



marin transit

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October 3, 2022

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

SUBJECT: Marin Transit FY 2021/22 Year End Financial Report

Dear Board Members:

board of directors

stephanie moulton-peters
president
supervisor district 3

katie rice
vice president
supervisor district 2

eric lucan
2nd vice president
city of novato

judy arnold
director
supervisor district 5

kate colin
director
city of san rafael

damon connolly
director
supervisor district 1

dennis rodoni
director
supervisor district 4

brian colbert
alternate
town of san anselmo

RECOMMENDATION: Accept report.

SUMMARY:

The attached report presents Marin County Transit District's (Marin Transit) Year End Financial Report for Fiscal Year 2021/22. The report provides numbers on a full accrual basis, consistent with Generally Accepted Accounting Principles (GAAP). These numbers may be subject to adjustments based on the Fiscal Year 2021/22 audited statements that will be completed in December 2022.

Fiscal Year 2021/22 (July 1, 2020 - June 30, 2021) expenditures for the District's Operations and Capital Programs were \$44.0 million. Operation expenses were 12% higher than the prior year and 7% below budget. There was a net loss of \$1.2 million due to planned expenditures of the capital reserve on facility projects. Operation revenues were 4% lower than the prior year and 100% of budget. The District provided 2% less fixed route revenue service hours, 64% more local paratransit service, and restored yellow bus service.

Fiscal Year 2021/22 was the third year marked by disruption in transit service operations and ridership demand due to the COVID-19 pandemic. Marin Transit's fixed route ridership was retained and recovered faster than any other Bay Area transit operator. Demand response ridership also continued to recover but at a slower rate. Muir Woods service and yellow bus service returned to more typical service level, but Supplemental School service operated limited service due to school bell time changes and limited operational capacity. Operational costs increased with the increased paratransit service hours, rising fuel prices, and new operational contracts.

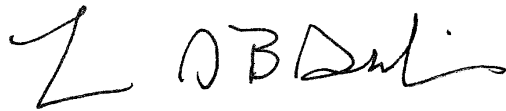
Marin Transit entered this period of disruption and uncertainty in a strong financial position. Recent years of strong economic growth enabled the District to make decisions to fully fund the emergency and contingency reserves, and the 2018 passage of the Measure AA transportation sales tax extension provides long term baseline

funding for the District. The District's long term financial stability is less certain and there are increasing challenges due to the tight labor market. It is increasingly difficult for our contractors to hire and retain frontline staff. This challenge is manifesting in missed service, difficulty adding service, increased costs to our contractors, and ultimately increased costs for the District as purchased transportation contracts are rebid or renegotiated.

Staff provides regular quarterly financial updates to the Board of Directors to monitor the District's financial position. Federal relief funding and District reserves ensured Marin Transit could continue to provide the needed local transit services in Marin County throughout the pandemic. Since ridership has returned and revenues remain strong the District's short term financial outlook remains strong. Staff is continuing to work to better understand new travel patterns and transit needs, and project future impacts to the District's costs and revenues. The lack of ownership of sufficient parking and maintenance facilities continues to be a critical vulnerability in ensuring long term financial stability. The District purchased the Rush Landing bus parking facility in FY2019/20, purchase a paratransit maintenance facility, in San Rafael in FY2021/22 and initiated a purchase of a small parking facility adjacent to the paratransit maintenance facility in FY2021/22. The District still needs an electric vehicle charging and fixed route maintenance facility.

FISCAL/STAFFING IMPACT: None associated with this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'L Gradia', written in a cursive style.

Lauren Gradia
Director of Finance and Capital Programs

Attachments: Marin Transit FY2022 Year End Financial Report, Marin Transit FY2022 Year End Capital Report, and Presentation for FY2022 Year End Financial Report