



(For Board Meeting of July 8, 2005)

SUMMARY OF RECOMMENDATIONS
MEETING OF THE FINANCE-AUDITING COMMITTEE
THURSDAY, JULY 7, 2005
(CHAIR J. DIETRICH STROEH)

Item No. 1

Authorize budget transfers in the FY 05/06 Bridge, Bus and Ferry Divisions' Operating Budgets that will adjust the capital reserve contribution amounts between the operating divisions, as outlined in the attached staff report.

Action by the Board – Resolution

Item No. 2

Authorize the setting of a Public Hearing to receive public comment on a proposal to increase the youth discount from 25% to 50% for local Marin County travel on Golden Gate Transit bus routes.

Action by the Board – Resolution



Agenda Item No. 1.a.

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 7, 2005

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE A TRANSFER IN THE FY 05/06 BUDGET REGARDING
THE DISTRIBUTION OF THE CAPITAL CONTRIBUTION**

Recommendation

The Finance-Auditing Committee recommends the Board of Directors authorize budget transfers in the Fiscal Year 2005/2006 Bridge, Bus and Ferry Divisions' Operating Budgets relative to Capital Contributions, as follows:

- a. Adjust the Bridge Division Capital Contribution amount from \$6,109,334 to \$7,018,600;
- b. Adjust the Bus Division Capital Contribution amount from \$2,125,333 to \$584,600; and,
- c. Adjust the Ferry Division Capital Contribution amount from \$765,333 to \$1,396,800;

with the understanding that requisite funds are available in the FY 05/06 Operating Budgets.

This matter will be presented to the Board of Directors at its July 8, 2005, meeting for appropriate action.

Summary

The FY 05/06 Budget contains \$199.7 million in spending proposals including \$142.3 million in operating expenses (including a \$9 million contribution to Capital Reserves) and \$57.4 million in capital project expenses. The proposed transfers do not change the total expenditures in the budget, but correctly reallocate them.

The purpose of this item is to correct the \$9 million Capital Contribution distribution between the operating divisions. The total District's Capital Contribution will remain at \$9 million; however, the current distribution between Divisions is based on the FY 04/05 10-Year Capital Plan. The corrected Capital Contribution to each Operating Division uses the FY 05/06 10-year Capital Plan.

The transfers are as follows:

Division	Adopted FY 05/06	Corrected FY 05/06	Difference
Bridge	\$6,109,334	\$7,018,600	\$909,266
Bus	\$2,125,333	\$584,600	(\$1,540,733)
Ferry	\$765,333	\$1,396,800	\$631,467
Total	\$9,000,000	\$9,000,000	\$0

As a result of this redistribution, the Operating Division's totals will change to the following:

Division	Adopted FY 05/06	New Adopted FY 05/06
Bridge	\$54,836,175	\$55,745,441
Bus	\$66,952,269	\$65,411,536
Ferry	\$20,277,469	\$20,908,936
Rail	\$232,124	\$232,124
Total	\$142,294,523	\$142,294,523

The Capital Contribution is a Board policy set in FY 02/03 to set aside funds for future capital reserves and provide a local match for future capital projects. Each year, the Operating Budgets for each Division include contributions to Capital Reserves. The distribution to each Division is set according to the Division's share of District-funded capital projects for the current 10-year period.

The calculations for FY 05/06 Capital Contribution have now been performed and although the bottom-line will not change, budget adjustments are necessary in the Bridge, Bus and Ferry Divisions.

Fiscal Impact

There is no fiscal impact associated with this transfer.



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of July 7, 2005

From: Alan Zahradnik, Director of Planning
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE THE SETTING OF A PUBLIC HEARING RELATIVE TO
MARIN COUNTY TRANSIT DISTRICT'S PROPOSAL TO INCREASE
THE YOUTH DISCOUNT TO 50% OF THE ADULT CASH FARE FOR
LOCAL MARIN TRAVEL ON GOLDEN GATE TRANSIT BUS ROUTES**

Recommendation

To complement and coordinate with Marin County Transit District (MCTD) actions pertaining to proposed youth fare changes on Golden Gate Transit (GGT) bus routes, the Finance-Auditing Committee recommends that the Board of Directors authorize the setting of a public hearing on Friday, July 22, 2005, at 9:00 a.m., in the Board Room, Administration Building, Golden Gate Bridge Toll Plaza, to receive public comment on the proposal by MCTD to increase the youth discount for local Marin travel on the District's regional bus routes from 25% to 50% of the adult cash fare. This will result in a youth fare of \$1.00 per ride.

This matter will be presented to the Board of Directors at its July 8, 2005, meeting for appropriate action.

Summary

On December 8, 2004, the District and MCTD executed an Agreement for Intra-County Public Bus Transit Service in Marin County effective November 1, 2004, through April 30, 2006. Under the terms of this Agreement, MCTD is responsible for setting fares and service levels of 20 local bus routes operated by GGT. MCTD can expand local bus service at an additional cost to MCTD as prescribed in the Agreement. MCTD can also reduce local bus service to achieve cost savings. The Agreement also acknowledges the benefit to the public of having a highly coordinated local and regional bus network.

The District has received a request from MCTD to make the following fare and service changes effective at the beginning of the 2005/2006 school year in late August 2005, and at the September 11, 2005, quarterly bus schedule sign-up:

- Reduce the fare for local youth riders, ages 6 to 18, by increasing the existing adult cash fare discount from the current 25% to 50%. The resulting local youth cash fare would be \$1.00. Reduce the price of local Marin youth ticket books to \$1.00 per ticket or \$20 per book from \$1.50 per ticket or \$30 per book. Work with MCTD to develop a new annual youth pass which would be produced and distributed by MCTD.
- Add three local bus routes, Routes 117, 123 and 127 formerly provided by the District under direct agreements with Ross Valley and Larkspur school districts, to the MCTD local bus system, bringing the number of local bus routes in the Agreement which are operated by GGT to a total of 23. MCTD proposes concurrent reduction to the level of service on 7 routes of the existing 20 local routes and elimination of 1 entire route.

On August 2, 2005, MCTD will hold a public hearing on its fare and service proposal.

Staff finds the request to be consistent with the Agreement between the two agencies, and recommends that the Finance-Auditing Committee take the following action to implement the requested local bus fare and service changes.

- Set a public hearing on Friday, July 22, 2005, at 9:00 a.m., to receive public comment on the proposed increase in the youth discount for local Marin travel on the District's regional bus routes to 50% of the adult cash fare to complement and coordinate with parallel MCTD actions pertaining to local bus routes. Following the public hearing, staff would prepare a subsequent staff report and schedule for Finance-Auditing Committee consideration at its August 11, 2005, meeting. Final action by the Board of Directors to implement the local youth discount fare change would occur on August 12, 2005. Staff acknowledges the compressed timeline for the public outreach on this action, but finds this schedule to be necessary to implement the MCTD request without incurring additional cost to the District for holding special meetings of the Board.
- Once MCTD has taken action regarding their service proposal, staff will be bringing forward a request to amend the Agreement between MCTD and District to add Routes 117, 123, and 127 to and subtract Route 132 from the list of MCTD local bus routes operated by GGT and update estimates of local bus service hours, service costs, and revenues identified in the Agreement.

Fiscal Impact

To coordinate local and regional bus fares, the District would concurrently increase the youth discount to 50% or a \$1.00 fare for local rides on regional bus routes. Since many local youth riders on regional bus routes, in particular on the transition local bus routes, have been using Ride & Roll tickets to ride free, staff anticipates a modest increase in fare revenue of less than \$100,000 to the District resulting from the discounted \$1.00 youth cash fare proposed by MCTD.