



TOWN OF FAIRFAX

STAFF REPORT

April 3, 2019

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager *GT*

SUBJECT: Receive update regarding the Ross Valley Yellow Bus program and commit up to \$30,500 for Yellow School Bus service for FY19-20.

RECOMMENDATION

Receive update regarding the Ross Valley Yellow Bus program and commit up to \$30,500 for Yellow School Bus service for FY19-20.

BACKGROUND

For many years Marin Transit contracted with Golden Gate Transit to provide public bus service to hundreds of RVSD students traveling to and from school each day. In June of 2015, Golden Gate Transit no longer operated the routes that serve students, potentially adding hundreds of cars to already crowded streets during peak commute times.

Marin Transit was able to negotiate a contract with Michael's Transportation of Vallejo to provide yellow bus service to the families of the Ross Valley. That service was initiated in August of 2015 and continues to serve White Hill, Brookside, and Hidden Valley Schools.

Recently, the Joint Exercise of Powers Agreement (JEPA) was created that includes representation from the County, Marin Transit, the Ross Valley School District and the Towns of Fairfax and San Anselmo. This joint committee was created to allow for local decision making around the Ross Valley Yellow Bus program and to give the public the chance to provide input. The inaugural JEPA meeting was March 14th. Vice-Mayor Goddard is the Council's primary representative to the JEPA.

DISCUSSION

The annual budget for the Ross Valley Yellow Bus program consists of expenses for the transportation contract with Michael's Transportation along with a series of operational expenses including program administration and bus parking. As shown in Attachment A, the FY18-19 budget is approximately \$775,000 and the projected FY19-20 (column #1) budget is approximately \$760,000.

Revenues for the program consist of contributions from Measure A and now Measure AA, the County of Marin and from the Towns of Fairfax and San Anselmo. Currently, the Towns each contribute \$10,000 annually to offset costs for the Yellow Bus program. The remainder of the budget is made up through bus pass sales. Over the past several years, this has roughly equaled a 50/50 scenario, or a 50% subsidy to the passholders.

AGENDA ITEM # 8

Funding Changes

Transportation Authority of Marin/Measure AA Funding:

Due to the passage of Measure AA, \$600K in dedicated funding has been allocated to yellow bus services. In past years, the Ross Valley program was the only yellow bus program to receive Measure A funding.

Table 1 below shows how the \$600K will be allocated, as well as demonstrating the reduction in funding to the Ross Valley program by \$42,044.

Table 1

| FY 2017/18 Base Year Data | | Mill Valley | Reed Union & Cove | Ross Valley | San Rafael | Dixie | Total | Calculation |
|--|-----|--------------------|------------------------------|--------------------|-------------------|-----------------|------------------|--|
| One Way Pass Price | (a) | \$337.50 | \$295.00 | \$375.00 | \$237.50 | \$199.50 | | annual price, 50% of round trip |
| Subsidy per pass | (b) | \$118.13 | \$103.25 | \$131.25 | \$83.13 | \$69.83 | | 35% of one-way pass price [0.35 x (a)] |
| One Way Passes Distributed | (c) | 214 | 1,316 | 1,013 | 2,792 | 605 | 5,940 | School year 2017-2018 source data |
| Funding¹ for FY 2019/20 allocation | | \$25,279 | \$135,877 | \$132,956 | \$232,085 | \$42,244 | \$568,441 | 35% of pass price for every pass distributed [(b) x (c)] |
| <i>Funding previously provided by Measure A</i> | | \$0 | \$0 | \$175,000 | \$0 | \$0 | \$175,000 | |

County Contribution

Since the inception of the Ross Valley Yellow Bus program, the County of Marin has contributed \$125K per year to help keep the cost of the bus passes affordable. Supervisor Katie Rice's office has been working with County administration to maintain the funding to the program but has reported that although the existing funding level may be maintained for the upcoming fiscal year, the program should expect a decrease in funding in future years. The Supervisor's office indicated that they expect future allocations to be in the \$90K range.

ANALYSIS

The shift in institutional funding for the Ross Valley Yellow Bus program means that additional revenues will need to be found to allow the program to continue to remain viable. The two variables to be considered are the local contributions, currently from the County and from the two towns, and the bus pass pricing.

The number of pass sales showed a year-over-year decline between FY 2017/18 and FY 2018/19. This decrease in sales follows the 8% decrease in enrollment at White Hill Middle School. It is expected that enrollment will not see a decrease in the next several years based on enrollment in the elementary schools.

Table 2 below demonstrates the impact of changes in bus pass costs in relation to local contribution levels.

Table 2: Assume \$125,000 from County

| | A | B | C | D | E |
|---|-------------|--------------|--------------|--------------|--------------|
| Pass Price Increase from 2018/19 | 6.3% | 11.4% | 16.5% | 24.1% | 34.2% |
| One-way Pass Price | \$ 420 | \$ 440 | \$ 460 | \$ 490 | \$ 530 |
| Pass Price Reduced 50% | \$ 210 | \$ 220 | \$ 230 | \$ 245 | \$ 265 |
| Pass Revenue | \$ 384,090 | \$ 402,380 | \$ 420,670 | \$ 448,105 | \$ 484,685 |
| San Anselmo | \$ 60,000 | \$ 51,500 | \$ 43,000 | \$ 30,500 | \$ 13,500 |
| Fairfax | \$ 60,000 | \$ 51,500 | \$ 43,000 | \$ 30,500 | \$ 13,500 |
| County | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 | \$ 125,000 |
| Measure AA | \$ 132,956 | \$ 132,956 | \$ 132,956 | \$ 132,956 | \$ 132,956 |
| Local Match Requirement | 32% | 30% | 28% | 25% | 20% |

Local Match Requirement

The funding coming from Measure AA to the Yellow Bus programs requires a 20% local match, which based on a \$750K budget equates to \$150K. The current contributors to the local match are the County and the two towns. The funding from the towns in Table 2 adjusts with each bus pass price scenario. Column E shows the minimum contribution required from the Towns to meet the local match requirement and assumes the County contribution remains the same. Bus passes would need to increase by over 34% under this scenario.

One of the unknown factors is the volatility of the Yellow Bus program participation rate as the pass price increases.

RECOMMENDATION

The San Anselmo Town Council recently indicated at its March 26th meeting that they would be willing to support an increased annual contribution of \$30,500. Staff is recommending that Fairfax commit to the same level as San Anselmo. Column D of Table 2 shows that bus passes would still need to increase by approximately 24% under this scenario. This increase seems more reasonable and will, hopefully, have a minimal impact on the sale of passes. The one significant unknown is whether the County contribution will remain the same for FY19-20.

The JEPA is requesting funding commitments at this time because decisions regarding pass prices need to be finalized in April in order to open pass sales in early May. The Council representative to the JEPA is Vice-Mayor Goddard. Vice-Mayor Goddard or staff will report at the Council meeting the JEPA discussions regarding the Town's and County's contributions.

The Yellow Bus program provides valuable congestion relief along the Sir Francis Drake Blvd corridor during morning commute hours and is well-managed through Marin Transit. There has been some discussion about developing a Countywide solution for school-related transportation needs but for the next several years, we expect to continue with the existing program.

FISCAL IMPACT

Allocate \$30,500 in the FY19-20 budget.

ATTACHMENT

FY18-19 & FY19-20 Budget Scenarios

| Scenarios | | 1 |
|---|-----------------------|--|
| | 2018/19 Budget | 6 Buses - 19 Routes. Increase pass price to cover lost revenue. |
| Pass Sales | | |
| Full Price | | |
| Charter one way passes | | 24 |
| White Hill one way passes | | 822 |
| Hidden Valley one way passes | | 49 |
| Wade Thomas one way passes | | 0 |
| Total # of one way Passes Sold - Full Price | 956 | 895 |
| Reduced 50% - Income Qualified | | |
| Charter one way passes | | 1 |
| White Hill one way passes | | 31 |
| Hidden Valley one way passes | | 7 |
| Wade Thomas one way passes | | 0 |
| Total # of one way Passes Sold - Reduced 50% | 52 | 39 |
| Total of All Passes Sold | 1008 | 934 |
| Bus Pass Prices | | |
| Full price one-way pass price | \$ 395.00 | \$ 540.00 |
| Reduced price pass | \$ 197.50 | \$ 270.00 |
| Revenue | | |
| Bus Pass Revenue | \$ 387,890.00 | \$ 493,830.00 |
| Per month processing fee - \$4.00 x passes sold x 10 | \$ 12,600.00 | \$ 12,600.00 |
| Refund/Cancellations | \$ - | \$ (25,370.37) |
| Single use pass sales | \$ - | \$ 700.00 |
| Marin County | \$ 125,000.00 | \$ 125,000.00 |
| San Anselmo | \$ 10,000.00 | \$ 10,000.00 |
| Fairfax | \$ 10,000.00 | \$ 10,000.00 |
| RVSD | \$ - | \$ - |
| Charter School | \$ - | \$ - |
| Measure A or AA Contribution | \$ 175,000.00 | \$ 132,956.00 |
| Total Revenue | \$ 720,490.00 | \$ 759,715.63 |
| Expenses | | |
| Contractor Expense (RVSD) | \$ 624,240.00 | \$ 642,600.00 |
| Fare Processing Charges | \$ 15,515.60 | \$ 19,753.20 |
| Marketing | \$ 1,000.00 | \$ 500.00 |
| AVL- Operating Costs | \$ 6,705.00 | \$ 6,705.00 |
| AVL-Data | \$ 3,870.00 | \$ 3,870.00 |
| Equipment (GPS) | \$ 770.00 | \$ 1,500.00 |
| Bus Parking in Marin County | \$ 11,070.00 | \$ 11,400.00 |
| Marin Transit Operations Oversight and Customer Service | \$ 111,564.00 | \$ 71,940.00 |
| Total Expenses | \$ 774,734.60 | \$ 758,268.20 |
| Surplus/Defecit | \$ (54,244.60) | \$ 1,447.43 |
| 20% Local Match Requirement | 20% | 19% |