



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 15, 2023

FROM: PARKS, RECREATION AND COMMUNITY WARDS: ALL
SERVICES DEPARTMENT

SUBJECT: SPECIAL TRANSPORTATION SHORT RANGE TRANSIT PLAN FOR FISCAL YEARS 2022/23 AND 2023/24; DECREASE OF APPROPRIATION IN THE AMOUNT OF \$969,044 FOR FISCAL YEAR 2022/23, AND A DECREASE IN THE AMOUNT OF \$670,624 FOR FISCAL YEAR 2023/24; INCREASE ESTIMATED REVENUES BY \$24,900 IN FISCAL YEAR 2022/23 AND \$101,125 IN FISCAL YEAR 2023/24; SUBMIT FISCAL YEAR 2023/24 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

ISSUES:

Adopt the Special Transportation Division's Short Range Transit Plan for Fiscal Years (FYs) 2022/23 and 2023/24; approve an appropriation decrease in the amount of \$969,044 for FY 2022/23 and a decrease in the amount of \$670,624 for FY 2023/24; increase FY 2022/23 estimated revenues by \$24,900 in FY 2022/23 and by \$101,125 in FY 2023/24. Authorize the submittal of the Transportation Development Act for FY 2023/24, 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.

RECOMMENDATIONS:

That the City Council:

1. Adopt the Special Transportation Division's Short Range Transit Plan for FYs 2022/23 and 2023/24;
2. Approve an appropriation decrease in the amount of \$969,044 in FY 2022/23 and a decrease in the amount of \$670,624 in FY 2023/24 to align the Special Transportation Operations adopted budget with Riverside County Transportation Commission approved funding levels and the Short-Range Transit Plans;

3. Approve an increase of \$24,900 in estimated revenues for FY 2022/23 and an increase of \$101,125 in estimated revenues for FY 2023/24 to align with Riverside County Transportation Commission approved estimates in the Short-Range Transit Plans; and,
4. Authorize the City Manager, or his 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 FY 2023/24.

BACKGROUND:

The City of Riverside Special Transportation Division 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 formula-based grants are used to fund the operating budget as well as 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 be allocated according to population and 50% be allocated according to operator revenues from the prior fiscal year.

DISCUSSION:

FY 2022/23 and FY 2023/24 Short Range Transit Plans:

The Short-Range Transit Plan (SRTP) is a three-year plan submitted annually to RCTC. RCTC is responsible by statute, for developing and approving a SRTP for Riverside County (Pub. Util 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 8, 2022, RCTC approved the Special Transportation Division's SRTP for FY 2022/23, which included the operations budget of \$4,455,332.

On June 14, 2023, RCTC approved the Special Transportation Division's SRTP for FY 2023/24, which included the operations budget of \$4,880,409.

Budget:

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 higher than the final approved figures by RCTC. A revised decrease in appropriations in the amount of \$969,044 for FY 2022/23 and \$670,624 for FY 2023/24 is necessary to reconcile the City Budget to the adopted Special Transportation Budget approved by RCTC.

Special Transportation Division receives 100% of its operating funds through Local Transportation Funds (LTF) and State Transit Assistance (STA) funds. The program has a Farebox Recovery obligation of 10% of its operating costs. No General Fund money has been or will be used to support the program.

The decrease in the approved budget is caused by a reduction of budgeted vacant positions. Special Transportation had originally 17 full time Minibus Driver positions that were budgeted for but remained vacant. But due to the COVID-19 pandemic, the service demands for transportation services were reduced by over 40% and the need to fill the 17 budgeted vacant positions was no longer necessary. Based on anticipated service demand projections for FY 2023/24, the decision was made to keep and fill only 5 of the 17 positions to meet the projected service demands for the fiscal year. The other 12 vacant positions were defunded and will be removed which has resulted in the decrease in the overall budget. If additional funds are needed during the fiscal year to cover any unforeseen expenses or deficits, an SRTP Amendment can be requested through RCTC to obtain additional LTF funds to make up for any unanticipated shortfalls.

Transportation Development Act, Local Transportation funds in the amount of \$4,255,332 for FY 2022/23 and \$3,674,302 for FY 2023/24 along with \$586,107 in Federal 5307 funds are included in the operating budget for the Special Transportation Division. The estimated farebox revenues approved in the SRTP is \$120,000 for FY 2022/23 and \$220,000 for FY 2023/24. Capitalized Preventative Maintenance will be covered by LTF funds for FY 2022/23. For FY 2023/24 Preventative Maintenance will be covered by \$85,719 in Federal 5339 funds and a combination of \$264,281 in State Transit Assistance funds and \$50,000 in State of Good Repair funds. The total budgets are \$4,455,332 for FY 2022/23 and \$4,880,409 for FY 2023/24.

On January 11, 2023, an SRTP Amendment for FY 2022/23 was approved by RCTC, in the amount of \$541,995 in Local Transportation Funds to cover a shortfall in operating expenses

from FY 2019/20 and 2020/21 that were submitted for federal stimulus reimbursement but were deemed ineligible.

Revenue	FY 22/23 Adopted Budget	FY 22/23 Revised Budget	Difference	FY 23/24 Adopted Budget	FY 23/24 Revised Budget	Difference
Transit Fare Dial A Ride	\$ 95,100	\$ 120,000	\$ 24,900			
SB325 Article 4	5,329,276	4,255,332	(1,073,944)			
FY2022/23 FTA 5307						
FY2022/23 FTA 5339						
FY2022/23 STA		80,000	80,000			
FY2022/23 SGR						
Transit Fare Dial A Ride				\$ 118,875	\$ 220,000	\$ 101,125
SB325 Article 4				5,432,158	3,674,302	(1,757,856)
FY2023/24 FTA 5307					586,107	586,107
FY2023/24 FTA 5339					85,719	85,719
FY2023/24 STA					264,281	264,281
FY2023/24 SGR					50,000	50,000
Total:	\$ 5,424,376	\$ 4,455,332	\$ (969,044)	\$ 5,551,033	\$ 4,880,409	\$ (670,624)

Expenditures	FY 22/23 Adopted Budget	FY 22/23 Revised Budget	Difference	FY 23/24 Adopted Budget	FY 23/24 Revised Budget	Difference
Salaries and Benefits	\$ 2,986,656	\$ 2,017,612	\$ (969,044)	\$ 3,429,508	\$ 2,315,800	\$ (1,113,708)
						-
Operating Expenses				19,879	14,300	(5,579)
						-
All Other Expenses	2,437,720	2,437,720	-	2,101,646	2,550,309	448,663
Total:	\$ 5,424,376	\$ 4,455,332	\$ (969,044)	\$ 5,551,033	\$ 4,880,409	\$ (670,624)

STRATEGIC PLAN ALIGNMENT:

The Short-Range Transit Plan contributes to **Strategic Priority 6 – Infrastructure, Mobility and Connectivity** and **Goal 6.1** in addressing the transportation needs of the Senior and Disabled residents.

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 result 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 of this report is a budget decrease of \$969,044 in FY 2022/23 and a budget decrease of \$670,624 in FY 2023/24. The reduction in the FY 2022/23 budget is attributable to unexpended funds resulting from personnel savings. The reduction in FY 2023/24 expenditures has been incorporated into the budget through the defunding of excess vacant positions.

This reduction is necessary to align the adopted budget with the final funding approved for the Special Transportation Division for operations by RCTC. The Special Transportation Division is funded entirely through Transportation Development Act (TDA) funds and passenger fares, along with federal and state grants, all of which are in the Special Transportation Fund. There is no expectation of any subsidies from the General Fund. Should funding needs change within then current fiscal year, a submission can be made to the Riverside County for additional funding, if necessary.

Prepared 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:	Phaedra A. Norton, City Attorney

Attachments:

1. FY 2023/24 LTF Claim Forms
2. FY 2023/24 SGR Claim Form
3. FY 2022/23 - FY 2023/24 Short Range Transit Plans
4. FY 2023/24 - FY 2025/26 Short Range Transit Plans