

SANDAG

Transportation Committee Agenda

Friday, June 18, 2021

9 a.m.

****Teleconference Meeting****

MEETING ANNOUNCEMENT AMIDST COVID-19 PANDEMIC:

The Transportation Committee meeting scheduled for Friday, June 18, 2021, will be conducted virtually in accordance with Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak, Executive Order N-29-20, and the Guidance for Gatherings issued by the California Department of Public Health. Board Members will primarily participate in the meeting virtually, while practicing social distancing, from individual remote locations.

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Public Comments: Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference "Friday, June 18, 2021, Transportation Committee Meeting", in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. on Thursday, June 17, will be provided to members prior to the meeting.

If you desire to provide live verbal comment during the meeting, please join the Zoom meeting by computer or phone and use the "Raise Hand" function to request to provide public comment. On a computer, the "Raise Hand" feature is on the Zoom toolbar. By phone, enter *9 to "Raise Hand" and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those joining via a computer and by the last three digits of for those joining via telephone. All comments received prior to the close of the meeting will be made part of the meeting record. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other "housekeeping" matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made via email or orally per the instructions above.

SANDAG

Welcome to SANDAG. Members of the public may speak to the Transportation Committee on any item at the time the Committee is considering the item. Public speakers are limited to three minutes or less per person. The Committee may only take action on any item appearing on the agenda.

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Vision Statement

Pursuing a brighter future for all.

Mission Statement

We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.

Our Commitment to Equity

We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. In 2021, SANDAG will develop an equity action plan that will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

San Diego Association of Governments

401 B Street, Suite 800, San Diego, CA 92101-4231 × (619) 699-1900 × Fax (619) 699-1905 × sandag.org

Transportation Committee

Friday, June 18, 2021

Item No.	Action
1. Public Comments/Communications/Member Comments Members of the public shall have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comment	Discussion
Consent	
+3. Approval of Meeting Minutes The Transportation Committee is asked to review and approve the minutes from its June 4, 2021, meeting.	Approve
Reports	
+4. 2021 Regional Plan: Role of Technology <i>Antoinette Meier, SANDAG</i> SANDAG staff will discuss the technology trends that have disrupted transportation, and opportunities to leverage technology in support of our goals for fast, fair, and clean mobility.	Discussion
+5. Proposed FY 2022 Transit Agency Operating Budgets <i>Sandi Craig, SANDAG</i> <i>Sharon Cooney, Metropolitan Transit System</i> <i>Eun Parker-Lynch, North County Transit District</i> The Transportation Committee is asked to approve the North County Transit District (NCTD) and Metropolitan Transit System FY 2022 operating budgets for funding, with the final NCTD budget subject to approval by the NCTD Board of Directors on June 17, 2021.	Approve

+6. Transportation Development Act and State Transit Assistance Claims **Recommend**

Ariana zur Nieden, SANDAG

The Transportation Committee is asked to recommend that the Board of Directors:

1. Adopt Resolution Nos. 2021-21 through 2021-26, approving the FY 2022 Transportation Development Act and State Transit Assistance (STA) claims in substantially the same form as attached; and
2. Approve the STA findings as certified by North County Transit District.

7. Upcoming Meetings **Information**

The next meeting of the Transportation Committee is scheduled for Friday, July 2, 2021, at 9 a.m.

8. Adjournment

+ next to an item indicates an attachment

June 18, 2021

June 4, 2021, Meeting Minutes

Chair Nora Vargas (County of San Diego) called the meeting of the Transportation Committee to order at 9 a.m.

Action: **Approve**

The Transportation Committee is asked to approve the minutes from its June 4, 2021, meeting.

1. Public Comments/Communications/ Member Comments

Gustavo Dallarda, Caltrans District 11, provided an update on Caltrans programs and projects, including high profile collisions on local freeways, State Route 163 weekend closures for landscaping and guard rail repair, and new freeway signage.

Councilmember Bill Sandke (South County) provided an update on efforts to add a suicide prevention barrier along the Coronado Bridge.

Chair Vargas provided an update on a recent tour of the Otay Mesa East Port of Entry.

2. Executive Director's Report

Chief Capital Program and Regional Services Officer Jim Linthicum presented an update on key programs, projects, and agency initiatives.

Stephen Koch, member of the public, spoke regarding project labor agreements.

Consent

3. Approval of Meeting Minutes (Approve)

The Transportation Committee was asked to approve the minutes from its April 16, 2021, and May 7, 2021, meetings.

4. *TransNet* Environmental Mitigation Program: Land Management Grant Program Quarterly Status Update (Information)

This report provided an overview of progress made by *TransNet* Environmental Mitigation Program Land Management Grant recipients.

Action: Upon a motion by Vice Chair Raul Campillo (City of San Diego), and a second by Councilmember David Zito (North County Coastal), the Transportation Committee voted to approve Item No. 3 on the Consent agenda.

The motion passed.

Yes: Chair Vargas, Vice Chair Campillo, Gil Cabrera (San Diego County Regional Airport Authority), Councilmember Jennifer Mendoza (East County), Councilmember Monica Montgomery Steppe (Metropolitan Transit System), Councilmember Zito, Mayor Paul McNamara (North County Inland), Councilmember Jewel Edson (North County Transit District), Commissioner Garry Bonelli (Port of San Diego), and Councilmember Sandke.

No: None.

Abstain: None.

Absent: None.

Reports

5. 2020 State of the Commute Report (Information)

Senior Research Analyst Grace Miño presented the item.

The Transportation Committee was asked to review information about the regional transportation system performance data shown in the 2020 State of the Commute report based on the review and acceptance of the *TransNet* Independent Taxpayer Oversight Committee.

Action: Information only.

6. Crossborder Transportation: Impacts of Delay and Border Master Planning Efforts (Information)

Principal Regional Planner Rachel Kennedy and José Marquez, Caltrans, presented an overview and highlights of the Impacts of Border Delays at California–Baja California Land Ports of Entry study and the 2021 California–Baja Border Master Plan.

Action: Information only.

7. Annual Report to Legislature on Public Transit (Recommend)

Principal Regional Planner Jennifer Williamson presented the item.

Action: Upon a motion by Councilmember Sandke, and a second by Councilmember Zito, the Transportation Committee recommended that the Board of Directors approve submission of the Annual Public Transit Report to the State Legislature.

The motion passed.

Yes: Chair Vargas, Vice Chair Campillo, Gil Cabrera, Councilmember Mendoza, Councilmember Montgomery Steppe, Councilmember Zito, Mayor McNamara, Councilmember Edson, Commissioner Bonelli, and Councilmember Sandke.

No: None.

Abstain: None.

Absent: None.

8. Federal Section 5310 Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act Funding Allocation (Recommend)

Business Analyst Zach Rivera and Senior Regional Planner Brian Lane presented the item.

Camey Christenson, member of the public, spoke in support of the recommendation.

Tony San Nicolas, member of the public, spoke in support of the recommendation.

Ethel Miranda, member of the public, spoke in support of the recommendation.

Ali Poorman, FACT, spoke in support of the recommendation.

Action: Upon a motion by Councilmember Edson and a second by Councilmember Sandke, the Transportation Committee recommended that the Board of Directors:

- (1) Approve an amendment to the FY 2022 Program Budget adding \$825,640 in funding from Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) and American Rescue Plan Act of 2021 (ARPA) to OWP Nos. 3321400 and 3320200; and

Authorize staff to:

- (2) Offer CRRSAA and ARPA funding to Cycle 11 Section 5310 grantees with non-vehicle projects in proportion to their total awarded project funding if they establish a need for COVID-19 relief;

- (3) Allocate any remaining funding to FACT if there are any grantees that do not establish a need for COVID-19 relief; and
- (4) Allocate future COVID-19 relief or stimulus funding received through December 2021 and with similar program requirements consistent with the recommended action.

The motion passed.

Yes: Chair Vargas, Vice Chair Campillo, Gil Cabrera, Councilmember Mendoza, Councilmember Montgomery Steppe, Councilmember Zito, Mayor McNamara, Councilmember Edson, Commissioner Bonelli, and Councilmember Sandke.

No: None.

Abstain: None.

Absent: None.

9. Transportation Development Act: FY 2021 Productivity Improvement Program and FY 2022 Allocations (Recommend)

Action: Upon a motion by Councilmember Montgomery Steppe, and a second by Councilmember Edson, the Transportation Committee recommended that the Board of Directors approve the eligibility of the Metropolitan Transit System and North County Transit District to receive their FY 2022 Transportation Development Act allocations of funds.

The motion passed.

Yes: Chair Vargas, Vice Chair Campillo, Gil Cabrera, Councilmember Mendoza, Councilmember Montgomery Steppe, Councilmember Zito, Mayor McNamara, Councilmember Edson, Commissioner Bonelli, and Councilmember Sandke.

No: None.

Abstain: None.

Absent: None.

10. Upcoming Meetings

The next Transportation Committee meeting is scheduled for Friday, May 7, 2021, at 9 a.m.

11. Adjournment

Chair Vargas adjourned the meeting at 10:59 a.m.

Confirmed Attendance at SANDAG Transportation Committee Meeting

June 4, 2021

Jurisdiction	Name	Member/ Alternate	Attend Virtually
North County Inland	Mayor Paul McNamara	Member	Yes
	Mayor Judy Ritter	Alternate	Yes
South County	Councilmember Bill Sandke	Member	Yes
	Mayor Mary Salas	Alternate	No
City of San Diego	Vice Chair Raul Campillo	Member	Yes
	Councilmember Vivian Moreno	Alternate	No
County of San Diego	Chair Nora Vargas	Member	Yes
	Supervisor Terra Lawson-Remer	Alternate	No
	Supervisor Joel Anderson	Alternate	No
East County	Councilmember Jennifer Mendoza	Member	Yes
	Mayor Bill Wells	Alternate	No
North County Coastal	Councilmember David Zito	Member	Yes
	Councilmember Joe Mosca	Alternate	Yes
Metropolitan Transit System	Councilmember Monica Montgomery Steppe	Member	Yes
	Councilmember Paloma Aguirre	Alternate	No
North County Transit District	Councilmember Jewel Edson	Member	Yes
	Mayor Pro Tem Sharon Jenkins	Alternate	No
	Councilmember Corinna Contreras	Alternate	No
San Diego County Regional Airport Authority	Gil Cabrerra	Member	Yes
	Bob Lloyd	Alternate	No
Port of San Diego	Commissioner Garry Bonelli	Member	Yes
	Commissioner Sandy Naranjo	Alternate	No
Advisory Members			
Caltrans	Gustavo Dallarda	Member	Yes
	Ann Fox	Alternate	Yes
Southern California Tribal Chairmen's Association	Erica Pinto	Member	No
	James Hill	Member	No
Other Attendees	Matt Tucker	NCTD	Yes
	Sharon Cooney	MTS	Yes

June 18, 2021

2021 Regional Plan: Role of Technology

Over the last two decades, the Information and Communications Technology (ICT) revolution has radically changed nearly every aspect of our lives – how we socialize, shop, access information and services, work, and learn. Transportation is no exception; ICT has changed demands for transportation and brought about new methods and modes.

We are at a pivotal point in time to leverage these technology trends to meet the challenge of worsening congestion, rising traffic accidents and fatalities, growing inequities, severe climate change impacts, and declining air quality.

The Emerging Technologies White Paper (Attachment 1) explores technology disruptions to transportation and presents policy and investment considerations to guide technology towards a transportation future that is faster, fairer, and cleaner.

Key Considerations

The Draft 2021 Regional Plan capitalizes on technology through the 5 Big Moves – Complete Corridors are not truly complete without the technology that actively manages them to move more people and goods safely and efficiently; Transit Leap and Flexible Fleet services become convenient choices with technology solutions that make them responsive to changing demands, improve reliability, and provide a high-quality customer experience; Mobility Hubs rely on smart infrastructure to provide smooth connections between modes and a safer environment; and at the heart of the 5 Big Moves is the Next OS platform, which uses data and software applications to coordinate transportation modes and infrastructure, and orchestrate services to deliver a seamless transportation experience. The Next OS Concept White Paper (Attachment 2) describes the critical role of the Next OS in coordinating operations, management, and policies to deliver a complete mobility ecosystem in our region.

SANDAG staff will discuss the technology trends presented in the Emerging Technology White Paper and how the region's bold vision for transportation incorporates these technologies to create a modernized transportation system that will serve people better for generations to come.

Next Steps

At the July 2, 2021, and July 16, 2021, meetings of the Transportation Committee, SANDAG staff from the Mobility and Innovation Department will present more details on current initiatives to plan and implement digital infrastructure and clean transportation infrastructure and programs.

The Board will be asked to consider adoption of the 2021 Regional Plan and certification of the final environmental impact report in the fall of 2021.

Hasan Ikhata, Executive Director / Chief Deputy Executive Director

Key Staff Contacts: Ray Major, (619) 595-5668, ray.major@sandag.org
Antoinette Meier, (619) 699-7381, antoinette.meier@sandag.org
Sanjiv Nanda, (619) 699-7337, saniv.nanda@sandag.org

Attachments: 1. Emerging Technologies White Paper April 2021
2. Next OS Concept White Paper

Action: **Discussion**

SANDAG staff will discuss the technology trends that have disrupted transportation, and opportunities to leverage technology in support of our goals for fast, fair, and clean mobility.

Fiscal Impact:

Funding for development of the 2021 Regional Plan is included in Overall Work Program Element Nos. 3102000 and 3102005 in the FY 2021 Program Budget.

Schedule/Scope Impact:

The draft 2021 Regional Plan and draft Environmental Impact Report are posted for review through July 30, 2021

Agenda Item 4 — Attachment 1:

Emerging Technologies White Paper April 2021

The full document in electronic format can be downloaded at
https://sdforward.com/docs/default-source/2021-regional-plan/emerging-tech-white-paper_2021.pdf?sfvrsn=baaffe65_2.

For a printed copy, please contact the Public Information Office at (619) 699-1950 or pio@sandag.org.

Agenda Item 4 — Attachment 2:

Next OS Concept White Paper

The full document in electronic format can be downloaded at https://www.sdforward.com/docs/default-source/2021-regional-plan/san-diego-forward_next-os-concept-white-paper.pdf?sfvrsn=9499fe65_2.

For a printed copy, please contact the Public Information Office at (619) 699-1950 or pio@sandag.org.

June 18, 2021

Proposed FY 2022 Transit Agency Operating Budgets

Overview

SANDAG is responsible for approving the transit agency budgets for funding. [SANDAG Board Policy No. 001](#), vests the Transportation Committee with the responsibility for approval of such budgets. The FY 2022 transit revenue apportionments approved by the SANDAG Board of Directors on February 26, 2021, have been used by the transit agencies in preparing their FY 2022 budgets.

Key Considerations

SANDAG is responsible for public transit and other transportation planning and programming, including short- and near-term operational and financial planning and program development for Metropolitan Transit System (MTS) and North County Transit District (NCTD). SANDAG provides the transit agencies with funding estimates for those revenues distributed through the consolidated agency. The transit agencies use this information as input into their budget development process.

The Transition Plan (SB 1703 [Peace]) between SANDAG, MTS, and NCTD further calls on SANDAG to examine the transit agencies' budgets and the budget process in an effort to confirm the appropriate use of the funding estimates provided and comment on potential efficiency enhancements. Attachments 1 and 2 contain FY 2022 operating budget summaries provided by MTS and NCTD. The MTS Board of Directors approved its FY 2022 budget on May 13, 2021. The NCTD Board of Directors is scheduled to approve its budget on June 17, 2021.

Sharon Cooney, MTS Chief Executive Officer, and Eun Park-Lynch, NCTD Chief Financial Officer, will present a summary of their FY 2022 budgets and a five-year forecast of operations for their respective agencies.

André Douzdjian, Director of Finance

Key Staff Contact: Sandi Craig, (619) 699-6998, sandi.craig@sandag.org

Attachments:

1. MTS Operations Budget Summaries
2. NCTD Operations Budget Summaries

Action: **Approve**

The Transportation Committee is asked to approve the North County Transit District (NCTD) and Metropolitan Transit System's FY 2022 operating budgets for funding, with the final NCTD budget subject to approval by the NCTD Board of Directors on June 17, 2021.

Fiscal Impact:

No budgetary impact to SANDAG.

Schedule/Scope Impact:

None.

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
REVENUE SUMMARY
FISCAL YEAR 2022**

	<u>ACTUAL FY20</u>	<u>AMENDED BUDGET FY21</u>	<u>BUDGET FY22</u>	<u>DOLLAR CHANGE BUDGET/ PROJECTED</u>	<u>% CHANGE BUDGET/ PROJECTED</u>
OPERATING REVENUE					
PASSENGER REVENUE	\$ 79,531,926	\$ 46,603,588	\$ 49,500,000	\$ 2,896,412	6.2%
OTHER OPERATING REVENUE	21,817,225	18,381,868	21,512,685	3,130,817	17.0%
TOTAL OPERATING REVENUE	\$ 101,349,151	\$ 64,985,456	\$ 71,012,685	\$ 6,027,229	9.3%
SUBSIDY REVENUE					
FEDERAL REVENUE	\$ 63,129,955	\$ 63,219,614	\$ 64,586,394	\$ 1,366,781	2.2%
FEDERAL REVENUE - CARES ACT	17,900,000	74,143,632	80,295,795	6,152,163	8.3%
TRANSPORTATION DEVELOPMENT ACT (TDA)	63,505,007	71,776,987	68,804,580	(2,972,407)	-4.1%
TRANSNET	40,315,353	41,770,086	49,617,341	7,847,255	18.8%
STATE TRANSIT ASSISTANCE (STA)	10,912,864	3,269,000	11,300,000	8,031,000	245.7%
STATE REVENUE - OTHER	670,411	130,034	200,000	69,966	53.8%
OTHER LOCAL SUBSIDIES	9,533,553	9,428,703	9,301,311	(127,392)	-1.4%
TOTAL SUBSIDY REVENUE	\$ 205,967,143	\$ 263,738,054	\$ 284,105,421	\$ 20,367,367	7.7%
OTHER REVENUE					
OTHER FUNDS	\$ -	\$ -	\$ -	\$ -	-
RESERVES REVENUE	26,056	(2,503,059)	34,982	2,538,041	-101.4%
TOTAL OTHER REVENUES	\$ 26,056	\$ (2,503,059)	\$ 34,982	\$ 2,538,041	-101.4%
GRAND TOTAL REVENUES	\$ 307,342,349	\$ 326,220,451	\$ 355,153,088	\$ 28,932,637	8.9%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
SUMMARY INCOME STATEMENT
FISCAL YEAR 2022**

	ACTUAL FY20	AMENDED BUDGET FY21	BUDGET FY22	\$ VARIANCE BUDGET TO AMENDED	% VARIANCE BUDGET TO AMENDED
PASSENGER REVENUE	\$ 79,531,926	\$ 46,603,588	\$ 49,500,000	\$ 2,896,412	6.2%
OTHER REVENUE	21,817,225	18,381,868	21,512,685	3,130,817	17.0%
TOTAL OPERATING REVENUES	\$ 101,349,151	\$ 64,985,456	\$ 71,012,685	\$ 6,027,229	9.3%
TOTAL NON-OPERATING REVENUE	205,993,198	261,234,998	284,140,403	22,905,406	8.8%
TOTAL REVENUES	\$ 307,342,349	\$ 326,220,454	\$ 355,153,088	\$ 28,932,635	8.9%
PERSONNEL EXPENSES	\$ 139,337,866	\$ 155,751,045	\$ 158,098,469	\$ 2,347,424	1.5%
OUTSIDE SERVICES	30,951,185	33,197,395	37,622,375	4,424,980	13.3%
PURCHASED TRANSPORTATION	75,308,366	74,128,784	92,634,838	18,506,054	25.0%
MATERIALS AND SUPPLIES	14,170,585	16,717,560	13,317,239	(3,400,321)	-20.3%
ENERGY	29,750,463	33,031,959	39,932,692	6,900,733	20.9%
RISK MANAGEMENT	6,940,342	7,381,688	7,119,617	(262,071)	-3.6%
GENERAL AND ADMINISTRATIVE	4,500,828	4,200,270	4,663,845	463,575	11.0%
VEHICLE / FACILITY LEASE	1,239,270	1,330,300	1,428,817	98,517	7.4%
DEBT SERVICE	984,407	481,450	335,196	(146,254)	-30.4%
TOTAL OPERATING EXPENSES	\$ 303,183,312	\$ 326,220,451	\$ 355,153,088	\$ 28,932,637	8.9%
TOTAL REVENUES LESS TOTAL EXPENSES	\$ 4,159,037	\$ 3	\$ (0)	\$ (3)	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
FIVE YEAR FINANCIAL PROJECTIONS (\$000s)
FISCAL YEAR 2022**

	ACTUAL FY20	AMENDED BUDGET FY21	BUDGET FY22	PROJECTED FY23	PROJECTED FY24	PROJECTED FY25	PROJECTED FY26
TOTAL OPERATING REVENUES	\$ 101,349	\$ 64,985	\$ 71,013	\$ 97,592	\$ 112,908	\$ 122,111	\$ 129,708
RECURRING SUBSIDY FUNDING	188,067	189,594	203,810	212,445	217,531	222,575	227,521
TOTAL RECURRING REVENUES	\$ 289,416	\$ 254,580	\$ 274,822	\$ 310,038	\$ 330,439	\$ 344,685	\$ 357,229
PERSONNEL EXPENSES	\$ 139,338	\$ 155,751	\$ 158,098	\$ 164,806	\$ 168,070	\$ 170,762	\$ 175,434
OUTSIDE SERVICES	106,260	107,326	130,257	139,630	145,968	150,453	154,973
MATERIALS AND SUPPLIES	14,171	16,718	13,317	14,013	14,428	14,843	15,266
ENERGY	29,750	33,032	39,933	42,285	43,688	45,064	46,463
RISK MANAGEMENT	6,940	7,382	7,120	7,598	7,788	7,982	8,182
OTHER	6,725	6,012	6,428	6,415	6,410	6,471	6,597
TOTAL OPERATING EXPENSES	\$ 303,183	\$ 326,220	\$ 355,153	\$ 374,747	\$ 386,352	\$ 395,575	\$ 406,914
RECURRING OPERATING INCOME (DEFICIT)	\$ (13,767)	\$ (71,641)	\$ (80,331)	\$ (64,709)	\$ (55,913)	\$ (50,890)	\$ (49,686)
FEDERAL REVENUE - CARES ACT	17,900	74,144	80,296	64,709	55,913	50,890	15,000
NON RECURRING REVENUES	26	(2,503)	35	-	-	-	-
TOTAL OPERATING INCOME (DEFICIT)	\$ 4,159	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (34,686)



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda Item

SAN DIEGO ASSOCIATION OF GOVERNMENTS BOARD OF DIRECTORS TRANSPORTATION COMMITTEE MEETING

June 18, 2021

SUBJECT:

MTS: OPERATIONS BUDGET

RECOMMENDATION:

That the San Diego Association of Governments (SANDAG) Board of Directors receive the San Diego Metropolitan Transit System (MTS) fiscal year (FY) 2022 Operating Budget Report.

Budget Impact

None at this time.

DISCUSSION:

MTS BUDGET STATUS REVIEW

MTS staff held a public hearing and received final budget approval from the MTS Board of Directors (MTS Board) on May 13, 2021.

FY 2021 Highlights

- COVID-19 Response

During the COVID-19 outbreak, MTS continued to provide safe transit service thanks to the dedication and effort from employees. MTS was able to maintain 96% of pre-COVID-19 service levels, which according to American Public Transportation Association, was the highest level of service retention in the nation. Despite lower ridership and fare revenues, these continued high service levels allowed passengers to continue to social distance, remain confident in the reliability of the system, and provided service to essential workers. Additionally,



many strategies have been implemented to help keep passengers and employees safe. Highlights include:

- Passenger safety:
 - Free COVID-19 testing at seven Trolley stations, in cooperation with Broadwell Clinics
 - Free rides to COVID-19 vaccinations
 - Increased cleaning frequency of both buses and Trolleys
 - “Fogging” disinfectant on buses
 - Upgraded bus HVAC filters, changed twice as frequently as recommendations
 - Mid-route disinfection of Trolley door buttons
 - Increased cleaning at Trolley stations
 - Handwashing Stations
- Employee protections:
 - Maintained compliance with constantly changing workplace regulations/best practices
 - All buses equipped with germ barrier within two months of declaration of global pandemic (by in-house staff)
 - All front-line employees provided with face coverings, hand sanitizer, bleach, and gloves
 - For security personnel checking fares on Trolleys, all inspections are done on station platforms instead of onboard Trolleys
 - Visual inspection of fares is also allowed
 - One of few known US transit agencies to complete daily temperature checks of all employees
 - COVID-19 Tests & Vaccinations
 - Onsite COVID-19 testing provided to all employees as of January 2021
 - Free COVID-19 vaccinations provided to all employees beginning March 2021
 - Only agency in California to offer onsite testing and vaccinations
- Security and Passenger Safety Reforms

Over the past year, MTS staff and the MTS Board have been considering how MTS might better serve our customers through public safety. MTS hired Al Stiehler as its new Director of Transit Security & Passenger Safety. Stiehler most recently served as Chief of Field Operations for the New York Metropolitan Transportation Authority, the largest transit system in the United States. He takes over for Manny Guaderrama, who retired in August 2020.

MTS made substantial changes to its Use of Force Policy in July 2020 to reflect best practices outlined in a national campaign, 8 Can't Wait, which guides law enforcement agencies on some key policy guidelines. Some of the specific changes include prohibiting carotid restraint on the head and neck; requiring staff to intervene when excessive force is being used; requiring a warning before a use of force; and more. The department has also been implementing increased anti-bias and de-escalation training.

Additionally, starting in September 2020, MTS launched a pilot program to provide riders a more equitable way to resolve fare evasion citations. The new process allows passengers without a fare to purchase one before receiving a

citation. If issued a citation, passengers can either pay a \$25 fine to MTS, or complete 3 hours of community service. This process, if completed by the passenger, eliminates a criminal proceeding.

- Zero Emission Bus (ZEB) Transition

MTS made a historic commitment to reduce greenhouse gas (GHG) emissions in September 2020 when the MTS Board unanimously approved a transition plan to convert all of the agency's 800 buses to zero emissions by 2040. The transition plan will serve as the agency's blueprint to transition all vehicles in the fleet to zero-emissions.

The latest addition to the MTS zero emissions fleet came in December 2020, with the delivery of two new battery-electric buses by Gillig. With the existing six New Flyer buses, MTS now has a total of eight electric buses as part of its ZEB Pilot Program, and has gained the capacity to test the performance of buses from more than one manufacturer. The electric buses have an average estimated usable range of 150 miles per charge. Many MTS bus routes are 150 miles or less, making them appropriate for this transition.

- Free Ride Day

This past year MTS celebrated Free Ride Day on Election Day, November 3, 2020. With fewer polling locations available due to the pandemic, the Ride to Vote campaign increased access for thousands of San Diegans to get to their polling location and help bridge the gap between where a voter lives and where they need to vote. Fixed-route bus and rail services were free for everyone to use throughout San Diego County, ensuring residents were able to reach their polling place and exercise their right to vote. Passengers were also greeted at many transit stations with Ride to Vote promotional items, hats, hand sanitizer and masks to stay safe. Ridership increased by 18% over the previous week on the Trolley and over 14% on bus services.

- Eat-Shop-Play Campaign

A new campaign to help small businesses recovering from the pandemic was launched by MTS in April. Eat-Shop-Play is a small business support program that rewards people for shopping local. Designed to get more customers into neighborhood stores and spur more economic development, the program is free for retailers and is supported by an MTS-sponsored outreach and advertising campaign. The transit-adjacent business districts included in the initial launch of Eat-Shop-Play include Barrio Logan, Chula Vista, La Mesa, Lemon Grove, East Village, Imperial Beach, National City, and North Park. Each customer who signs up receives a branded stamp card to track purchases at participating businesses. When the card is filled, customers earn a free monthly transit card – valued at \$72. The program focuses on walkable neighborhoods with bus and Trolley stops located near business districts. Small businesses participating in the cooperative marketing program are featured on the MTS website, billboards, Trolleys, bus benches, online advertising, and MTS social media. More than 100 businesses participated and dozens of free passes have been issued.

- Continued Commitment to Community Outreach (CAC)

MTS established the Community Advisory Committee to provide input through the Elevate SD 2020 effort to establish priorities for transit improvements. Although the pandemic curtailed the Elevate effort, MTS has continued its commitment to have CAC meetings at least once per quarter. The CAC has helped guide MTS on issues ranging from Security and Safety to its next generation fare collection system.

- Next Generation Fare Collection System

MTS hired INIT (Innovations in Transportation, Inc.) to develop and implement the region's new fare collection system. INIT has implemented the highly successful HOP system for TriMet in Portland, Oregon. This new fare system will allow MTS to keep pace with technologies riders want, such as guaranteed best fare based on the number of trips, real-time account management and much more. The current Compass Card system will be phased out, and the new system will be branded as PRONTO. It will include all new hardware and fares will be more accessible to purchase (400 locations at full buildout compared to just the 50 Vons/Albertsons locations available today). The new fare collection system will be phased in beginning in late 2021.

- Mid-Coast Corridor Trolley Extension

The 11-mile extension of the UC San Diego Blue Line, named the Mid-Coast Corridor Transit Project (Mid-Coast) is currently under construction from the Old Town Transit Center to the University City community. It will feature nine new stations, serving major activity centers such as the Veterans Administration Medical Center, UCSD, and Westfield UTC. The project is funded by *TransNet* and the Federal Transit Administration (FTA) New Starts Program. Mid-Coast is anticipated to begin service in November 2021.

To provide the additional service, MTS has added 85 new Trolley positions. MTS has hired 36 new train operators, the first class of which graduated in early December 2020. LRV Maintenance, Maintenance of Wayside, Revenue and Facilities also added new staff positions. By summer, MTS will begin familiarization training for operators and testing for trains. MTS and SANDAG are coordinating on safety outreach for neighborhoods, planning events to build excitement as we get closer to the grand opening, which is planned for the end of November 2021.

- Financial Management and Compliance

MTS received the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) for the 15th year in a row. The Government Finance Officers Association (GFOA) established the CAFR Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles (GAAP) and to prepare comprehensive annual financial reports (CAFR) that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. Reports submitted to the CAFR program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee.

Review of MTS Financial Status

The long-term ongoing goal of the MTS operating budget is to fund operations solely utilizing recurring revenues.

MTS uses a zero-based budgeting process that begins in January each year. In MTS's process, every line item budget is reviewed and approved each year. Department managers complete budget templates in which they propose amounts for each line item, submitted with the appropriate supporting details for each assumption (in contrast, with a traditional historic budgeting process, managers only justify variances versus prior year budget; the assumption is that the baseline is automatically approved). Meetings are held with each department to validate their assumptions, review proposals versus existing spending trends, and review any new initiatives. This collaborative process results in the assumptions that are then presented to and reviewed by senior management at MTS, the Budget Development Committee (BDC) and ultimately the MTS Board.

On March 5, 2021, staff had its first meeting with the BDC. During this meeting, staff reviewed and recommended approval of the FY 2021 midyear operating budget amendment. Staff also presented a preliminary forecast of the FY 2022 operating budget based on high-level expense and revenue assumptions.

On March 22, 2021, staff held its second meeting with the BDC. During this meeting, staff presented a preliminary version of the draft budget that included the major revenue and expense assumptions for FY 2022, including assumptions relating to: passenger levels, operating revenue, subsidy revenue, service levels, personnel assumptions, energy rates and other expense assumptions. Staff also presented the FY 2022 Capital Improvement Program (CIP).

At the MTS Board meeting on April 8, 2021, staff discussed and received approval of the FY 2021 midyear operating budget amendment and the FY 2022 CIP. Staff also presented a preliminary draft of the FY 2022 operating budget during this meeting.

On April 26, 2021, staff held its third meeting with the BDC to review assumption changes made to the operating budget and present a proposed balanced draft budget for FY 2022.

On May 13, 2021, staff again met with the MTS Board to present the proposed draft budget for FY 2022 and hold the public hearing. The MTS Board approved the proposed combined MTS FY 2022 Operating Budget.

FY 2022 Overview

As indicated within Attachment B, the FY 2022 total budgeted revenues are projected at \$355.2 million, and total projected expenses are budgeted at \$355.2 million, resulting in a balanced budget for FY 2022.

- FY 2022 Revenue

Please refer to Attachment A for a summary of FY 2022 budgeted revenues.

- FY 2021 Operating Revenues

Operating revenue totals \$71.0 million, an increase from the FY 2021 amended budget of \$6.0 million (9.3%). Passenger revenues are projected to increase by \$2.9 million (6.2%). At the March 22, 2021 BDC meeting, staff presented multiple scenarios of passenger revenue growth for FY 2022. The consensus of BDC members and staff was to take a conservative approach and assume the new normal of approximately 47% of baseline revenue and layer on assumptions for students returning to school, the impact of the fare capping feature of the new PRONTO fare system, and the launch of Mid-Coast in November 2021. Other operating revenues are projected to increase by \$3.1 million (17.0%). This includes projected increases in energy credit revenue, advertising revenue, lease revenues, and other miscellaneous revenues.

- FY 2022 Subsidy Revenues

Subsidy revenue totals \$284.1 million, an increase from the FY 2021 amended budget of \$20.4 million (7.7%). Federal Transit Administration (FTA) funding is structured on a reimbursement basis (after expenses are incurred), and funds both the CIP and operating budgets. MTS's share of recurring federal revenue in the operating budget is expected to increase by \$1.4 million from the FY 2021 amended budget to \$64.6 million in total. On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided \$25 billion to the transit industry nationwide. MTS will receive \$220 million in CARES Act funding over multiple fiscal years to supplement lost revenues and increased expenses related to the pandemic. This proposed FY 2022 operating budget includes \$80.3 million in FTA CARES Act funding to cover the projected operating deficits resulting from COVID-19, an increase of \$6.2 million (8.3%) from the FY 2021 amended budget. The overall amount of federal revenues in the operating budget is projected to increase by \$7.5 million (5.5%).

Regional sales tax receipts are projected to increase by 3.7% year over year for FY 2022. Transportation Development Act (TDA) revenue in the FY 2022 operating budget is projected to decrease by \$3.0 million (-4.1%) over the FY 2021 amended budget. This is primarily due to a higher share of TDA being allocated to the CIP versus the FY 2021 mid-year budget.

TransNet formula revenue is projected to increase by \$1.3 million for FY 2022 (4.4%) from the FY 2021 amended budget. MTS also receives *TransNet* as operating assistance for *TransNet* funded service, which includes Superloop, I-15 Bus Rapid Transit (BRT), Mid-City Rapid, and South Bay BRT. MTS will also start receiving *TransNet* reimbursement for Mid-Coast operations once service begins in November 2021. *TransNet* operating assistance is projected to be \$20.0 million in FY 2022, an increase of \$6.6 million (49.2%) from the FY 2021 amended budget, which is primarily due to the launch of Mid-Coast operations. In total, *TransNet* revenues are projected to increase by \$7.8 million (18.8%) from the FY 2021 amended budget.

In the FY 2021 fiscal year to date, MTS has received \$11.2 million of the originally projected \$22.3 million of State Transit Assistance (STA) funding. This funding is primarily programmed in the CIP due to its volatile history, but a portion is also allocated to operations to fund service increases, replace lost Medi-Cal revenue, and address the structural deficit. Due to COVID-19, MTS had reduced STA revenues in the FY 2021 amended operating budget to \$3.3 million

from \$10.3 million in recent years prior to the pandemic; however STA is being restored to \$11.3 million in FY 2022, a return to the pre-pandemic allocation of STA revenues in the operating budget. The share of STA in the operating budget is increasing by \$8.0 million.

Other state revenue is projected to be \$200,000 in FY 2022, an increase of \$70,000 from the FY 2021 amended budget. The projected increase is due to the expected growth in Medi-Cal revenue. MTS receives reimbursement for eligible medical trips to and from medical appointments, and demand for these services is expected to grow in FY 2022 due to vaccinations being underway.

Other local funding is projected to be \$9.3 million, a decrease of \$127,000 (-1.4%) from the FY 2021 amended budget.

- FY 2022 Other Revenues

Within other revenue, reserve revenue totals \$35,000. For-Hire Vehicle Administration and San Diego & Arizona Eastern (SD&AE) are self-funded activities. In total, they are projected to utilize \$35,000 of reserve revenue to balance their budgets, an increase of \$38,000 from the FY 2021 amended budget. There is no projected MTS contingency reserve usage in the adopted budget.

- FY 2022 Expenses

Please refer to Attachment B for functional related FY 2022 budgeted expenses.

- FY 2022 Combined Expenses

FY 2022 combined expenses totaled \$355.2 million, an increase from the FY 2021 amended budget of \$28.9 million (8.9%). Overall service levels are expected to increase in FY 2022. Rail operations service levels are expected to increase by 18.7% year over year due to the launch of Mid-Coast in November 2021. Internal and contracted fixed route bus service levels are expected to increase by a combined 1.8% year over year. Paratransit service levels, based on demand, are projected to return to approximately 70% of baseline levels in FY 2022 as more people become vaccinated.

Within operating expenses, personnel expenses are projected to increase from the FY 2021 amended budget by \$2.3 million (1.5%). As detailed in Section 10.05, salary grade ranges for FY 2022 are increasing 3.0% from the amended FY 2021 ranges. The budget includes wage increases ranging from 3.0 – 3.5% for all collective bargaining agreements, and also includes a 3.0% merit pool for administration and a 1.0% Performance Incentive Program for the fiscal year. Wages are expected to increase by \$7.2 million (8.4%), primarily due to Mid-Coast employee wages which will no longer be billed to the Mid-Coast capital project once services begin in November 2021. Instead, MTS will receive *TransNet* revenue reimbursement for these wages. Fringe expenses are projected to decrease by \$4.9 million, primarily due to reductions in SDTC pension costs; partially offset by projected increases in health and welfare costs and projected decreases in cost recovery for FY 2022.

Purchased transportation costs are projected to increase from the FY 2021 amended budget by \$18.5 million (25.0%). This is primarily due to contract

increases for the new Transdev fixed route service contract which begins July 2021. The overall rate for Transdev fixed route service is expected to increase by 13.5% in FY 2022 versus the prior year contract rate. MTS also contracts with First Transit Inc. to provide mini-bus fixed route service and paratransit service. The First Transit contract includes fixed costs that aren't dependent on service levels, and a separate per-mile variable rate for both minibus services and paratransit services. Fixed costs are increasing 2.2%, the minibus per-mile rate is increasing by 3.4%, and the paratransit per-mile rate is increasing by 7.7%. Paratransit purchased transportation costs are increasing primarily due to the expected service demand in FY 2022 versus FY 2021 service levels.

Excluding purchased transportation, other outside service expenses are projected to increase from the FY 2021 amended budget by \$4.4 million (13.3%). This is primarily due to projected increases in contracted security costs, increasing fare system costs due to concurrently supporting the old fare system and the new PRONTO system, and the inclusion of light rail vehicle overhaul projects and facility repair projects, which used to be funded in the capital budget, and not in the operating budget.

Materials and supplies costs are projected to decrease by \$3.4 million (-20.3%), primarily due to the fact that the FY 2021 amended budget was abnormally high due to the one-time purchase of protective germ barriers for the entire bus fleet.

Energy costs are projected to increase by \$6.9 million (20.9%). Electricity costs are projected to increase by \$4.7 million (25.0%) due to projected rate increases and additional service levels with Mid-Coast becoming operational. CNG costs are projected to increase by \$1.4 million (13.1%), primarily due to a projected increase of 18% in commodity rates in FY 2022. Propane costs are expected to increase by \$717,000 (87.0%) due to higher demand for paratransit services. Diesel costs are projected to decrease by \$129,000 (-71.9%) due to the full transition of 24 commuter buses from diesel to CNG prior to the start of FY 2022.

Risk management costs are decreasing by \$262,000 (-3.6%). Insurance premiums are expected to increase by \$966,000 (25.7%) due to harsh market conditions for liability and property insurance. Legal expenses are also expected to increase significantly in FY 2022 due to the anticipated return of in-person courtroom proceedings. These projected increases are offset by a projected decrease of \$1.8 million (-65.3%) in claim payments versus the FY 2021 amended budget which included \$2.5 million for a one-time settlement payout.

General and Administrative costs are increasing by \$464,000 (11.0%), primarily due to increasing lease expenses from expanding the Mills' administration building lease to include the eighth floor and increasing travel expenses as travel becomes safer due to vaccines.

Debt service costs are projected to decrease from the FY 2021 amended budget by \$146,000 (-30.4%), primarily due to decreasing interest costs for the Pension Obligation Bond funding the SDTC pension plan.

Vehicle and Facility Lease costs are projected to increase by \$99,000 (7.4%), primarily due to leasing additional vehicles to support Mid-Coast operations.

In total, expenses are projected to increase by \$28.9 million or 8.9% versus the FY 2021 amended budget.

Five-Year Forecast

Attachment C provides a look at MTS operations through FY 2026. This five-year period includes the addition of the Mid-Coast Trolley extension beginning in the middle of FY 2022. As such, operating revenues, *TransNet* revenues and operating expenses increase accordingly to account for the added service levels.

Operating revenues are projected to increase by approximately 37.4% in FY 2023 due to a full year of Mid-Coast service as well as the gradual return of customers who limited use of transit during the COVID-19 pandemic. Approximately 15.7%, 8.2%, and 6.2% increases are projected for FY 2024, FY 2025, and FY 2026, respectively, as MTS core customers continue to return from the pandemic. Sales tax projections average an increase of 3.5 percent over the next four fiscal years, which impacts MTS's TDA and *TransNet* subsidy revenue. Federal stimulus revenues from both the federal CARES Act and American Rescue Plan (ARP) are projected to offset operating deficits into FY 2026. In total, revenues are projected to increase by an average of 1.3% percent over the next four fiscal years, with recurring revenues growing by an average of 6.8% as passengers return to the system. Expenses are projected to increase by approximately 5.4 percent in FY 2023, primarily due to having a full year of Mid-Coast operations as well as due to expense impacts due to minimum wage increases, also impacting contract rates for fixed route transportation. Expenses are projected to increase by an average of 2.8% from FY 2024 through FY 2026.

With projected expense growth exceeding projected growth in recurring revenues, the current five-year operating forecast shows projected structural deficits in each subsequent fiscal year, beginning with a structural deficit of \$64.7 million in FY 2023 and gradually decreasing to \$49.7 million in FY 2026 as revenues return from their pandemic levels. Federal stimulus funds are projected to fund the structural deficits until early FY 2026 at which point available stimulus funds are projected to be depleted. To address this structural deficit where recurring revenues do not match recurring expenses, MTS has used a variety of approaches in the past, including:

- Search for any non-fare revenue opportunities;
- Pursue any discretionary and competitive grant opportunities to bring in additional revenues;
- Seek opportunities to reduce expenses outside of service level reductions;
- Delay non-State of Good Repair Capital Improvement Projects where possible in the short term;
- Raise passenger fares; and
- Finally, as a last resort, right-size service levels to match recurring revenues.

Attachments: A. MTS Operating Budget – Revenue Summary
 B. MTS Operating Budget – Consolidated Income Statement
 C. MTS Operating Budget – Five-Year Financial Projection



810 Mission Avenue
 Oceanside, CA 92054
 (760) 966-6500
 (760) 967-2001 (fax)
 GoNCTD.com

June 8, 2021

Transportation Committee
 San Diego Association of Governments
 401 B Street, Suite 800
 San Diego, CA 92101
 Sent Via USPS and Electronic Mail: Sandi.Craig@sandag.org

Re: North County Transit District FY2022 Operating Budget and FY2022-FY2026
 Capital Improvement Program

The North County Transit District (NCTD) Board of Directors (Board) Policy No. 17 - *Budget Development* (Board Policy No. 17) guides the development and implementation of NCTD's annual operating budget and capital improvement program. This policy covers the basis of accounting and financial principles, budget development guidelines and conditions, budget development procedures, budget monitoring, and budget controls. NCTD adopts an annual balanced budget in which total revenues equal or exceed total expenses to support service, operations, and capital decisions. The NCTD Proposed FY2022 Operating Budget and FY2022-FY2026 Capital Improvement Program have been developed under NCTD Board Policy No. 17 guidelines, in compliance with all regulatory requirements, and represent a balanced budget in FY2022.

The following key milestones have been completed in support of the overall development of the FY2022 Budget:

- The NCTD Board approved the Proposed FY2022-FY2026 Capital Improvement Program (CIP) on January 21, 2021 (Agenda Item No. 10), which has been programmed in the updated 2021 Regional Transportation Improvement Program (RTIP).
- The NCTD Executive Committee at its meeting of March 8, 2021 (Agenda Item No. 2) received a presentation from the Executive Director regarding the proposed FY2022 budget guidance and strategic areas of focus.
- The Board, at its March 18, 2021 meeting (Agenda Item No. 8), set a public hearing date for June 17, 2021 for consideration of adoption of the proposed FY2022 Operating Budget and ratification of the FY2022-FY2026 Capital Improvement Plan.
- The NCTD Marketing, Service Planning, and Business Development (MSPBD) Committee at its meeting of April 5, 2021 (Agenda Item No.1) received details of the proposed FY2022 Service Implementation Plan, including ridership projections, and revenue hour and revenue mile projections for all modes.

- The NCTD Board of Directors at its meeting of April 22, 2021 received a detailed presentation and voted to support staff's recommendation for a new rail operations and facilities maintenance business model.
- The NCTD Performance, Administration, and Finance (PAF) Committee at its meeting of May 6, 2021 (Agenda Item No. 1) received an overview of the Draft Proposed FY2022 Operating Budget, which included assumptions for revenues and expenses.
- On May 7, 2021, the Clerk of the Board published notice of the Public Hearing, including the date the documents would be made available for public review and comment.
- At the May 20, 2021 Board meeting (Agenda Item No. 18), staff provided a presentation of the FY2022 Proposed Operating Budget that included details of the significant assumptions used for revenues and expenses, primary cost drivers of the operating budget, and the 5-Year Plan.
- On June 1, 2021, NCTD posted the budget documents for public review and comment at the following locations: NCTD General Administrative Offices, 810 Mission Avenue, Oceanside, CA; Customer Service Offices at Oceanside, Escondido, and Vista Transit Centers, and on NCTD's website at: <https://www.gonctd.com/about-nctd/accountability/>.

FY2022 Operating Budget Assumptions

In FY2022, NCTD will be ramping up its engagement to current and potential customers to understand their needs about activities that we can undertake to encourage them to use our transit services. NCTD is also advancing planning and capital projects that will support increasing COASTER train frequencies from 22 to a minimum of 42 trains per day by 2023, implementing 15-minute SPRINTER headways by 2030, and making improvements to the street network to support improved bus operations by 2030. NCTD will be implementing micro-transit beginning in FY2022, procuring new replacement and expansion equipment, and upgrading technologies such as electronic signage for an improved customer riding experience.

The COVID-19 pandemic has introduced a new and significant challenge for NCTD and other transit agencies. The nature of the virus and the required mitigation strategies, such as social distancing, directly impact the core nature of our business which is premised on moving large numbers of people in an efficient manner. COVID-19 has negatively impacted customer ridership and customer revenue since the last quarter of FY2020. Fortunately, the significant downturn in sales tax revenues did not materialize and declines in customer revenue were offset by multiple federal stimulus payments that were approved by Congress (CARES Act of 2020, Consolidated Appropriations Act of 2021, and American Rescue Plan Act of 2021).

NCTD's Board has approved the following guidance to support the development of the FY2022 Operating Budget, FY2022-FY2026 Capital Improvement Program, and FY2022-FY2026 5-Year Plan:

- Top priority is employee and customer safety from the impacts of COVID-19

- Readiness for re-opening to include availability of business intelligence to inform decisions
 - Conduct direct mail, online, and onboard surveys to gather feedback from customers, businesses, and other key stakeholders
- Steady recovery of ridership and customer revenue
 - Maintain current bus service levels
 - Enhance COASTER mid-day and weekend service frequencies
 - Implement micro-transit services in San Marcos and expand in Carlsbad
- Maintenance of equipment
 - Continued focus on Zero Delay by increasing the investment in enhanced workforce development and vehicle life-cycle management
- Optimize expenses
 - Manage pension costs by accelerating unfunded accrued liability payments and implementing new pension tier for all new employees beginning in 2022
- Improve customer riding experience
 - Implement new fare technology
 - Implement improved real-time information capabilities
- Revenue and real estate development
 - Continue to advance the Oceanside Transit Center Development Project
 - Advance development projects for Solana Beach, Carlsbad, and select SPRINTER stations
- Fund state-of-good-repair and priority capital needs
 - Advance battery and fuel cell zero-emission bus procurements and facility improvements
 - Capacity enhancing, state-of-good-repair bridge and facility projects

NCTD is required to adopt an annual balanced operating budget where total revenues are equal to or exceed total expenses to support service, operations, and capital decisions. Following is a high-level summary of the significant assumptions and primary drivers of the FY2022 Operating Budget.

- Formula based federal grants are based on the Federal Transit Administration's (FTA) published apportionment tables. There have been no reductions in the amounts apportioned as a result of COVID-19. For FY2022, NCTD has budgeted a total of \$34 million from FTA Sections 5307, 5337, and 5339 programs to fund its capital program and preventive maintenance operating expenses.
- The Transportation Development Act (TDA) has two (2) major funding sources, the Local Transportation Fund (LTF) and the State Transit Assistance (STA). LTF is derived from a 1/4-cent general sales tax and STA is derived from sales tax on diesel fuel. LTF apportionment estimates are provided by the County Auditor in January/February before the start of the new fiscal year. LTF funds are apportioned to NCTD and the San Diego Metropolitan Transit System based on population estimates published by the California Department of Finance. NCTD receives 29 percent of the County's LTF apportionment. STA funds are appropriated by the legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to planning agencies and other selected

agencies. Statute requires that 50 percent of STA funds be allocated according to population and 50 percent be allocated according to transit operator revenues from the prior fiscal year. FY2022 LTF revenue estimates for NCTD are \$41.7 million and FY2022 allocated STA funds are \$8.3 million. TDA actual revenues will be dependent upon sales of taxable goods and diesel.

- TransNet revenue is forecasted by the San Diego Association of Governments (SANDAG) in January/February before the start of the new fiscal year, based on the growth rate in taxable sales in San Diego County. The distribution to NCTD is based on the January 2020 population. FY2022 TransNet revenue estimates for NCTD are \$14.3 million. TransNet actual revenues will be dependent upon sales of taxable goods in San Diego County.
- The TransNet Extension Ordinance requires that 8.1 percent of all TransNet revenue be used to fund transit operations for ten (10) specified projects, which includes COASTER frequency enhancements. The FY2022 Operating Budget includes additional costs that will be incurred for expanded weekend and midday weekday service beginning in October 2021. NCTD is collaborating with SANDAG staff on the calculation of the additional TransNet revenues that NCTD should receive for supporting the increased COASTER service. These revenues are currently not included in the FY2022 Operating Budget.
- Customer ridership and revenue assumes that the impact of COVID-19 will continue through FY2022 and that there will be a gradual recovery in the first half to 60 percent from pre-COVID FY2019 levels and in the second half at 75 percent from pre-COVID FY2019 levels. It also assumes the full reopening of California's economy on June 15, 2021 based on the Governor's recent announcements. COASTER ridership is anticipated to improve with the additional trips that will be added in October 2021.
- CARES Act funds of \$24.6 million and American Rescue Plan Act of 2021 (ARPA) funds of \$22.3 million will be utilized to support preventive maintenance, purchased transportation, and salaries and wages costs.
- Other operating revenues such as permits, leases, right-of-way shared use agreements, and administrative fees, are projected to increase between zero (0) percent and three (3) percent compared to FY2021 based on historical trends and the Federal Reserve's projected inflation rate of 2 percent.
- NCTD's contracts for purchased transportation and facilities maintenance are subject to contractual escalation clauses based on the lowest of the Consumer Price Index (CPI) or three (3) percent. The FY2022 CPI adjustment for the rail contract is 1.5 percent. The adjustment for the facilities contract is pending the data for the first half of calendar 2021. The bus operations and maintenance contract is subject to both a CPI adjustment (not to exceed three percent) and wages agreed upon from the contractor's collective bargaining agreements.
- The fuel budget is based on the FY2022 Service Implementation Plan, which includes increased COASTER service beginning in October 2021. Fuel costs are anticipated to increase as demand surges post-COVID. The FY2022 budget assumes a pre-tax cost of \$2.52 per gallon for diesel (higher by 23 percent compared to FY2021).

- Property and liability insurance premiums are expected to increase significantly due to market conditions and the increase in NCTD's federally required statutory cap for rail liability coverage from \$295 million to \$323 million.
- Professional services include the Bombardier facilities maintenance contract; law enforcement and security contracts with the San Diego Sheriff's Department, Oceanside Police Department, and Escondido Police Department; legal services; fare collection costs; bridge inspection services; audit costs; software maintenance; electrical, plumbing, and other maintenance costs; project study reports; micro-transit software; studies for future revenue-generating projects; and studies to support discretionary grants applications.
- Total budgeted FTEs will increase from 145.5 full-time equivalents (FTEs) to 257.5 FTEs, a net increase of 112 FTEs as a result of the rail operations and maintenance and support staff transition at the end of FY2022. The FY2022 operating budget also assumes capitalized labor for staff time working on capital projects of \$1 million. Actual expenses will vary from budgeted amounts depending on staff vacancies, benefits elections, and the amount of staff time spent on capital projects.
- FY2022 will be the first year of Positive Train Control (PTC) operating expenses. Prior costs were funded by the PTC capital project and these funds will be spent and/or encumbered by December 2022. PTC operating costs of \$1.4 million are estimated for the second half of FY2022.
- A contingency expense of \$1 million has been established for unforeseen circumstances or emergencies, including increased costs to respond to COVID-19.
- Other recurring operating expenses are projected to increase between two (2) percent and three (3) percent compared to FY2021 based on historical trends and the Federal Reserve's projected inflation rate of two (2) percent.
- The pension unfunded accrued liability payment of \$4.5 million and SPRINTER debt principal payment of \$1.3 million will be paid from net assets and are not included in the FY2022 Operating Budget.

FY2022 Operating Budget Summary

Below is the summary overview of the FY2022 Operating Budget:

	FY2020 Actual	FY2021 Budget	FY2021 Forecast	FY2022 Proposed Budget	Increase/ (Decrease) from FY2021 Budget (#)	Increase/ (Decrease) from FY2021 Budget (%)	Trend	Increase/ (Decrease) from FY2021 Forecast (#)	Increase/ (Decrease) from FY2021 Forecast (%)	Trend
Operating Revenues										
Passenger Fares	\$ 12,842,154	\$ 13,725,623	\$ 5,300,239	\$ 11,934,188	\$ (1,791,435)	-13.05%	●	\$ 6,633,949	125.16%	●
Non-Transportation Revenues	6,651,000	3,048,386	3,035,080	2,663,012	(385,374)	-12.64%	●	(372,068)	-12.26%	●
Auxiliary Revenues	11,019,432	11,465,693	9,979,046	9,813,372	(1,652,321)	-14.41%	●	(165,674)	-1.66%	●
Federal Grants	36,473,751	39,038,446	56,150,763	58,190,340	19,151,894	49.06%	●	2,039,577	3.63%	●
State Grants	4,853,839	8,004,194	3,768,844	5,924,042	(2,080,152)	-25.99%	●	2,155,198	57.18%	●
Local Grants	41,839,631	52,136,265	38,321,804	56,180,023	4,043,758	7.76%	●	17,858,219	46.60%	●
	113,679,807	127,418,607	116,566,776	144,704,977	17,286,370	13.67%	●	\$ 28,149,201	24.16%	●
Operating Expenditures										
Salaries and Wages	\$ 8,766,203	\$ 12,624,724	\$ 10,994,002	\$ 14,729,595	\$ 2,104,871	16.67%	●	\$ 3,735,593	33.98%	●
Employee Benefits *	4,446,980	4,428,425	5,157,113	5,180,429	752,004	16.98%	●	23,316	0.45%	●
Professional Services	17,506,881	24,267,809	19,886,322	32,313,953	8,046,144	33.16%	●	12,427,631	62.49%	●
Materials and Supplies	5,018,625	6,489,181	5,820,048	8,641,365	2,152,184	33.17%	●	2,821,317	48.48%	●
Utilities	2,398,687	2,814,603	2,479,983	2,907,540	92,937	3.30%	●	427,557	17.24%	●
Casualty and Liability	4,604,717	6,281,000	5,192,058	8,101,000	1,820,000	28.98%	●	2,908,942	56.03%	●
Taxes	374,765	878,764	592,833	1,153,798	275,034	31.30%	●	560,965	94.62%	●
Purchased Transportation	61,111,467	65,467,984	62,523,787	67,293,978	1,825,994	2.79%	●	4,770,191	7.63%	●
Miscellaneous Expenses	521,580	1,109,548	643,383	1,505,637	396,089	35.70%	●	862,254	134.02%	●
Debt-Related Expense	818,643	1,328,081	969,352	1,125,259	(202,822)	-15.27%	●	155,907	16.08%	●
Leases and Rentals	716,021	728,488	697,977	752,423	23,935	3.29%	●	54,446	7.80%	●
Contingency	-	1,000,000	-	1,000,000	-	0.00%	●	1,000,000	100.00%	●
	106,284,669	127,418,607	114,966,868	144,704,977	17,286,370	13.67%	●	\$ 29,748,119	26.88%	●
	\$ 7,395,238	\$ -	\$ 1,598,918	\$ -	\$ -			\$ (1,598,918)		

* Excludes GASB 68 and GASB 75 non-cash adjustments and the required Unfunded Accrued Liability (UAL) pension contribution.

5-Year Plan

NCTD is concerned about the potential long-term impacts of COVID-19 for ridership across all modes. The disparity in household income, along with higher automobile ownership rates and the nature of the jobs held by commuter rail riders represent significant challenges in the 5-Year planning and budget horizon. Pre-COVID-19, COASTER commuter rail generated approximately 36 percent of NCTD's customer revenue while accounting for 22 percent of the operating budget and 14 percent of ridership. NCTD will exhaust all efforts to recover and grow COASTER ridership and revenues.

In addition to concerns about ridership and revenue, NCTD is also concerned about our ability to reduce costs without impacting service levels. Approximately 50 percent of NCTD's FY2022 budget is allocated to contractual costs associated with operations and maintenance activities (bus, rail, facilities). NCTD, as the railroad of record for safety and rail interstate commerce, is required by regulations and contracts to maintain the track and signal systems to the exact same standards and there are no practical opportunities to significantly reduce costs. NCTD was fortunate that cash balances have increased significantly from \$16.5 million at the end of FY2008 to \$66.6 million at the end of FY2020. NCTD was also positively impacted because the FY2020 budget assumed an economic slow-down which facilitated proactive cost management/savings, and in combination with the CARES Act funding of \$95.7 million and American Rescue Plan Act funding of \$60 million, NCTD's finances are projected to be balanced for the next five fiscal years.

The 5-Year financial forecast is a planning tool designed to review the long-term outlook of the District's major cost drivers and available funding sources. It is updated annually to help identify opportunities or issues and serves as the foundation to guide decision making during the development of the operating and capital budgets. It also provides a stress test to identify cash needs if sources of revenue came lower than projected.

The 5-Year Plan is balanced. With that said, the 5-Year Plan is premised on ridership and revenue recovery and continued funding from local, state, and federal sources. Listed below are key areas of focus for consideration that will impact future budgets.

- Post COVID-19 ridership and revenue recovery and growth
- State of good repair and capacity enhancement funding
- Increased costs related to liability insurance, zero emission operations, and positive train control
- Impact of sustained increases in inflation
- Uncertainty related to local funding and federal infrastructure bill and surface transportation bill

The following key assumptions were used in the 5-Year financial forecast:

- Fare revenues: Fare revenues are based on the projected number of passengers by mode and rider category (adult, youth, senior and disabled) that pay fares for a single trip, day passes, or monthly passes, and multiplying by the average fare per boarding. Forecasted ridership by mode was derived from the 5-Year SIP. There are no fare increases included in the projections.
- Federal Formula Revenues: FY2022 amounts are based on the Federal Transit Administration's (FTA) published apportionment tables. FY2023-FY2026 estimates were provided by SANDAG and presented in Agenda Item 16 of the SANDAG Board of Directors meeting of February 26, 2021.
- Federal CARES Act and American Rescue Plan Act: Revenues will be directed to cover payroll and operations of public transit. A total of \$84.6 million will be utilized from these two (2) sources of funds from FY2022 through FY2026.
- TDA: The FY2022 apportionment was provided by the County Auditor and FY2023-FY2026 estimates were provided by SANDAG and presented in Agenda Item 16 of the SANDAG Board of Directors meeting of February 26, 2021.
- TransNet: The FY2022-FY2026 estimates were provided by SANDAG and presented in Agenda Item 16 of the SANDAG Board of Directors meeting of February 26, 2021.
- State Transit Assistance (STA) and STA State of Good Repair: FY2023-FY2026 remain unchanged from FY2022 levels.
- State Rail Assistance (SRA): The FY2022-FY2025 estimates were provided by the California State Transportation Agency (CalSTA). FY2026 was projected to remain the same as FY2025.
- Amtrak service is anticipated to resume to pre-COVID levels in FY2023, which will reinstate the fee for use, operations, and maintenance to FY2019 levels (adjusted by annual rate increases).
- Positive Train Control (PTC): PTC costs for the first half of FY2022 will be funded through the PTC capital project and operating costs of \$1.4 million are estimated for the second half of FY2022. PTC costs are estimated at \$3.6 million in FY2023 and projected to escalate by 3 percent annually. NCTD has initiated discussions with Amtrak and BNSF to share costs associated with PTC operations and

maintenance. No amounts for potential reimbursements have been included in the forecast.

- COASTER Service Expansion: Additional costs to support increased midday and weekend service frequency for COASTER in October 2021 are not included in the forecast. Additional costs to support the maintenance and operations of two (2) new trainsets that will increase weekday trips and allow NCTD to achieve 30-minute peak and 60-minute off-peak frequencies in fiscal year 2024 are also not included in the operating expenses forecast. SANDAG has dedicated TransNet funds to support the increased operating costs, which have not been included in the forecasted operating revenues.
- \$18.7 million in discretionary grants are included for zero emission hydrogen fuel cell buses.
- Potential annual expense reductions are not included (staff vacancies, contractual liquidated damages, etc.)
- Revenues from Low Carbon Fuel Standard (LCFS) credits from the California Air Resources Board are anticipated to decline 10% by year as the State reaches its greenhouse gas emissions targets.
- Other operating revenues and expenses are projected to increase by three (3) percent annually.
- Payments of long-term obligations for the pension unfunded accrued liability and SPRINTER principal payments will be made from net assets.

Below is a summary overview of the 5-Year Plan:

	FY2022	FY2023	FY2024	FY2025	FY2026	5-Year Total
TOTAL REVENUES						
Passenger Fares	\$ 11,934,188	\$ 14,251,276	\$ 18,509,014	\$ 20,943,856	\$ 21,235,017	\$ 86,873,351
Non-Transportation Revenues	2,663,012	2,697,506	2,736,825	2,780,735	2,829,030	13,707,108
Auxiliary Revenues	9,813,372	11,317,036	11,656,547	12,006,243	12,366,431	57,159,629
Federal Grants	83,323,838	61,744,218	45,534,699	39,206,391	42,277,074	272,086,220
State Grants	21,103,166	18,094,779	18,097,426	18,200,153	18,202,962	93,698,486
Local Grants	59,180,023	76,951,963	74,680,935	71,392,675	65,431,937	347,637,533
	188,017,599	185,056,778	171,215,446	164,530,053	162,342,451	871,162,327
FUNDS ALLOCATION						
Capital Improvement Program *	43,312,622	49,000,464	37,690,623	28,144,256	12,146,840	170,294,805
Preventive Maintenance	42,719,318	44,000,898	45,320,925	46,680,553	48,080,970	226,802,664
Positive Train Control	1,510,359	3,600,000	3,708,000	3,819,240	3,933,817	16,571,416
Operating Expenses	100,475,300	88,455,416	84,495,898	85,886,004	88,052,594	447,365,212
	188,017,599	185,056,778	171,215,446	164,530,053	152,214,221	861,034,097
Net Operating and Capital	\$ -	\$ -	\$ -	\$ -	\$ 10,128,230	\$ 10,128,230
LONG-TERM OBLIGATIONS (Funded from Net Assets)						
CalPERS Unfunded Accrued Liability Payments	\$ 4,544,437	\$ 4,544,437	\$ 4,544,437	\$ 4,544,437	\$ 4,544,437	\$ 22,722,185
SPRINTER Debt Principal Payments	1,300,000	1,350,000	1,350,000	1,400,000	1,450,000	6,850,000
Funded from Net Assets	\$ 5,844,437	\$ 5,894,437	\$ 5,894,437	\$ 5,944,437	\$ 5,994,437	\$ 29,572,185

* FY2022 includes \$1,393,987 from FY2021 carryover projects

FY2022-FY2026 Capital Improvement Program

For the five (5) fiscal years FY2022-FY2026, NCTD's capital needs total \$315.1 million for state of good repair projects that NCTD primarily implements and \$888 million for capacity enhancing projects implemented by SANDAG under the TransNet Program (total over \$1.2 billion). The constrained FY2022 CIP totals \$41.9 million and the constrained

FY2022-FY2026 CIP totals \$168.9 million. The FY2022-FY2026 constrained CIP assumes that NCTD will be successful in receiving discretionary awards of \$18.7 million for the BREEZE hydrogen fuel cell buses.

The FY2022-FY2026 CIP identifies significant unfunded capital needs of the District's managed projects for the five-year period. Following is a summary of the most significant unfunded FY2022-FY2026 needs:

- \$39.1 million for East and West bus divisions masterplans design and construction
- \$30.3 million for various bridge replacements
- \$23.2 million for BREEZE Compressed Natural Gas (CNG) fleet replacement
- \$18.7 million for new BREEZE hydrogen fuel cell buses
- \$13 million to design and construct a new Maintenance of Way (MOW) facility and General Administrative Office (GAO) buildings
- \$6.1 million for wayfinding signage at transit stations and bus stops

Major unfunded capacity enhancement projects include:

- \$200 million for SPRINTER 15 Minute Headways (planning stage)
- \$199.3 million for Sorrento to Miramar Phase 2 (shovel ready)
- \$168.1 million for San Dieguito Lagoon Double Track and Platform Construction (shovel ready)
- \$90 million for Batiquitos Lagoon Double Track and Bridge Replacement (shovel ready)
- \$74.2 million for Eastbrook to Shell Double Track (shovel ready)

Below is the constrained FY2022-FY2026 Capital Improvement Program:

FTA Scope	FTA Scope Description	FY2022	FY2023	FY2024	FY2025	FY2026	Total
111	Bus Rolling Stock	\$ 2,704,720	\$ 12,008,810	\$ 2,787,260	\$ 10,687,260	\$ 2,787,260	\$ 30,975,310
113	Bus Stations, Stops and Terminals	-	-	140,000	150,000	-	290,000
114	Bus Support Equipment and Facilities	8,492,760	4,800,744	2,392,711	1,838,344	2,019,928	19,544,487
115	Bus Electrification and Power Distribution	4,975,000	-	-	-	-	4,975,000
121	Rail Rolling Stock	11,684,594	14,055,758	16,900,000	3,900,000	3,900,000	50,440,352
122	Rail Transitways and Lines	10,256,952	16,050,000	13,714,184	11,568,652	3,304,652	54,894,440
123	Rail Stations, Stops and Terminals	1,005,000	165,000	-	-	-	1,170,000
124	Rail Support Equipment and Facilities	2,224,000	763,000	630,000	-	135,000	3,752,000
126	Rail Signals and Communications Equipment	175,609	1,157,152	1,126,468	-	-	2,459,229
129	Fixed Guideway Associated Transit Improvements	400,000	-	-	-	-	400,000
Total Constrained CIP		\$ 41,918,635	\$ 49,000,464	\$ 37,690,623	\$ 28,144,256	\$ 12,146,840	\$ 168,900,818

Below is the unconstrained FY2022-FY2026 Capital Improvement Program:

FTA Scope	FTA Scope Description	FY2022	FY2023	FY2024	FY2025	FY2026	Total
111	Bus Rolling Stock	\$ 2,704,720	\$ 12,008,810	\$ 2,787,260	\$ 22,140,562	\$ 14,583,519	\$ 54,224,871
113	Bus Stations, Stops and Terminals	-	225,000	365,000	375,000	225,000	1,190,000
114	Bus Support Equipment and Facilities	9,282,760	7,051,744	15,486,711	22,874,344	18,646,428	73,341,987
115	Bus Electrification and Power Distribution	4,975,000	-	-	-	-	4,975,000
121	Rail Rolling Stock	11,864,594	16,233,382	17,827,624	5,681,701	5,681,701	57,289,002
122	Rail Transitways and Lines	11,261,952	17,022,575	22,160,652	28,898,652	10,864,652	90,208,483
123	Rail Stations, Stops and Terminals	1,330,000	450,399	-	-	-	1,780,399
124	Rail Support Equipment and Facilities	4,810,000	7,348,000	8,721,000	-	135,000	21,014,000
126	Rail Signal and Communication Equipment	2,287,840	1,157,152	1,126,468	-	-	4,571,460
129	Fixed Guideway Associated Transit Improvements	400,000	1,900,000	4,200,000	-	-	6,500,000
Total Unconstrained Capital Needs		\$ 48,916,866	\$ 63,397,062	\$ 72,674,715	\$ 79,970,259	\$ 50,136,300	\$ 315,095,202

On May 7, 2021, the Clerk of the Board published notice of the Public Hearing, including the date the documents would be made available for public review and comment. On June 1, 2021, NCTD posted the budget documents for public review and comment. The public hearing and adoption of the FY2022 Proposed Operating Budget by NCTD's Board is scheduled for June 17, 2021. The budget information included in this letter should be considered preliminary, subject to public comments, a public hearing and final approval and adoption by NCTD's Board on June 17, 2021.

Sincerely,



Matthew O. Tucker
Executive Director

cc: NCTD Board of Directors
Lori A. Winfree, General Counsel, NCTD
Eun Park-Lynch, Chief Financial Officer, NCTD

June 18, 2021

Transportation Development Act and State Transit Assistance Claims

Overview

The Transportation Development Act (TDA) program is the major funding source that supports the region's public transit operators and nonmotorized transportation projects, like bicycle and pedestrian projects. TDA comes from a quarter of a percent of state sales tax assessed in the region.

State Transit Assistance (STA) provides a second source of transit funding for transportation planning and mass transportation purposes, derived from the statewide sales tax on diesel fuel, and as specified by the Legislature.

SANDAG, as the Regional Transportation Planning Agency, is responsible for apportionment of TDA funds each year in conformance with state statute. SANDAG is also responsible for submitting STA claims for North County Transit District, while the Metropolitan Transit System may receive its funds directly and adopt its own findings.

Key Considerations

The transit operators and other member agencies submit their annual TDA claims based on the approved annual apportionment and in compliance with [SANDAG Board Policy No. 027](#).

Attachment 1 provides a summary of the TDA claims. Attachment 2 describes the TDA and STA claims that the funding would support in FY 2022, as well as the required resolutions for the FY 2022 requested claims.

Next Steps

Pending approval of the TDA and STA claims by the Board, the County Auditor would disburse TDA and STA monies in accordance with the allocation instructions from SANDAG.

Hasan Ikhata, Executive Director

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org

Attachments: 1. Transportation Development Act - Summary of FY 2022 Claims
2. Description of Transportation Development Act and State Transit Assistance Claims including Required Resolutions for the FY 2022 TDA/STA Claims

Action: **Recommend**

The Transportation Committee is asked to recommend that the Board of Directors:

1. Adopt Resolution Nos. 2021-21 through 2021-26, approving the FY 2022 Transportation Development Act and State Transit Assistance (STA) claims in substantially the same form as attached; and
2. Approve the STA findings as certified by North County Transit District.

Fiscal Impact:

On February 26, 2021, the Board of Directors approved the Transportation Development Act (TDA) estimated apportionment of \$154.8 million for FY 2022.

The North County Transit District (NCTD) and Metropolitan Transit System (MTS) State Transit Assistance (STA) allocation estimates for FY 2022 are \$8,321,996 and \$23,133,090, respectively.

Schedule/Scope Impact:

TDA funding may be used for various planning, programming, and administrative-related expenses; funding of bike and pedestrian facilities; and support of community transit services. In addition, the County Auditor receives an allocation based on estimates of its costs to administer the TDA program. The remaining apportionment is available to be claimed by NCTD and MTS. STA funding may be used for both capital projects and transit operations.

**TRANSPORTATION DEVELOPMENT ACT
SUMMARY OF FY 2022 CLAIMS**

	Metropolitan Transit System	North County Transit District	SANDAG	Coordinated Transportation Services Agency	Bicycle and Pedestrian*	County Auditor	Total
FY 2022 Apportionment	\$103,880,405	\$42,356,675	\$5,340,597	\$146,383	\$2,987,418	\$50,000	\$154,761,478
Prior Year Carryover					2,000,000		2,000,000
Total Available to Claim	103,880,405	42,356,675	5,340,597	146,383	4,987,418	50,000	156,761,478
FY 2022 Claims							
Article 3 - Non-Motorized (bicycle and pedestrian)					(1,987,418)		(1,987,418)
Article 4 - General Public Transit							0
Operations	(60,748,204)	(36,604,445)					(97,352,649)
Capital	(32,516,558)	0					(32,516,558)
Capital Transfer to SANDAG	(569,957)	0					(569,957)
Support of ADA Operations	(1,724,941)	(3,000,000)					(4,724,941)
Administrative/Planning Transfer to SANDAG	(1,989,310)	(674,675)					(2,663,985)
Subtotal Article 4	(97,548,970)	(40,279,120)					(137,828,090)
Article 4.5 - Community Transit Service (accessible service for the disabled)							
Operations	(5,095,235)	(2,077,555)		(146,383)			(7,319,173)
Subtotal Article 4.5	(5,095,235)	(2,077,555)		(146,383)			(7,319,173)
Article 8 - Special Provisions							
Express bus	(993,605)						(993,605)
Ferry service	(242,595)						(242,595)
Subtotal Article 8	(1,236,200)						(1,236,200)
Planning/Administration							
Administration			(720,879)			(50,000)	(770,879)
SANDAG Regional Planning			(4,619,718)				(4,619,718)
Subtotal Planning/Administration			(5,340,597)			(50,000)	(5,390,597)
Balance	\$0	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000

*The SANDAG Board approved to set aside \$1M per year for Call for Projects

** Totals may not add up due to rounding.

Description of Transportation Development Act Claims

Transportation Development Act (TDA) funding may be used for planning, programming, and administrative-related expenses, and as authorized under four separate articles of the law. Article 3 funds are designated for bicycle and pedestrian projects, Article 4 funds are used to provide general public transit services, Article 4.5 funds are designated for community transit services, and Article 8 funds support specialized services such as express bus and ferry services.

Administration and Planning

Provisions of the TDA (Public Utilities Code section 99233.2) allow SANDAG and the County of San Diego Auditor Controller's office to claim funds to administer the program. In addition, SANDAG, as the Regional Transportation Planning Agency, can claim up to 3% of the annual apportionment to conduct regional transportation planning activities. Consistent with the FY 2022 Program Budget, it is recommended that SANDAG claim \$4,619,718 to carry out planning activities, such as transportation analysis and modeling, economic and demographic analysis and modeling, and other related planning activities, and \$720,879 for TDA program administration, including the TDA annual financial audits, triennial performance audits, and claim administration. The County of San Diego Auditor Controller is claiming \$50,000 for TDA administration costs.

Article 3 - Non-Motorized Claims (Bicycle and Pedestrian Projects)

Article 3 claims provide for the development of bicycle and pedestrian facilities and are allocated based on a regionwide priority list of projects. For FY 2022, there is \$2,987,418 million available for bicycle and pedestrian projects in the FY 2022 apportionment. There is currently \$2,000,000 in carryover funds set-aside for the regional Active Transportation Grant Program call for projects.

- Of the available funding, \$1,987,418 is proposed to fund the Bayshore Bikeway: Barrio Logan project (Capital Improvement Program [CIP] No. 1223055), which is included in the Board-approved Regional Bike Plan Early Action Program.
- Of the remaining amount, \$1 million represents the set-aside for the regional Active Transportation Grant Program call for projects for FY 2022, consistent with Board direction.

Article 4 General Public (Fixed Transit Route)

Article 4 funds the Metropolitan Transit System (MTS) and the North County Transit District (NCTD) operations, provides a local match for federally funded capital projects, and comprises the largest portion of the TDA claim. These funds provide the most flexible form of revenues and can be used for any purposes necessary to develop and operate the transportation system, including operations, capital purchases, payment of bond debt, and to augment specialized services.

The total Article 4 claim under MTS is \$94,989,703 while the NCTD total is \$39,604,445, and reflects transfers to SANDAG, as well as additional support for services provided under Article 4.5. Use of this funding is consistent with the projects proposed for funding in the FY 2022 Transit Capital Improvement Program approved by the Board at its April 23, 2021, meeting.

Article 4.5 Community Transit Service (Accessible Service for the Disabled)

Article 4.5 funds are allocated in the San Diego region to support demand response transit services required by the Americans with Disabilities Act (ADA). SANDAG Board Policy No. 027, requires that after allocating 2% of these funds to the Coordinated Transportation Services Agency (CTSA), funds be distributed between the two transit agencies in the region based on service area population. ADA operations for MTS and NCTD also are augmented by annual transit revenues from the *TransNet* Program.

- MTS and NCTD are claiming \$5,095,235 and \$2,077,555, respectively, to provide operating support for the accessible paratransit services in their respective service areas, including Access and ADA Suburban services.
- Facilitating Access to Coordinated Transportation, as the CTSA, is claiming \$146,383 to assist seniors, persons with disabilities, and social service recipients in San Diego County to meet their transportation needs. Exhibit A provides the CTSA annual work program.

Article 8 Special Provisions (Express Bus, Ferry)

MTS is the only operator that claims this article for its express bus services (\$993,605), and to pass-through the funding to the City of Coronado that provides the ferry service (\$242,595). The total Article 8 claim is \$1,236,200.

State Transit Assistance Claims

Per State Transit Assistance (STA) requirements, SANDAG is responsible for submitting claims on behalf of NCTD while MTS may receive its funds directly. Of the \$8,321,996 available, NCTD is requesting to use \$4,048,481 available under STA for operations and \$4,263,515 for capital projects. State law requires operators to meet certain qualifying criteria to determine service efficiency to use STA funds for operations. SANDAG calculated the operating qualifications and determined that NCTD would meet the criteria, thereby allowing the funds to be used for operations. NCTD also is required to affirm certain findings under the STA statute. Exhibit B provides these findings.

Exhibit C includes the required resolutions for the FY 2022 requested TDA claims and Exhibit D includes the FY 2022 STA claim.

- Attachments:
- Exhibit A: Highlights of FY 2021 Consolidated Transportation Services Agency Work Plan
 - Exhibit B: North County Transit District State Transit Assistance Findings
 - Exhibit C: Draft Resolution Nos. 2021-21 through 2021-25 for FY 2022 Transportation Development Act Claims
 - Exhibit D: Draft Resolution No. 2021-25 for FY 2022 State Transit Assistance Claim

Full Access & Coordinated Transportation, Inc. (FACT)
Consolidated Transportation Services Agency (CTSA) for San Diego County

Work Plan for Fiscal Year 2022

As defined in the Social Services Transportation Improvement Act (AB 120), the CTSA is a public entity responsible for improving transportation services required by social service recipients by promoting the consolidation and coordination of social service transportation services. The scope of CTSA activities include being the regional coordinator of social service transportation information, centralized administration and dispatching, identification and consolidation of funding sources, coordinated and consolidated training programs and combined purchasing of vehicles, supplies and equipment.

In 2006 San Diego Association of Governments (SANDAG) designated Full Access & Coordinated Transportation, Inc. (FACT) the Consolidated Transportation Services Agency (CTSA) for San Diego County. As the CTSA, FACT works to improve dedicated transportation services for people with disabilities, seniors, social service agencies, health care providers, various organizations and individuals within San Diego County. FACT is also the planning representative of the social service transportation community and works with the region to develop updates to the Coordinated Plan. FACT has begun the process to update the Business Plan (2022-2027 Business Plan Update) that forms the planning foundation for organizational development and the expansion of coordinated services in the region.

Expenses:

1. One-call/one-click Mobility Center

Maintain FACT website

- Maintain FACT website to keep content current, optimized for searching
- Use website for marketing and outreach

Maintain transportation provider database

- Update content of the provider database on an ongoing basis
- Conduct outreach with potential new providers
- Optimize website travel planner for finding suitable transportation

Telephone Referrals

- Respond to telephone requests for transportation information. Educate callers about transportation options from database.
- Provide enhanced in-person customer service where necessary to assist with ADA application process or take reservations for other providers, etc.

2. Regional Coordination

Administer Council on Access and Mobility (CAM) and Other Meetings

- Conduct Council on Access and Mobility (CAM) meetings (at least 4 annually) and other meetings related to regional coordination
- Continue outreach to providers: currently 33 CAM members

Full Access & Coordinated Transportation, Inc. (FACT)
Consolidated Transportation Services Agency (CTSA) for San Diego County

Work Plan for Fiscal Year 2022

- Represent CAM during Level 3 or higher emergencies and coordinate disaster response as needed. Coordinate with the County Office of Emergency Services (OES) to ensure effective emergency preparedness planning. Assist OES to develop an emergency response plan.
- Conduct monthly FACT Board of Director Meetings and Board subcommittees as needed

Training/Workshops

- Facilitate a workshop/ training on issues of interest to CAM and partners
- Include guest speakers and educational items during CAM meetings

Support for grantees

- Provide letters of support to agencies applying for grants after verifying coordination efforts.
- Assist applicants in finding coordination opportunities
- Form partnerships to apply for grants where appropriate
- Offer compliance related information to grantees

Coordinated Planning

- Provide ongoing technical assistance and support to social service transportation providers and all other interested parties to find solutions to overcome identified barriers to coordination, consolidation and collaboration
- Coordinate and conduct surveys, and assessments, both formal and informal, to determine stakeholder transportation needs, vehicle and other relevant resources and barriers to coordination
- Make presentations to stakeholder groups
- Evaluate coordinated programs for pilot projects leading to regional deployment
- Market services through press releases, brochures, newsletters, newspaper articles, special events, workshops, and community trainings.
- Participation in Social Services Transportation Advisory Council (SSTAC), ADA Review Groups, Alliance for Regional Solutions (ARS), Volunteer Driver Coalition, and Age Well Meetings, etc.
- Attend SANDAG Transportation Committee, SANDAG Board, NCTD and MTS Board, City Council, and County Board of Supervisors meetings as needed.
- Provide input, data, and pictures for the SANDAG Coordinated Plan.

Coordinated transportation and vehicle sharing

- Partner with social service agencies, healthcare providers, cities, County of San Diego, and transit agencies to assist clients in need of transportation.
- Partner with social service agencies, specialized transportation providers, and brokerage partners to share accessible vehicles.

3. Management of CTSA Activities

- Disseminate quarterly CTSA FACT Newsletter to ensure ongoing awareness of current related events
- Maintain the CTSA Mailing List

Full Access & Coordinated Transportation, Inc. (FACT)
Consolidated Transportation Services Agency (CTSA) for San Diego County

Work Plan for Fiscal Year 2022

- Complete all required reporting
- Maintain memberships in State and National organizations committed to coordinated transportation and non-profit corporation development: California Association for Coordinated Transportation (Cal-Act), American Public Transportation Association (APTA), etc.
- Travel to conferences and sponsored trainings.
- Annually update FACT's Business Plan covering the following areas: governance, regional needs assessment, integration of current CTSA work activities, technical assistance and coordination planning, information and marketing initiatives, service contracting and operations programs, policy development and advocacy, trip demand estimation and utilization projections, funding and financial projections.
- Maintain FACT's staff to ensure capacity to support ongoing programs and services and expansion as per the approved Business Plan.
- Participate in Annual TDA 4.5 Audit, Internal Agency Audit, and Triennial TDA 4.5 Audits
- Report Scope of Work deliverables to SANDAG quarterly

4. Grant Support

- Apply for Section 5310, Senior Mini-Grant, and other grant funding to support core CTSA activities
- Provide local match funds as needed to support awarded grant projects

5. Transportation services

- Provide RideFACT transportation for seniors, individuals with disabilities, and other underserved vulnerable populations in San Diego County.

All TDA 4.5 funding for the FY 2022 will be used for CTSA activities. FACT was awarded both 5310 and Senior Mini-Grant funding to support these activities.

WHEREAS, the North County Transit District ("Claimant") hereby affirms the certifications and required findings as part of the Transportation Development Act (TDA) and State Transit Assistance (STA) Claims for FY2021 as follows:

Finding #1: The Claimant's proposed expenditures are in conformance with the Regional Transportation Plan (RTP).

Finding #2: The Claimant is proposing a level of fare revenue sufficient to meet the fare revenue operating cost ratio requirements of Public Utilities Code (PUC) 99268.2, 99268.3, 99268.5 and 99268.9, as applicable.

Finding # 3: The Claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

Finding #4: The sum of the Claimant's allocations from the STA Fund and the Local Transportation Fund do not exceed the maximum for which the Claimant is eligible.

Finding #5: Priority consideration has been given to offsetting unanticipated increases in the cost of fuel, enhancing existing public transportation services, and meeting high-priority regional needs.

Finding #6: The Claimant has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC 99244.

Finding #7: The Claimant is not prevented by a labor contract entered into after June 28, 1979, from employing part-time drivers or from contracting with common carriers.

Finding #8: The Claimant has on file a certification by the Department of the California Highway Patrol verifying compliance with section 1808.1 of the Vehicle Code, pursuant to PUC 99251.

Finding #9: The Claimant is in compliance with the requirements of PUC 99314.6.

Authorized Representative/Contact:



(Signature)

Name: Matthew O. Tucker
Title: Executive Director



401 B Street, Suite 800
San Diego, CA 92101
Phone (619) 699-1900
Fax (619) 699-1905
sandag.org

Resolution No. 2021-21

Approving the Allocation of FY 2022 Transportation Development Act Funds Article 3 Bicycle and Pedestrian Facilities and Programs

WHEREAS, the Transportation Development Act (TDA) claim listed below is submitted for FY 2022 TDA funds pursuant to Chapter 4, Article 3, Section 99234 of the Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the Government Code (GC), the San Diego Association of Governments (SANDAG) has analyzed the claim and determined that the claim conforms substantially to the provisions of the TDA of 1971, as amended; and

WHEREAS, SANDAG finds the claim to be consistent with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the Board of Directors as follows:

1. That the Board of Directors, pursuant to GC 29532 and PUC 99234, does hereby approve the allocation of TDA funds for the following project in the amounts specified below:

Claim No.	Claimant	Allocation
22011000	SANDAG (Bayshore Bikeway: Barrio Logan)	<u>\$1,987,418</u>
	Total	\$1,987,418

2. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of this claim.

PASSED AND ADOPTED this 25th day of June 2021.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Approving the Allocation of FY 2022 Transportation Development Act Funds Article 4 Fixed Route General Public Transit Service

WHEREAS, the Transportation Development Act (TDA) claimants listed below have submitted claims for FY 2022 TDA funds pursuant to Chapter 4, Article 4, of the Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the Government Code (GC), the San Diego Association of Governments (SANDAG) has analyzed the claims and determined that the claims conform substantially to the provisions of the TDA of 1971, as amended; and

WHEREAS, pursuant to PUC Section 99244, SANDAG is required to annually identify, analyze, and recommend potential productivity improvements for the transit operators; and

WHEREAS, SANDAG finds these claims for FY 2022 to be in conformance with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the Board of Directors as follows:

1. That the Board of Directors, pursuant to PUC Section 99244, finds that the claimants listed below have made a reasonable effort to implement the productivity improvement recommendations for FY 2021;

2. That the Board of Directors, at its June 11, 2021 meeting, approved eligibility of Metropolitan Transit System and North County Transit District to receive their FY 2022 allocations of Transportation Development Act funds, including consideration of these operators' FY 2021 Productivity Improvement Goals.

3. That the Board of Directors, pursuant to GC 29532, does hereby approve the allocation of TDA funds to the following claimants for purposes listed below:

Claim No.	Claimant	Allocation
22031000	Metropolitan Transit System (MTS)	
	Operating (fixed route)	\$60,748,204
	Operating (ADA)	\$1,724,941
	Capital	<u>\$32,516,558</u>
	Total	\$94,989,703
22041000	North County Transit District (NCTD)	
	Operating (fixed route)	\$36,604,445
	Operating (ADA)	\$3,000,000
	Capital	<u>\$ -</u>
	Total	\$39,604,445
	SANDAG	
22031004	Admin/Planning Transfer from MTS	\$1,989,310
22031004	Capital Transfer from MTS	\$569,957
22041002	Capital Transfer from NCTD	\$0
22041002	Admin/Planning Transfer from NCTD	<u>\$674,675</u>
	Total	\$3,233,942

4. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 25th day of June 2021.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Approving the Allocation of FY 2022 Transportation Development Act Funds Article 4.5 Community Transit Service

WHEREAS, the Transportation Development Act (TDA) claimants listed below have submitted claims for FY 2022 TDA funds pursuant to Chapter 4, Article 4.5, of the Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the Government Code (GC), the San Diego Association of Governments (SANDAG) has analyzed the claims and determined that the claims conform substantially to the provisions of the TDA of 1971, as amended, including the provision of PUC 99275.5; and

WHEREAS, SANDAG finds these claims for FY 2022 to be in conformance with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the Board of Directors as follows:

1. That the Board of Directors, pursuant to GC 29532, does hereby approve the allocation of TDA funds to the following claimants for purposes listed below:

Claim No.	Claimant	Allocation
22031001	Metropolitan Transit System Operating	Total \$5,095,235
22041001	North County Transit District Operating	Total \$2,077,555
22061000	Coordinated Transportation Service Agency Operating	Total \$146,383

2. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 25th day of June 2021.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Approving the Allocation of FY 2022 Transportation Development Act Funds Article 8 Special Provisions

WHEREAS, the Transportation Development Act (TDA) claimant listed below has submitted claims for FY 2021 TDA funds pursuant to Chapter 4, Article 8, of the Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the Government Code (GC), the San Diego Association of Governments (SANDAG) has analyzed the claims and determined that the claims conform substantially to the provisions of the TDA, as amended; and

WHEREAS, SANDAG finds these claims for FY 2022 to be in conformance with the Regional Transportation Plan; NOW THEREFORE

BE IT RESOLVED by the Board of Directors as follows:

1. That the Board of Directors, pursuant to GC 29532, does hereby approve the allocation of TDA funds for costs associated with the operation of express bus services (PUC 99400.6), and the operation of commuter ferry service (PUC 99400.7) as shown below:

Claim No.	Claimant	Allocation
	Metropolitan Transit System	
22031002	Operating for Express Bus Service	\$993,605
22031003	Operating for Ferry Service	<u>\$242,595</u>
	Total	\$1,236,200

2. That the Metropolitan Transit System is directed to pass-through to the City of Coronado its appropriate share of TDA funding for operation of Ferry Service; and

3. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 25th day of June 2021.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Approving the Allocation of FY 2022 Transportation Development Act Funds Planning and Administration

WHEREAS, the Transportation Development Act (TDA) claimants listed below have submitted claims for FY 2022 TDA funds pursuant to Chapter 4, Article 3 (PUC 99233.1 and 99233.2), of the Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the Government Code (GC), the San Diego Association of Governments has determined that the claims are eligible pursuant to the provisions of the TDA, as amended; NOW THEREFORE

BE IT RESOLVED by the Board of Directors as follows:

1. Pursuant to GC 29532, does hereby approve the allocation of TDA funds to the following claimants for purposes listed below:

Claim No.	Claimant	Allocation
22021000	County Auditor SANDAG	\$50,000
22051000	Administration	\$720,879
22051001	Regional Planning	<u>\$4,619,718</u>
	Total	<u>\$5,340,597</u>

2. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of these claims.

PASSED AND ADOPTED this 25th day of June 2021

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, Port of San Diego, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.



401 B Street, Suite 800
San Diego, CA 92101
Phone (619) 699-1900
Fax (619) 699-1905
sandag.org

Resolution No. 2021-26

Approving the Allocation of FY 2022 State Transit Assistance Claim to the North County Transit District

WHEREAS, the North County Transit District (NCTD) has filed a claim for State Transit Assistance (STA) funds in the amount of \$8,321,996 for FY 2022 pursuant to Section 6730(a) of Title 21 of the California Code of Regulations (CCR); and

WHEREAS, NCTD has affirmed all certifications required by Section 6754 (NCTD Affirmation); and

WHEREAS, the Board of Directors has considered the NCTD Affirmation as Attachment __ to the Board Report supporting the Board's consideration of this Resolution.

NOW THEREFORE BE IT RESOLVED by the Board of Directors as follows:

1. That the Board of Directors finds that the above claim is in substantial conformance with the provisions of the Transportation Development Act of 1971, as amended, and meets the specific requirements of Section 6754 of Title 21 of the CCR; and

2. That the Board of Directors does hereby find valid all elements of the NCTD Affirmation and hereby adopts such Affirmation as though fully set forth herein; and

3. That the Board of Directors does hereby approve the allocation of STA to the following claimants for purposes listed below:

Claim No.	Claimant	Allocation
22041003	NCTD	
	Operating	\$4,058,481
	Capital	\$4,263,515
	Total	\$8,321,996

4. That the Board of Directors does hereby authorize the Executive Director to prepare and transmit allocation instructions to the San Diego County Auditor as are necessary and legal for payment of this claim.

PASSED AND ADOPTED this 25th day of June 2021.

Attest:

Chair

Secretary

Member Agencies: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

Advisory Members: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.