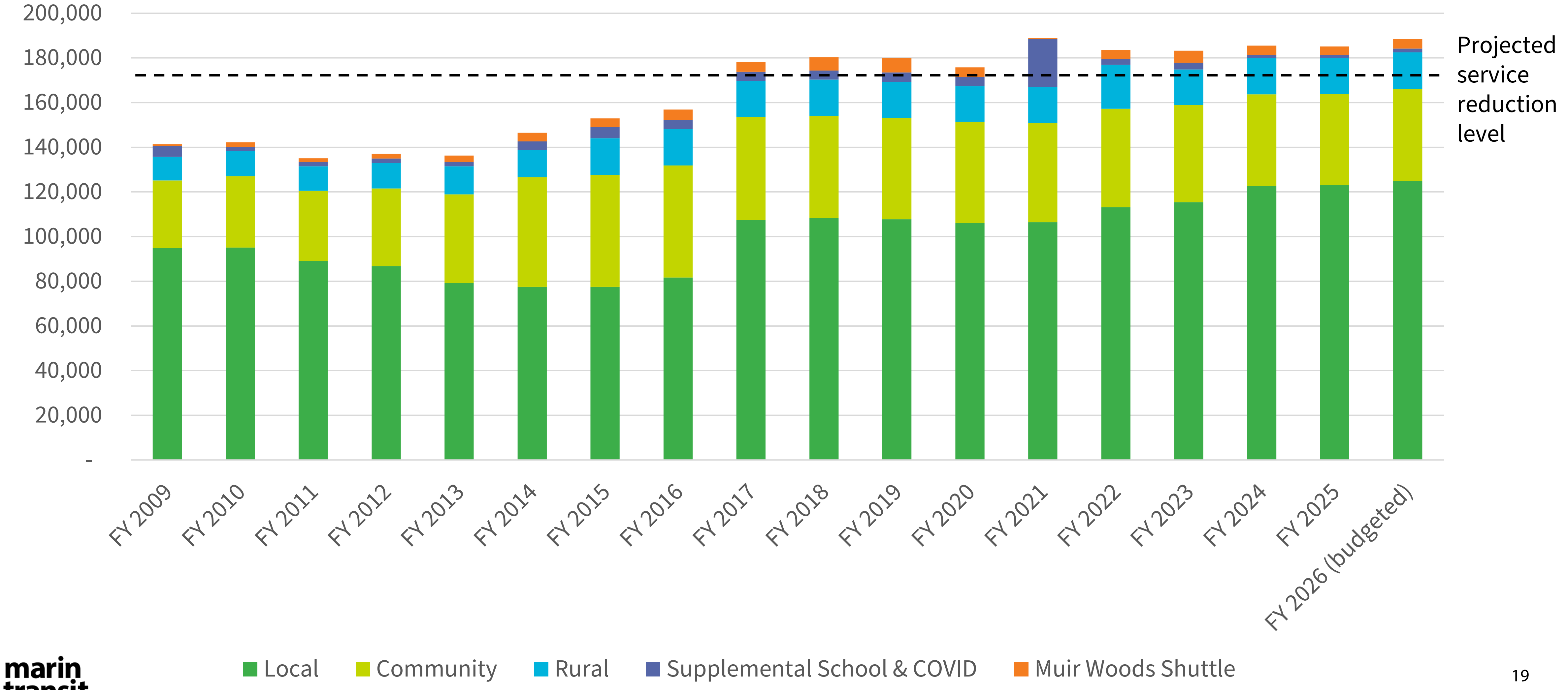
Annual Revenue Hours

(Fixed Route service)



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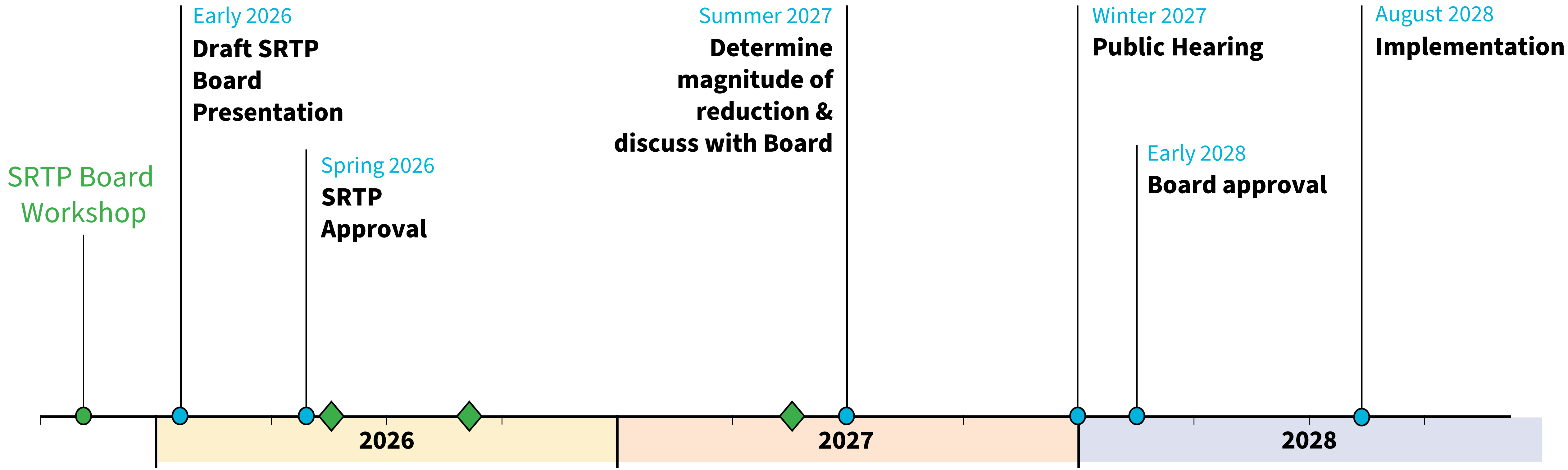
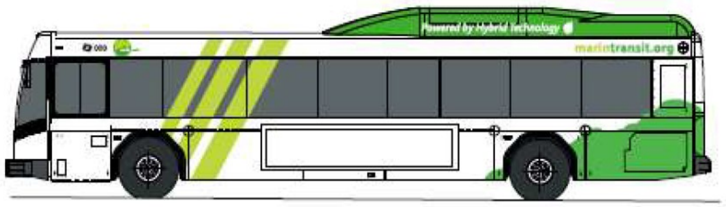
Service Reduction Decision-Making Timeline



Updated financial data available

Contract Assumptions



Fixed Route Contract Service Operations Assumptions

- Maintenance Facility will be open July 1, 2030
- Fixed fee on contract 10% less with a provided facility
- $6.8 million savings over SRTP period

Paratransit Contract Service Operations Assumptions

- Contract will be re-bid with a start date of July 1, 2027
- Fixed fee 10% less due significantly less hours in contract post COVID
- $3.7 million savings over SRTP period

Impact: +$10.5 million

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Fare Revenue Assumptions

These are planning assumptions, and all fare changes require a separate board action and public hearings

- Fare revenue is 8% of revenues
- $2 base fare for 25+ Years
- Reduced fare options exist for youth, seniors, and low-income riders
- Assumption in draft SRTP- FY2030/31 (implement July 1, 2030)
  - Fixed Route Fares +$1 ($3.00)
  - Paratransit Fares +$2 ($6.00)

Board has discretion to keep youth and senior fares at $1 and to set reduced Clipper fare

Impact: +$6 million

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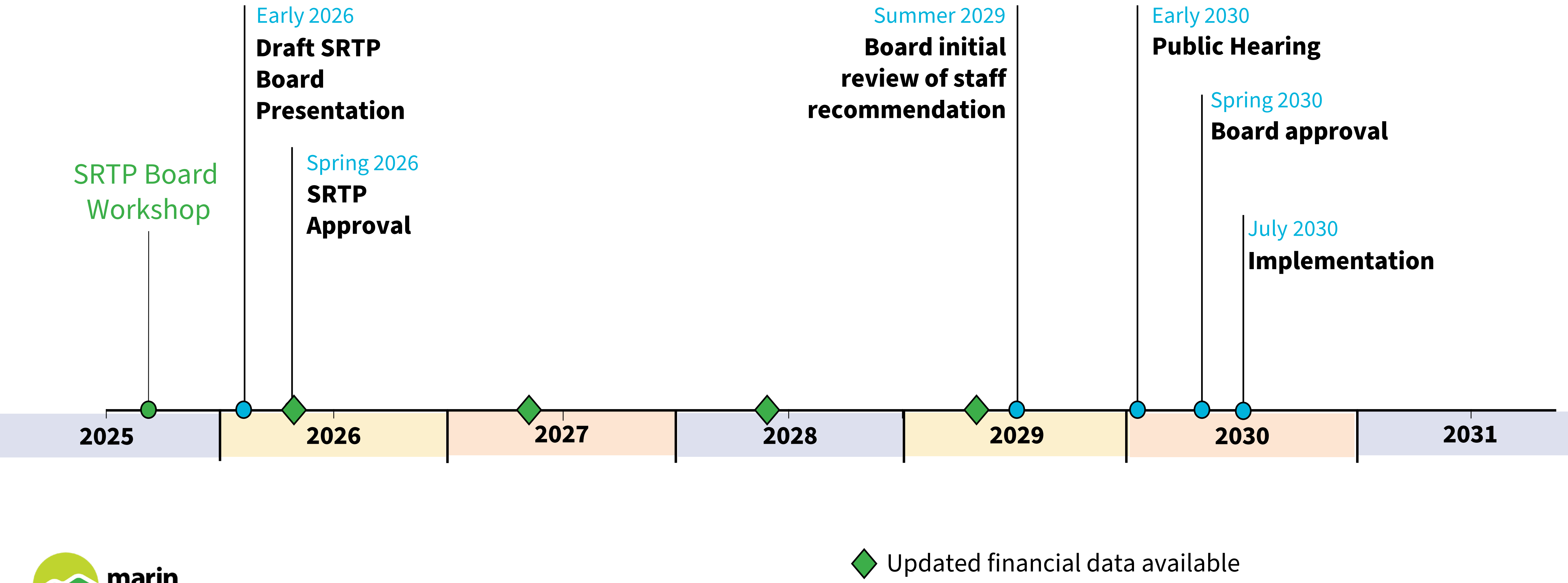
Fare Increase Decision-Making Timeline



Actions/Assumptions Not Included in Plan

Items Not Currently in Draft SRTP (other options)

Action or Assumption	Estimated 10-Year Impact	Minimum time for Implementation
Reduce financial assistance for Muir Woods Shuttle	$4 million	1-2 years
Reduce Paratransit service hour Growth Assumption	$2 million	N/A
Cut Mobility Programs (and loss of associated revenue)	$1.4 million	1 year
Cut Yellow Bus School Service	$8 million	1 year

Discussion Topics

1. **Sales Tax Projections**: Is the Board comfortable with adjusting TAM Measure AA sales tax projection?
   - More optimistic based on based historical data
   - Still in line with consultant projections
   - District has a runway to adjust if revenues do not meet projections
2. **Service Reductions**: Include 8% reduction in FY28/29 or delay service cuts and cut more service?
3. **Assumptions for Contract Cost Savings**
4. **Fare increases**: Is the board comfortable including in SRTP?
   - Implementation will require
     - Separate action based on more detailed staff analysis
     - Will require public outreach and public hearings

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Capital Plan

Capital Plan

Primary Capital Responsibilities and Priorities:

1) Maintain a sufficient fleet of clean-fueled vehicles for local transit service
2) Provide needed infrastructure and operations equipment (facilities)
3) Improve and maintain the amenities and accessibility of Marin County bus stops
4) Improve Transfer Locations
5) Provide Passenger information

Capital Funding

Federal Transit Administration

Section 5307 - $81million, 80% of Vehicle Replacement Costs

Section 5339 - $18 million for Fixed Route Facility

TAM
Transportation Authority of Marin

Local Sales Tax $13 million($1.2 M per year) in Measure AA capital
RM3 - $4.3 million

SB1 State of Good Repair - $2.8 million
State funding to maintain capital for existing transit service

Low Carbon Transit Operations Program (LCTOP) - $8.4million
Limited to projects that reduce carbon emissions
Local Match for zero-emission vehicles and facility charging infrastructure

Capitals Reserves & Unfunded Needs

Current Capital Reserves are $25 million

Included in Draft SRTP

Project	Capital Reserve Programed
Fixed Route Facility Local Match	$11.13 million
Kerner Paratransit Driver Break Room	$830,000
Major Vehicle Repairs	$960,000
Total	$12.92 million

Unfunded Needs

Project	Unfunded Need
Additional Fixed Route Facility Construction Funding	$10-$20 million
Rush Landing Fixed Route Phase 2 Electrification and Paving Rehabilitation	$1.8 million
Rush Landing Building Renovation	$1.25 million
Yellow Bus Parking	$6.2 million
Los Gamos Bus Stop	$2.4 million

Discussion Questions?

What are the priorities for the $12 million in Capital Reserves yet programmed in Draft SRTP?

1. Leverage additional federal and state grants
    - Electrification infrastructure (Rush Landing and East Francisco)
2. Ability to do high priority projects
    - Limited grant funding available for facility rehabilitation projects
    - Examples – Rush Landing pavement rehabilitation, Rush Landing building improvements
3. Plan for ongoing bus stop improvements needs
4. Reserve for cost escalations and additional costs for ZEB transition

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Thank you

CONTACT

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