



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 15, 2025**
FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT **WARDS: ALL**

SUBJECT: SPECIAL TRANSPORTATION SHORT RANGE TRANSIT PLAN FOR FISCAL YEARS 2025/26 THROUGH 2027/28; SUBMIT FISCAL YEAR 2025/26 TRANSPORTATION DEVELOPMENT ACT, STATE OF GOOD REPAIR AND STATE TRANSIT ASSISTANCE CLAIM FORMS AND TRANSPORTATION DEVELOPMENT ACT STANDARD ASSURANCES FORM TO RIVERSIDE COUNTY TRANSPORTATION COMMISSION FOR THE OPERATION OF THE SPECIAL TRANSPORTATION PROGRAM; AND APPROVE A SUPPLEMENTAL APPROPRIATION FOR EXPENDITURES IN THE AMOUNT OF \$2,993,954 AND AN INCREASE IN ESTIMATED REVENUES IN THE SAME AMOUNT– SUPPLEMENTAL APPROPRIATION

ISSUES:

Adopt the Special Transportation Division's Short Range Transit Plan for Fiscal Years 2025/26 - 2027/28; authorize the submittal of the Transportation Development Act, State of Good Repair and State Transit Assistance claim forms and Transportation Development Act Standard Assurances Form for the operation of the Special Transportation Program, and approve a supplemental appropriation for expenditures in the amount of \$2,993,954 and an increase in estimated revenues in the same amount

RECOMMENDATIONS:

That the City Council:

1. Adopt the Special Transportation Division's Short Range Transit Plan for Fiscal Years 2025/26 - 2027/28;
2. Authorize the City Manager, or designee, to submit to Riverside County Transportation Commission the Transportation Development Act, State of Good Repair, and State Transit Assistance claim forms and Transportation Development Act Standard Assurances Form for Fiscal Year 2025/26;
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue in the amount of \$2,993,954, and appropriate and equal amount to various accounts in the Special Transportation Fund as outlined in the fiscal impact section to align the Special Transportation City Council adopted

budget with the Riverside County Transportation Commission's approved funding levels on the Short Range Transit Plan.

BACKGROUND:

The City of Riverside Special Transportation Division operates the Riverside CONNECT service and receives annual funding allocations from various federal, state, and local sources administered by both the Riverside County Transportation Commission (RCTC) and the Federal Transit Administration (FTA). The funds are used to support 100 percent of the operating budget as well as all capital projects including the purchase of new buses.

The Mills-Alquist-Deddeh Act (SB 325) was enacted by the California Legislature to improve existing public transportation services and encourage regional transportation coordination. Known as the Transportation Development Act (TDA) of 1971, this law provides funding to be allocated to transit and non-transit related purposes that comply with regional transportation plans.

The TDA provides two funding sources:

1. Local Transportation Fund (LTF), which is derived from a ¼ cent of the general sales tax collected statewide.
2. State Transit Assistance (STA) fund, which is derived from the statewide sales tax on diesel fuel.

The State Board of Equalization, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF. The STA funds are appropriated by the Legislature to the State Controller's Office; that Office then allocates the tax revenue, by formula, to planning agencies and other selected agencies. The Statute requires 50% of STA funds to be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

On April 28, 2017, Senate Bill 1 (Chapter 5, Statutes of 2017), the Road Repair and Accountability Act of 2017, was signed, providing transit operators in California a consistent revenue source to invest in the repair, upgrade, and improvement of their agency's existing transportation services and infrastructure. This includes the maintenance and rehabilitation of existing vehicles, transit facilities, and the purchase of new, energy efficient transit vehicles.

This investment in public transit is the State of Good Repair (SGR) Program. The SGR Program is funded from the Transportation Improvement Fee portion of the revenues received from the State Transit Assistance (STA) Program to the State Controller's Office (SCO). Pursuant to Public Utilities Code (PUC) Section 99312.1, these funds will be distributed to eligible agencies using the STA Program formula, distributing SGR funds according to population and transit operator revenues. The California Department of Transportation (Caltrans) is legislated to administer the SGR Program and its goal of keeping transit systems in a state of good repair.

DISCUSSION:

Fiscal Years 2025/26 - 2027/28 Short Range Transit Plan:

The Short Range Transit Plan (S RTP) is a three-year plan submitted annually to Riverside

County Transportation Commission (RCTC). RCTC is responsible, by statute, for developing and approving a SRTP for Riverside County (Public Utilities Code Section 130303). The SRTP is intended to serve three purposes:

1. Identifies the transit services and capital improvements required to meet the disabled and senior passenger transit needs of Riverside over a three-year period and the proposed sources of funding to carry out the plan.
2. Serves as a management tool for the Special Transportation Program staff to guide their activities over the next year.
3. Provides justification for operating and capital assistance for grant applications to be submitted to state and federal funding agencies.

On June 11, 2025, RCTC approved the Special Transportation Division's SRTP for Fiscal Year 2025/26, which included an operating budget of \$6,491,022.

Due to the different timing of budget submittals to RCTC and to the City Council, the Special Transportation operating budget that was adopted by the City Council as part of the City's overall budget adoption process, is less than the final approved figures by RCTC. A supplemental appropriation in the amount of \$3,077,886, as well as an increase in estimated revenue in the amount of \$2,695,909 are necessary to align the adopted budget with the final funding approved for Special Transportation operations by RCTC. The increase approved by RCTC will cover additional drivers and other operational costs associated with operating the program.

STRATEGIC PLAN ALIGNMENT:

The Short Range Transit Plan contributes to **Strategic Priority 6 – Infrastructure, Mobility & Connectivity**, which ensures safe, reliable infrastructure that benefits the community and facilitates connection between people, places, and information.

The Short Range Transit Plan proposed by Riverside CONNECT aligns with the Infrastructure, Mobility & Connectivity Priority, and contributes to **Strategic Goal 6.1** in addressing the transportation needs of the Senior and Disabled residents of Riverside.

This action aligns with the following Cross-Cutting Threads:

1. **Community Trust** – Riverside CONNECT's Short Range Transit Plan benefits the City's diverse populations, and results in greater public good.
2. **Equity** – Riverside CONNECT's Short Range Transit Plan ensures that equitable transportation is available to all seniors and disabled residents within the city limits of Riverside.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.
4. **Innovation** - This action is neutral towards this Cross-Cutting Thread.

5. **Sustainability and Resiliency** – Riverside CONNECT is committed to meeting the transportation needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact is an increase in revenues and expenditures to the Special Transportation Fund in the amount of \$2,993,954 to reconcile the City Council approved Fiscal Year 2025/26 budget to RCTC approved funding. Upon City Council approval, an increase in revenue will be recorded in the amount of \$2,993,954 and an equal amount in expenditures will be appropriated as shown in the expenditure and revenue tables below.

The total operating budget for Fiscal Year 2025/26 of \$6,491,022 is broken down into Local Transportation Funds in the amount of \$5,251,022, Federal Section 5307 Funds in the amount of \$350,000, and estimated farebox revenues of \$278,000. Low Carbon Transit Operations Program Funds in the amount of \$12,000 will be used to support free rides for first-time riders and free ride days throughout the year. The operating budget also includes Capitalized Preventative Maintenance costs of \$600,000 and will be covered by a combination of State of Good Repair and STA Funds. The total capital project fund budget is \$2,474,598 and comprised of \$2,274,598 STA funds and \$200,000 LTF Funds.

Table 1. Special Transit Fund Revenue Reconciliation

Revenues					
GL Key	GL Object	Description	FY25/26 Council Approved Budget	FY25/26 SRTP Budget	Difference
0000560	335912	SB325 Article 4	\$5,805,241	\$5,251,022	\$-554,219
0000560	343530	Trans Fare Dial-A-Ride	166,425	116,720	-49,705
0000560	343531	Subscription Service	0	161,280	161,280
9XXXXXX	331100	FTA 5307 - Operations	0	350,000	350,000
9XXXXXX	334100	STA - Prev Maint	0	540,000	540,000
9XXXXXX	334100	SGR - Prev Maint	0	60,000	60,000
		Operating Subtotal	\$5,971,666	\$6,479,022	\$507,356
9351400	343533	*LCTOP Fares	0	12,000	12,000
		Subtotal w/LCTOP	\$5,971,666	\$6,491,022	\$519,356
9XXXXXX	334300	Admin Vehicle Replace-STA	0	60,000	60,000
9XXXXXX	334300	AED Units for Fleet-STA	0	52,000	52,000
9XXXXXX	334300	10 Bus Replacement -STA	0	2,000,000	2,000,000
9XXXXXX	334100	COA- SB325 Article 4/LTF	0	200,000	200,000
9XXXXXX	334300	Ecolane Notification Add-on-STA	0	62,598	62,598
9XXXXXX	334300	Facility Gate Assessment/Repair-STA	0	100,000	100,000
		Capital Projects Subtotal	\$0	\$2,474,598	\$2,474,598
		Revenues Grand Total	\$5,971,666	\$8,965,620	\$2,993,954
		Budget Adjustment			\$2,993,954

*LCTOP Fares not part of Budget Adjustment

**Table 2. Special Transit Fund Expenditure Reconciliation
Expenditures**

GL Key	GL Object	Description	FY25/26 Council Approved Budget	FY25/26 SRTF Budget	Difference
5200200	4XXXXX	Personnel Services	\$3,392,638	\$3,805,476	\$412,838
5200200	XXXXX	Pension Bond Debt Repayment	0	190,450	190,450
5200200	424310	Software Maint/Support	133,437	49,505	-83,932
5200200	XXXXX	All Other Objects	2,445,591	2,445,591	0
Operating Subtotal			\$5,971,666	\$6,491,022	\$519,356
9XXXXXX	462100	Admin Vehicle Replace-STA	0	60,000	60,000
9XXXXXX	426200	AED Units for Fleet-STA	0	52,000	52,000
9XXXXXX	462100	10 Bus Replacement -STA	0	2,000,000	2,000,000
9XXXXXX	440440	COA- SB325 Article 4/LTF	0	200,000	200,000
9XXXXXX	425700	Ecolane Notification Add-on-STA	0	62,598	62,598
9XXXXXX	424130	Facility Gate Assessment/Repair-STA	0	100,000	100,000
Capital Projects Subtotal			\$0	\$2,474,598	\$2,474,598
Expenditures Grand Total			\$5,971,666	\$8,965,620	\$2,993,954
Budget Adjustment					\$2,993,954

Prepared by: Ron Profeta, Special Transit Manager
 Approved by: Pamela M. Galera, Parks, Recreation and Community Services Director
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Kris Martinez, Assistant City Manager
 Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. FY 2025/26 Claim Forms
2. FY 2025/26 Transportation Development Act Standard Assurances Form
3. FY 2025/26 - FY 2027/28 Short Range Transit Plan