



**HERITAGE VALLEY TRANSIT SERVICE
TECHNICAL ADVISORY COMMITTEE (HVTAC)**
Fillmore City Hall, Council Chambers
250 Central Avenue, Fillmore, CA

Wednesday, January 23, 2019
1:30 p.m.

AGENDA

- ITEM 1 CALL TO ORDER**
- ITEM 2 INTRODUCTIONS & ANNOUNCEMENTS**
- ITEM 3 PUBLIC COMMENTS:** Any member of the public may address the Committee for up to two minutes on any subject within the jurisdiction of the Committee that is not scheduled for a public discussion before the Committee.
- ITEM 4 AGENDA ADJUSTMENTS**
- ITEM 5 APPROVAL OF MINUTES**
Recommendation: That the Committee waive the reading and approve the minutes for the regular meeting of September 19, 2018.
- ITEM 6 KPI/RIDERSHIP REPORT**
Recommendation: Receive and file.
- ITEM 7 MARKETING AND OUTREACH UPDATE**
Recommendation: Receive and file.
- ITEM 8 MV CONTRACT EXTENSION**
Recommendation: That the Committee consider options to extend the Transit Services Agreement between VCTC and MV Transportation Inc., for the Valley Express Bus Service.
- ITEM 9 DRAFT FISCAL YEAR 2019/2020 BUDGET**
Recommendation: That the Committee consider recommendation of Draft Fiscal Year 2019/2020 Budget to the HVPAC.
- ITEM 10 DETERMINE THE NEXT MEETING DATE**
Recommendation:
Weds. April 17th | 1:30 p.m. | Location: Fillmore Council Chambers
Weds. July 17th | 1:30 p.m. | Location: Fillmore Council Chambers

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**HERITAGE VALLEY TRANSIT SERVICE
TECHNICAL ADVISORY COMMITTEE (HVTAC)**
Fillmore City Hall, Council Chambers
250 Central Avenue, Fillmore, CA

Wednesday, September 19, 2018
1:30 p.m.

Meeting Summary

MEMBERS PRESENT: Gaylynn Brien, City of Fillmore (Vice Chair)
Caesar Hernandez, City of Santa Paula
David Fleisch, County of Ventura (Chair)

MEMBERS ABSENT: City of Santa Paula.

VCTC STAFF PRESENT: Martin Erickson, Public Transit Director
Aaron Bonfilio, Program Manager – Transit Services
Heather Miller, Transit Planner

ITEM 1 CALL TO ORDER
Chair Fleisch called the meeting at 1:33 p.m.

ITEM 2 INTRODUCTIONS & ANNOUNCEMENTS
None.

ITEM 3 PUBLIC COMMENT
None.

ITEM 4 AGENDA ADJUSTMENTS
None.

ITEM 5 APPROVAL OF MEETING MINUTES

ACTION

The Committee unanimously approved the June 13, 2018 meeting minutes.

ITEM 6 KPI/RIDERSHIP REPORT
Ms. Miller, VCTC, updated and reviewed with the Committee the Quarter 4 (April-May-June) and year-end (FY 2017/2018) Key Performance Indicators (KPI) for the Valley Express Service, including Fixed and Dial-A-Ride (DAR) services.

ITEM 7 MARKETING AND OUTREACH UPDATE
Ms. Eddington, VCTC, provided a brief overview of the report provided which summarizes the activities since June 2018 (example materials were also provided as attachments). The work effort has been primarily related to promotion of the service to senior and youth passengers, through tabling, print advertisements, targeted social media postings for the student/teen passenger audience, as well as banners hung at high school sporting events.

Staff continues to work closely with Celtis Ventures to ensure that the Committees' outreach and

promotional objectives for the Valley Express services are reached. Staff appreciates the efforts and coordination between MV Transportation, Celtis Ventures, and the individual jurisdictions, as well as local organizations to meet the needs of the community while further promoting the service.

ITEM 8 DETERMINE THE NEXT MEETING DATE

Recommendation: Weds., January 9th | 10:00 a.m. | Location: TBD

ITEM 9 ADJOURNMENT

The meeting was adjourned at 2:31 p.m.



DATE: JANUARY 23, 2019

MEMO TO: HERITAGE VALLEY POLICY ADVISORY COMMITTEE (HVTAC)

FROM: HEATHER MILLER, TRANSIT PLANNER

SUBJECT: KEY PERFORMANCE INDICATORS (KPI) REPORT

RECOMMENDATION

- Receive and file report.

BACKGROUND

This report provides Quarter 2 (Oct-Nov-Dec) FY 2018/2019 and Year to Date Key Performance Indicators (KPI) for the Valley Express Service, including fixed route and dial-a-ride (DAR) services.

Key Performance Highlights

- Overall, year to date (July – December) FY 2018/2018 saw a 17% system-wide increase in Valley Express ridership compared to last fiscal year to date. Fixed route ridership increased by 13% while dial-a-ride ridership increased 26% year to date.
- The second quarter (Oct-Nov-Dec) of the current fiscal year showed gains in efficiency of service compared to the same quarter in the last fiscal year with 22% and 21% gains in passengers per mile and passengers per hour respectively. In addition, efficiency gains in service are reflected in a 14% decrease in system-wide average cost per passenger from approximately \$20 to \$17.
- The overall Heritage Valley transit service is balanced with 62% of patrons using dial-a-ride service and 38% of passengers boarding fixed route buses. Recent system ridership data has shown sustained improvements on the Valley Express service and suggests that the schedule adjustments adopted in mid-August 2017 are a fitting solution to serving the community's transit needs.

Year to Date Ridership by Route

The table below provides year to date (July to December) Valley Express ridership per route totals compared to last fiscal year.

While Santa Paula fixed route ridership has declined (primarily due to a significant cut in level of service in mid-August 2017), Santa Paula dial-a-ride ridership has increased significantly (DAR was opened to the general public in mid-August 2017).

Conversely, Fillmore fixed routes have seen increases in fixed route ridership while the Fillmore DAR ridership has dropped. Level of service cuts were less steep and likely less impactful to Fillmore fixed routes.

The Piru fixed route which saw the least cuts in level of service continues to see increases in ridership.

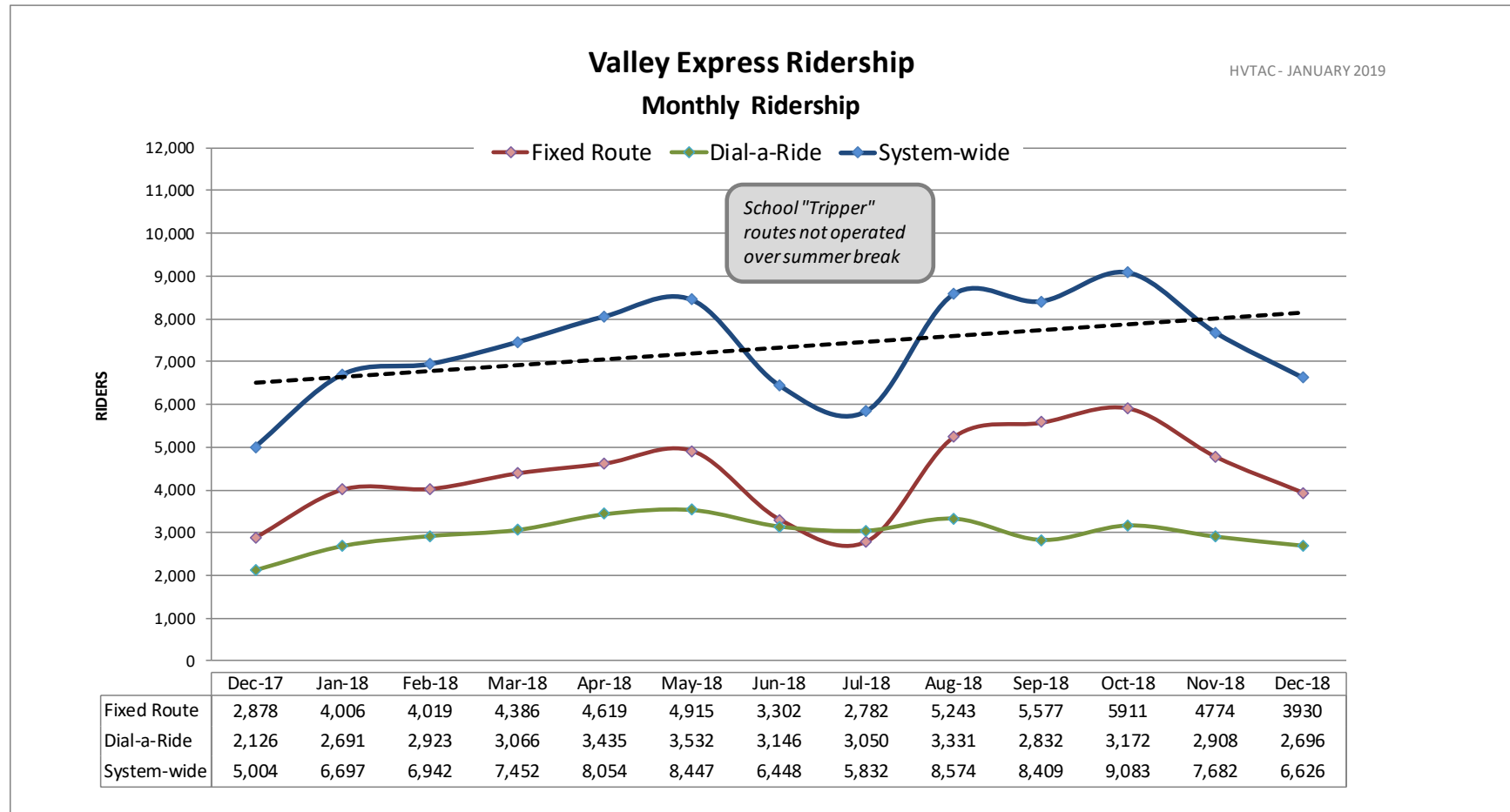
Year to Date/ July - December

Fixed Routes	Jul -Dec 1718	Jul - Dec 1819	Change
Santa Paula A	2,121	1,562	-26%
Santa Paula B	2,184	1,534	-30%
Santa Paula - Tripper A.M.	809	559	-31%
Fillmore - Loop	2,165	4,789	121%
Fillmore - Tripper (Rio Vista)	2,403	3,154	31%
Fillmore - River Central *	183	-	-100%
Piru	15,203	16,619	9%
Fixed Route - Total Ridership	25,068	28,217	13%
Dial-A-Ride Service Area			
Santa Paula	8,975	13,318	48%
Fillmore	5,308	4,671	-12%
Dial-A-Ride - Total Ridership	14,283	17,989	26%
Systemwide - Total Ridership	39,351	46,206	17%

* Route eliminated with mid-August 2017 schedule change due to underperformance.

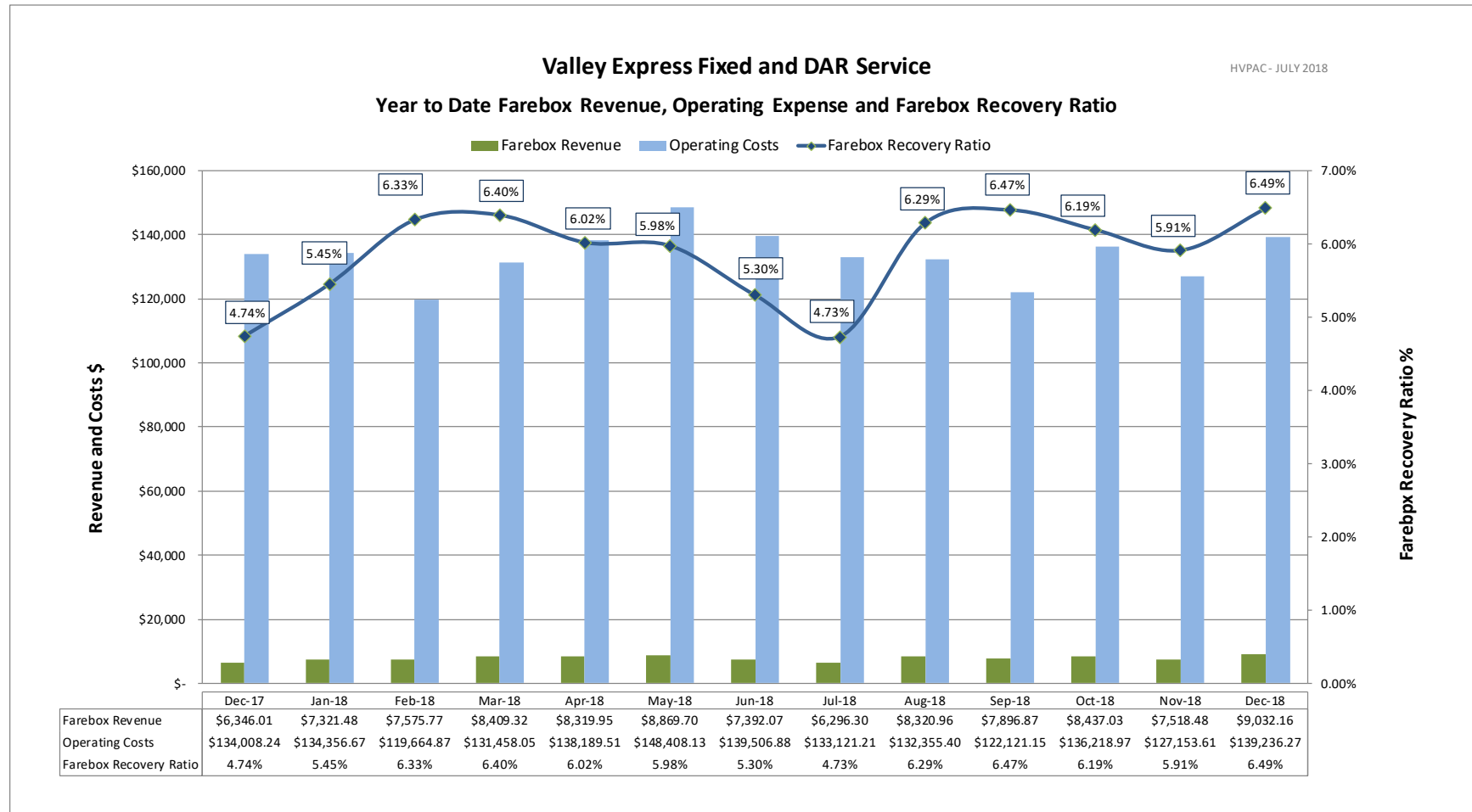
Yearlong Ridership Trends for Valley Express

While experiencing the routine seasonal dips associated with summer school breaks and winter holidays, the Valley Express ridership yearlong is generally trending positive and reaching toward an average 8,000 passenger trips per month. December 2018 ridership rebounded from December 2017 totals which were impacted by the Thomas Fires.



Yearlong trends in Operating Costs, Revenue and Farebox Recovery Ratio

The farebox recovery ratio average of 6% is tracking above average for the fiscal year to date compared to last fiscal year as illustrated below. Santa Paula's local contribution continues to provide funding to make up the recovery shortfall and achieve the required 10% farebox recovery ratio.



Quarterly Comparison for Valley Express

Detailed KPI 2nd Quarter comparisons system-wide and for fixed route service and DAR service are shown in the following Tables 1, 2 and 3.

System-wide, ridership, passengers per mile and hour have all increased by 20% or more this quarter compared to last year's quarter. Ridership for the quarter has increased across all modes, in large part likely due to a rebound in service usage that was adversely impacted by the Thomas fires in December of 2017.

Efficiency gains in service are reflected in a 14% decrease in cost per passenger from approximately \$20 to \$17.

Table 1 System-wide 2nd Quarter Comparison

SYSTEM-WIDE SERVICE - Valley Express KPI		OCT-NOV-DEC QTR 2 2017/18	OCT-NOV-DEC QTR 2 2017/18	Yr over Yr % Change
Ridership	System-wide	19,495	23,391	20%
Passengers per Mile	System-wide	0.25	0.31	22%
Passengers per Hr	System-wide	3.59	4.35	21%
Revenue Hours	System-wide	\$ 5,423	\$ 5,378	-1%
Revenue Miles	System-wide	\$ 77,372	\$ 76,288	-1%
Operating Cost	System-wide	\$ 390,276	\$ 402,609	3%
Cost per Hr	System-wide	\$ 71.97	\$ 74.86	4%
Cost per Passenger	System-wide	\$ 20.02	\$ 17.21	-14%
Farebox Revenue	System-wide	\$ 22,016	\$ 24,988	13%
10% Farebox Recovery Goal \$	System-wide	\$ 39,028	\$ 40,261	3%
Farebox Recovery Shortfall \$	System-wide	\$ (17,011)	\$ (15,273)	-10%
Farebox Recovery Ratio Actual	System-wide	5.64%	6.21%	10%
Fare Revenue per Passenger	System-wide	\$ 1.13	\$ 1.07	-5%
Farebox Recovery 10 % Goal per Passenger	System-wide	\$ 2.00	\$ 1.72	-14%
Shortfall per Passenger	System-wide	\$ (0.87)	\$ (0.65)	-25%

Table 2 Fixed Route 2nd Quarter Comparison

FIXED ROUTE - Valley Express KPI		OCT-NOV-DEC QTR 2 2017/18	OCT-NOV-DEC QTR 2 2017/18	Yr over Yr % Change
Ridership	Fixed Route	11,897	14,615	23%
Passengers per Mile	Fixed Route	0.53	0.62	17%
Passengers per Hr	Fixed Route	7.59	8.86	17%
Revenue Hours	Fixed Route	1,568	1,650	5%
Revenue Miles	Fixed Route	22,377	23,573	5%
Operating Cost	Fixed Route	\$ 123,970	\$ 133,615	8%
Cost per Hr	Fixed Route	\$ 79.05	\$ 80.97	2%
Cost per Passenger	Fixed Route	\$ 10.42	\$ 9.14	-12%
Farebox Revenue	Fixed Route	\$ 9,650	\$ 11,527	19%
10% Farebox Recovery Goal \$	Fixed Route	\$ 12,397	\$ 13,361	8%
Farebox Recovery Shortfall \$	Fixed Route	\$ (2,747)	\$ (1,834)	-33%
Farebox Recovery Ratio Actual	Fixed Route	7.78%	8.63%	11%
Fare Revenue per Passenger	Fixed Route	\$ 0.81	\$ 0.79	-3%
Farebox Recovery 10 % Goal per Passenger	Fixed Route	\$ 1.04	\$ 0.91	-12%
Shortfall per Passenger	Fixed Route	\$ (0.23)	\$ (0.13)	-46%

Table 3 DAR 2nd Quarter Comparison

DIAL-A-RIDE (DAR) - Valley Express KPI		OCT-NOV-DEC QTR 2 2017/18	OCT-NOV-DEC QTR 2 2017/18	Yr over Yr % Change
Ridership	Dial-A-Ride (DAR)	7,598	8,776	16%
Passengers per Mile	Dial-A-Ride (DAR)	0.14	0.17	20%
Passengers per Hr	Dial-A-Ride (DAR)	1.97	2.35	19%
Revenue Hours	Dial-A-Ride (DAR)	3,855	3,728	-3%
Revenue Miles	Dial-A-Ride (DAR)	54,995	52,715	-4%
Operating Cost	Dial-A-Ride (DAR)	\$ 266,307	\$ 268,994	1%
Cost per Hr	Dial-A-Ride (DAR)	\$ 69.08	\$ 72.16	4%
Cost per Passenger	Dial-A-Ride (DAR)	\$ 35.05	\$ 30.65	-13%
Farebox Revenue	Dial-A-Ride (DAR)	\$ 12,367	\$ 13,460	9%
10% Farebox Recovery Goal \$	Dial-A-Ride (DAR)	\$ 26,631	\$ 26,899	1%
Farebox Recovery Shortfall \$	Dial-A-Ride (DAR)	\$ (14,264)	\$ (13,439)	-6%
Farebox Recovery Ratio Actual	Dial-A-Ride (DAR)	4.64%	5.00%	8%
Fare Revenue per Passenger	Dial-A-Ride (DAR)	\$ 1.63	\$ 1.53	-6%
Farebox Recovery 10 % Goal per Passenger	Dial-A-Ride (DAR)	\$ 3.50	\$ 3.07	-13%
Shortfall per Passenger	Dial-A-Ride (DAR)	\$ (1.88)	\$ (1.53)	-18%



DATE: JANUARY 23, 2019

MEMO TO: HERITAGE VALLEY TECHNICAL ADVISORY COMMITTEE (HVTAC)

FROM: JENI EDDINGTON, TRANSIT SPECIALIST

SUBJECT: MARKETING AND OUTREACH ACTIVITIES – UPDATE

RECOMMENDATION

- Receive and file report.

DISCUSSION

In early December 2018, staff provided the HVTAC with a brief overview of the marketing and outreach activities through November 2018. Over the last seven weeks, the work effort has focused on the youth social media campaign, senior print advertisements, and brochure design updates.

During the month of January, the marketing team purchased ad space on Snap Chat versus Facebook. Within the first week of publication, the ad was displayed an average of 8,560 times per day leading 10% of the audience to swipe the ad leading to the Valley Express website. This ad cost \$136 for those impressions and will not exceed \$500 each month. (See Attachment A)

Senior print advertisements are running every other month. This month they have been updated to include the fare structure and, from this point forward, should no longer require additional edits now that the stock footage and language has been finalized for various audiences including women, men, and couples. (Attachment A)

Valley Express schedule brochures are currently being reviewed for content, layout, and color schemes. The GOVCbus automatic vehicle locator (AVL) system, College Ride Pilot Program, and the new 31-Day rolling passes will be included in the next production cycle of brochures. Other edits include the consistent layout of social media logos among brochures, the addition of row dividers within the route timetables, and the relocation of the stop list to the same page as the timetable.

The Valley Express website www.valleyexpressbus.com is in the process of being updated to use the current style guide, make URLs more descriptive, and group information in an easier to locate manner. This is an important work effort because the various social media campaigns are directing potential riders to the website, which was designed by the previous marketing firm.

Staff seeks input from the Committee with regard to the cover images used on the Valley Express brochures. Images currently used are of landscapes and buildings. Staff recommends adding a bus to the cover along

with the brighter colors, similar to those on the new fare media and other promotional pieces such as banners and handouts. Staff also seeks the Committee's input with regard to combining the four separate brochures into a single bus book similar to that used by other small operators.

BUDGET

At this time, six months into the contract, the marketing budget is 8% below the target. Various tasks were under budget while others exceeded their anticipated direct expense or staff costs. As such, funds have been reallocated from tasks to tasks.

Tasks	Proposed			Actual			Proposed	
	Direct Expense	Staff Cost	Total	Direct Expense	Staff Cost	Total	+ -	Total Remaining
Digital Campaign - Student Evergreen	\$ 3,000	\$ 3,825	\$ 6,825	\$ 1,356	\$ 2,768	\$ 4,123	\$ 3,064	\$ 5,766
Digital Campaign - Senior Evergreen	\$ 2,500	\$ 3,825	\$ 6,325	\$ 1,010	\$ 1,958	\$ 2,967	\$ (400)	\$ 2,958
Digital Campaign - High School Rival Games	\$ 400	\$ 720	\$ 1,120	\$ 160	\$ 1,058	\$ 1,217	\$ 97	\$ (0)
Senior Print Advertising	\$ 9,050	\$ 1,800	\$ 10,850	\$ 1,996	\$ 1,148	\$ 3,143	\$ (4,500)	\$ 3,207
Brochure - Updates & Production	\$ 10,620	\$ 4,050	\$ 14,670	\$ 5,349	\$ 5,918	\$ 11,266	\$ 1,880	\$ 5,284
Bus Wrap Contest	\$ 200	\$ 1,080	\$ 1,280	\$ -	\$ -	\$ -	\$ (1,280)	\$ -
Monthly Social Calendar	\$ -	\$ 2,700	\$ 2,700	\$ -	\$ 1,328	\$ 1,328	\$ -	\$ 1,373
Web Page design	\$ -	\$ 2,700	\$ 2,700	\$ -	\$ 1,868	\$ 1,868	\$ 3,128	\$ 3,960
Project Management	\$ -	\$ 11,700	\$ 11,700	\$ -	\$ 5,760	\$ 5,760	\$ -	\$ 5,940
Banners - Design & Production	\$ -	\$ 855	\$ 855	\$ -	\$ 855	\$ 855	\$ -	\$ -
Community Outreach - Toys for Tots	\$ 200	\$ 720	\$ 920	\$ -	\$ -	\$ -	\$ (920)	\$ -
Community Outreach - Stuff the Bus	\$ 100	\$ 720	\$ 820	\$ -	\$ -	\$ -	\$ -	\$ 820
Fare Media - Monthly	\$ 764	\$ 450	\$ 1,214	\$ 1,549	\$ 563	\$ 2,112	\$ 898	\$ 0
Other Ad Hoc Marketing Requests	\$ -	\$ 13,021	\$ 13,021	\$ -	\$ -	\$ -	\$ (1,967)	\$ 7,378
	\$ 26,834	\$ 48,166	\$ 75,000	\$ 11,419	\$ 23,220	\$ 34,639	\$ (0)	\$ 40,361

The Valley Express marketing firm provides services related to both traditional marketing activities such as ad buys, social media campaigns, outreach and promotional activities as well as those tasks related to graphic design and printing of passenger collateral, e.g. "Brochure Updates and Production". The Committees have asked that print and staff costs for such tasks be segmented from the budget identified for "marketing". This change has been applied to the draft Fiscal Year 2019/2020 budget, which is also included on this agenda.

Social Media – Youth Campaign



Snap Chat Advertisement

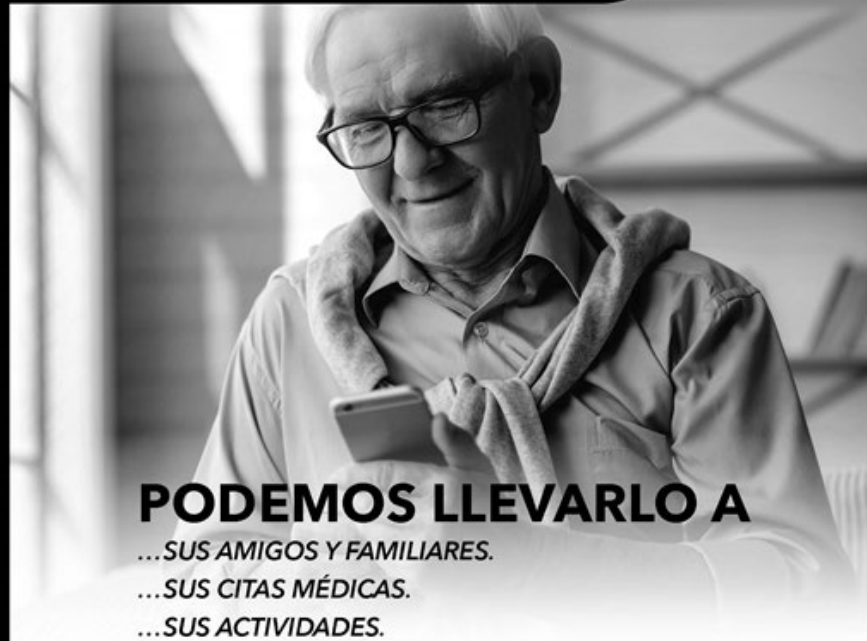
\$136 Spent in eight days (\$500 max)

68,485 Impressions (8,560 / day)

685 Swipes to the website (10%)

Senior Print Campaign

VALLEY EXPRESS



PODEMOS LLEVARLO A

...SUS AMIGOS Y FAMILIARES.

...SUS CITAS MÉDICAS.

...SUS ACTIVIDADES.

Valley Express ofrece servicio de autobús a lo largo de Santa Clara River Valley. Reserve su asiento en Dial-A-Ride ahora llamando al 805.933.2267 o tome asiento en cualquiera de las cuatro rutas de autobús locales.

TARIFAS PARA MAYORES DE 65 AÑOS

Tarifas en efectivo	Pases mensuales
\$.60 Ruta Fija	\$10.00 pase de 31 días para Rutas Fijas
\$ 2.00 Dial-A-Ride	\$25.00 Súper pase de 31 días (Dial-A-Ride y Rutas Fijas)

Visite valleyexpressbus.org para obtener más información.



  @HVValleyExpress



DATE: JANUARY 23, 2019

MEMO TO: HERITAGE VALLEY TECHNICAL ADVISORY COMMITTEE (HVTAC)

FROM: AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES

SUBJECT: THE TRANSIT SERVICES AGREEMENT FOR THE VALLEY EXPRESS BUS SERVICE

RECOMMENDATION

- Consider the options for potential extension of the Transit Services Agreement between VCTC and MV Transportation Inc. for the Valley Express bus service and provide direction to staff.

BACKGROUND

Pursuant to the Cooperative Agreement for the Heritage Valley Transit Service, the Heritage Valley Policy Advisory Committee (HVPAC) is to make recommendations to the Ventura County Transportation Commission (VCTC) regarding, among other things, the Transit Services Agreement between VCTC and MV Transportation Inc. (MV), the Valley Express service provider.

The base term of the Agreement with MV began March 2015 and ends March 2020. The term of the Agreement may be extended, however, for a period of up to three years. There are two options for extending the agreement: A one-time three-year extension; or, a one-year extension for up to three years. VCTC must provide notification to MV of its intent not less than one-year prior to the expiration of the agreement. If the Commission elects to notify MV of its desire to extend, new rates would be subject to negotiation between VCTC and MV Transportation.

This item is presented so that the HVTAC may provide its recommendation to the HVPAC which will be reviewed at the February HVPAC meeting. The HVPAC will then provide its recommendation to the Commission, which shall be reviewed at the March 1, 2019 meeting.

DISCUSSION OF OPTIONS REGARDING TRANSIT SERVICES AGREEMENT

MV Transportation Inc. was selected by the HVPAC following a competitive procurement which had solicited proposals for the operation of the Heritage Valley Transit Service, subsequently rebranded as the Valley Express. Service was launched March 2015 and with it new Fixed Route services were implemented, as well as the traditional dial-a-ride and paratransit services. MV's lengthy experience with new service launches and local community-based transit services were factors in their selection. In addition, MV's proposed price was the lowest among all bidders. Simply put, MV's proposal was the most competitive from a qualitative and financial standpoint.

Since launch, service adjustments have occurred at least annually, which have included fare changes, policy changes, and numerous route adjustments. MV's staff, largely made up of local and incumbent staff from the prior service provider, provided valuable insight prior-to and following each modification. MV has continued to be a cooperative partner with VCTC as it has implemented multiple technology projects, leveraged its corporate and regional experts, and remains committed to the improvement of service delivery for the Heritage Valley communities. During recent management part-time medical leave, unprompted MV installed another manager to assist the Valley Express team.

The options before the TAC are three-fold:

- OPTION 1: Contract Extension for a one-year period, which could be extended for a total of three years. Rates would be subject to renegotiation at each interval.
- OPTION 2: Contract Extension for a single three-year period, for which rates for the entire term would be negotiated.
- OPTION 3: To Re-procure services, i.e. "go back out to bid" and solicit a new service.

Pros and Cons of Each Option

Option 1: One-year Extension

Pros:

- Could provide the agency flexibility to re-procure services should the scope of work need to change dramatically with limited notice, or if concerns over performance arise.
- Could result in more "attentive" performance.

Cons:

- Increases risk to agency for higher costs: i.e. excessive price escalation, as any annual rate adjustment/extension is subject to negotiation year-by-year.
- Could have undesired impacts to performance as staff would depart seeking longer-term stability.
- Contractor could remove/disinvest in resources, e.g. maintenance program, without commitment to long-term agreement.

Option 2: Three-year Extension

Pros:

- Reduces risk for cost escalation (price shock) vs. single year or in case of re-procurement (RFP).
- Provides agency with firm budgetary expectations as rates will be set for longer-term than individual year-to-year extensions, and provides member-agencies ability to forecast available LTF revenues.
- Cost savings in Administration, legal and professional services expenditures.
- Reduces risk for higher costs, as an incumbent provider's rates are likely to be lower than a new provider when no scope change is planned, i.e. no startup costs are anticipated for incumbent vs. a new contractor which must onboard staff and procure facilities and equipment.
- Ensures consistency with staffing for longer-term projects that required training or planning, such as for the County-wide AVL deployment and other promotions, demo services, or campaigns, such as specific Dial-a-ride promotions.

Cons:

- If significant performance issues arise before term concludes, may require legal intervention should existing contractual remedies such as liquidated damages be ineffective.
- Postpones competition / potential savings should another firm have ability to provide service at lower rates.
- Could have undesired impacts to performance (e.g. “complacency”).

Option 3: Go back out to bid, Re-procure now with a Request for Proposals

Pros:

- Potential to solicit more competitive rates through bidding process.
- New provider would include replacement of management personnel, should that be desired.
- Could allow agency to modify scope of work beyond current contract, e.g. significant service reduction or expansion.

Cons:

- Increases risk to agency for higher costs with potential rate increases.
- Would require additional costs to administer an RFP, vehicle turnover inspections, and legal expenses.
- Risk for retention issues, and staff turnover from both management and front-line staff seeking job stability, or those that exercise usage of leaves prior to potential management change.
- Risk for disinvestment in maintenance program.
- Risk for staffing shortage at beginning of new term.
- Lost investment in current staff training and project planning pertaining to long-term projects and projects that are mid-deployment.



DATE: JANUARY 23, 2019

MEMO TO: HERITAGE VALLEY TECHNICAL ADVISORY COMMITTEE (HVTAC)

FROM: AARON BONFILIO, PROGRAM MANAGER – TRANSIT SERVICES

SUBJECT: DRAFT FISCAL YEAR 2019/2020 VALLEY EXPRESS BUDGET

RECOMMENDATION

- Consider the Draft Fiscal Year 2019/2020 Valley Express Budget and provide recommendation to the Heritage Valley Policy Advisory Committee.

BACKGROUND

Pursuant to the Cooperative Agreement for the Heritage Valley Transit Service, the HVTAC will make recommendations to the Heritage Valley Policy Committee (HVPAC) regarding, among other things, the annual level of service and budget. Following the HVTAC review, the item will then be reviewed by the HVPAC. Once final, the draft budget will be incorporated into the overall agency budget of VCTC. The budget process for VCTC includes a draft review by a budget and finance sub-committee, subsequent draft review by the full Commission in April, with final budget adoption by June. This item is to consider recommendation of the draft budget to the Heritage Valley Policy Committee for the upcoming fiscal year.

The draft budget was developed based on the following factors and assumptions:

- 1- Continuation of the current level of service with moderate growth projected for the “on-demand” Dial-a-ride mode;
- 2- Anticipated/projected revenues including Federal Transit Administration (FTA 5307), Farebox and Route Guarantee;
- 3- Extension of the Transit Services Agreement with MV Transportation and limited rate escalation
- 4- No increase to VCTC staffing costs; and,
- 5- Limited increases for items associated with management and administration, such as marketing, legal services and technology.

DISCUSSION

Projected Expenditures

The level of service operated is the primary driver for expenditures. The current and projected service levels are reflected in the following table. Actual compensation, i.e. cost for the on-demand Dial-a-ride service, is based on actual utilization. Whereas Fixed Route services are operated according to a set

schedule and budgeted accordingly. Projections for the upcoming year assume the same level of “Fixed Route” service and moderate growth for the on-demand Dial-a-ride mode.

RECOMMENDED LEVEL OF SERVICE

	<i>FY 2019/2020</i>	<i>FY 2018/2019</i>
<u>Fixed Route</u>	<u>Projected Hours</u>	<u>Current (Budgeted)</u>
Fillmore	1,890	1,890
Santa Paula	1,810	1,810
County	3,100	3,100
Subtotal Fixed Route	6,800	6,800
<u>Dial-a-ride</u>	<u>Projected Hours</u>	<u>Current (Budgeted)</u>
Fillmore	5,800	5,970
Santa Paula	9,800	10,301
County	1,800	1,929
Subtotal Dial-a-ride	17,400	18,200

Based on the current Dial-a-ride utilization trend, year-end usage is anticipated to be between 14,500 and 15,100 hours. The FY2019/2020 budget assumes 15,100 hours + 2,300 hours to address moderate growth in service demand. Due to the refinement in projected hours for the Dial-a-ride mode, year-over-year contract services costs remain flat.

Other year-over-year changes in expenditures include: reassignment of costs for printing of passenger collateral, such as brochures and bus stop schedules and signage. These items were previously included in the Marketing *line-item* and have been moved to the *Printing* line-item. While this change reflects an increase in the costs for Printing, the total cost for Printing and Marketing combined is down.

In sum the net year-over-year change in budget expenditures is a decrease of \$5,800.

Extension of the Transit Services Agreement

As discussed in another item on this agenda, the contract between VCTC and the Valley Express service provider, MV Transportation Inc. (MV), is scheduled to expire March 2020. The FY 2019/2020 budget assumes that the HVPAC will recommend to the Commission to extend the agreement with MV. This budget includes an approximate 5% escalation of MV’s current rates to the coming fiscal year (applicable to the Valley Express service for March, April, May and June of 2020). The projected hourly rate identified for budget purposes for FY 2019/2020 is \$67.55 per hour.

If the Committee chooses to take another direction, such as to proceed with a Request for Proposals, there is substantial risk that rates would be in excess of the proposed budgeted amounts and that

adjustment would be required to increase other expenditures including *Staffing* and *Legal Services* and Professional Services (vehicle inspections).

Anticipated Revenues

The Valley Express has historically utilized revenues from the Federal Transit Administration (FTA) funding, Passenger Fares, and the City of Santa Paula's sales tax Measure "T". These funds are in addition to the State Local Transportation Fund (LTF) revenues that each member-agency receives and budgets for transit programs.

As the Technical Committee is aware, the City of Santa Paula passed a local sales tax measure in 2016, known as "Measure T". It is anticipated that they will contribute a portion of their local contribution from Measure T revenues. This provides the VCTC the ability to allocate those revenues as "route guarantee," which decreases the necessary passenger fare revenues which would otherwise be required to be budgeted at 10% of operating costs. This practice is common among transit agencies and provides Valley Express stability with levels of service and current fare pricing.

Passenger Fare Revenues

Projected Fiscal Year 2019/2020 farebox revenues are based on the current (FY 2018/2019) farebox revenues trend. Farebox revenues for the first six months through December 31, 2018 are approximately \$52,000. While ridership and fare revenues are outpacing the prior year and continue to grow, a more conservative estimate ensures that enough Measure "T" Route Guarantee revenues are budgeted, should service demand change or the passengers shift in terms of fare payment method, cash vs. pass.¹

Farebox Revenues	Projected FY2018/2019	Budget FY2019/2020	<i>Projected FY2019/2020</i>
Year-end	\$98,000	\$95,000	\$96,900

RECOMMENDATION

Staff recommends that the HVTAC consider the Draft Fiscal Year 2019/2020 Valley Express Budget and provide direction to staff regarding the recommendation to the Heritage Valley Policy Advisory Committee (PAC).

The draft Fiscal Year 2019/2020 Valley Express Budget is attached to this item as "Attachment A". A breakdown of each member agency's local contribution is attached to this item as "Attachment B: Valley Express Budget Model (FY2019/2020)."

If approved at this stage, the next step is to present the budget to the PAC, which if approved will then be incorporated into the draft VCTC Budget package presented to the Commission at its April 2019 meeting.

¹ For example, cash fares for Dial-a-ride are \$2.00 per trip. Pass revenues per trip average closer to \$1.35 per trip.

ATTACHMENT A: DRAFT FY2019/2020 VALLEY EXPRESS BUDGET

FUNDING SOURCE	Fiscal Year 2018/2019	Fiscal Year 2019/2020 DRAFT BUDGET	Year-over- year Change
FTA 5307	\$624,254	\$627,198	\$2,944
Local Contribution – TDA Funds	1,111,146	1,075,402	(\$35,744)
Local Contribution – Route Guarantee	140,000	140,000	\$0
Local Fee – Farebox	88,000	95,000	\$7,000
Total Funding	\$1,943,400	\$1,937,600	(\$5,800)

EXPENDITURES	Fiscal Year 2018/2019	Fiscal Year 2019/2020 DRAFT BUDGET	Year-over- year Change
Salaries	\$42,700	\$42,700	\$0
Fringe and Tax	19,900	19,900	\$0
Indirect Cost Allocation	37,400	37,400	\$0
Communications	15,500	15,500	\$0
Mileage	2,000	2,000	\$0
Office Support	200	500	\$300
Postage	100	100	\$0
Printing	6,800	25,000	\$18,200
Bank Fees	800	800	\$0
Legal Services	10,000	12,000	\$2,000
Professional Services	75,000	75,000	\$0
Outreach and Marketing	90,000	68,000	(\$22,000)
Bus Purchase/ Farebox Equipment	4,000	4,000	\$0
Contract Services (25,000 hours)	1,639,000	1,634,700	(\$4,300)
Total Expenditures	\$1,943,400	\$1,937,600	(\$5,800)

Projected Cost Share ("Local Contribution")	FISCAL YEAR 2018/2019	DRAFT BUDGET 2019/2020	Year-over- year Change
City of Fillmore	\$392,821	\$390,959	(\$1,862)
City of Santa Paula*	\$550,427	\$538,694	(\$11,733)
County of Ventura	\$287,898	\$285,749	(\$2,149)
	\$1,231,146	\$1,215,402	(\$15,744)

*Santa Paula's Local Contribution projected to include \$398,694 (TDA) and \$140,000 in Non-TDA revenues ("Route Guarantee").

ATTACHMENT B: VALLEY EXPRESS BUDGET MODEL (FISCAL YEAR 2019/2020)

Cost of Service 2019/2020 (24,200 hours)			
Overhead: Staff	\$	100,000	
Overhead: Other	\$	202,900	
Contractor (25,000 hours)	\$	1,634,700	
Total Costs	\$	1,937,600	
External Revenues			
FTA	\$	627,198	
Projected Farebox	\$	95,000	
Total External Revenues	\$	722,198	
(1) Total Net Due (Less External Revenues)	\$	1,215,402	
(2) Member Agency Share Overhead			
			<i>% Share</i>
Fillmore	\$	100,966	33%
Santa Paula	\$	100,967	33%
County	\$	100,967	33%
Subtotal Overhead Costs	\$	302,900	
(3) Member agency share of Contractor Costs (rounded)			
			<i>% Share hrs.</i>
Fillmore	\$	289,993	31.78%
Santa Paula	\$	437,727	47.97%
County	\$	184,782	20.25%
Subtotal Contract Costs	\$	912,502	
Total Costs: Member Agency			
Fillmore	\$	390,959	
Santa Paula	\$	538,694	
County	\$	285,749	
Total Costs: Member Agency	\$	1,215,402	

Available Carryover Balances			
Fillmore	\$	32,656	
Santa Paula	\$	74,317	
County	\$	21,038	
<i>Projected Amount Due to VCTC</i>			
Fillmore	\$	358,303	
Santa Paula	\$	464,377	
County	\$	443,339	

NOTES:

- (1) Total Due equal to expenditures less FTA, and farebox revenues
(2) Overhead is equal to all expenditures less any grant-funded projects and Contract Services; % share split equally
(3) Net Contractor cost equal to total contract services cost less FTA and farebox;