



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY ITOC Agenda Letter

TO: Independent Taxpayer Oversight Committee
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
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SUBJECT: Executive Director's Report

RECOMMENDATION

Information only

EXECUTIVE SUMMARY

This report will brief the ITOC about NVTA's staffing changes and project and program updates and to brief Committee about the economic effects associated with the COVID-19 stay at home order on NVTA's operations. A more specific item regarding how current economic conditions will effect Measure T revenues and projects are provided under Item 9.3.

FISCAL IMPACT

Is there a fiscal impact? Not for this report.

BACKGROUND AND DISCUSSION

New NVTA Staff

Prior to the economic onslaught caused by the pandemic, NVTA had four open staff positions. All four positions are essential to the operations of the agency, nevertheless, only three of the positions are being filled at this time pending information about how severely the agency's revenues will be affected by the economic downturn.

- NVTA Transit Manager. NVTA's Transit Manager oversees the day-to-day operations, long, and short term planning of the Vine system. This includes fixed route services, express bus services, shuttle services, and Americans with Disability (ADA) Services. Alan Budde has a Master's Degree in City and Regional

Planning and has over 10 years in public sector transportation/transit experience. Most recently, Alan was employed by Yolo County Transportation District as a senior planner where he led various efforts including overseeing the comprehensive operational analysis and a microtransit pilot program among other things. Alan is fluent in both Spanish and Portuguese. He currently lives in Davis but is planning to relocate to Napa. Alan replaces Mathew Wilcox who left NVTA in January to work for Santa Rosa City Bus.

- **Financial Analyst** – this position is responsible for the agency’s budget and overseeing the general ledger. In addition, the position provides financial analysis that helps managers make decisions on projects, programs, and agency management. Roxanna Moradi recently moved to Napa from San Jose. Roxanna received her degree in Economics and International Relations from UC Davis and her Master’s degree in Public Administration from San José State University. Roxanna has 10 years of financial/budget management and analysis experience. Most recently, as a Budget Planning and Financial Management Officer for San José State University. Roxanna has also worked as an Analyst for the City of San José, in both the Finance department and the City Manager’s Budget Office. Roxanna replaces Justin Paniagua who left in December to pursue a career as a Napa Police Officer.
- **Communications Officer** – this position is responsible for overseeing the marketing of NVTA’s projects and programs and NVTA’s websites and social media. Robin Craig received her Associate of Arts degree in Business Administration from Baltimore County Community College and her Bachelors of Arts degree in Communication Studies from University of Maryland, University College. Robin has 12 years of marketing and communications experience in both the public and private sectors. Most recently, Robin served as a Communication Consultant to the City of American Canyon where she developed a communication strategy, social media schedule, marketing collateral, and staff procedures for the Parks and Recreation Department. Robin lives in American Canyon with her husband and two children. Robin replaces Christina Lee who left NVTA in March to work for the City of Vallejo as their PIO.

Project/Program Update

- **Soscol Junction:** The Metropolitan Transportation Commission has selected Soscol Junction as its rural project priority for the Senate Bill 1 Solutions for Congested Corridor (SCC) Grant Program. This allows NVTA to apply for SB 1 SCC grant funds from the California Transportation Commission for this project. NVTA is applying to three different grant programs to backfill the \$35 million shortfall needed to complete this project. NVTA also awarded the design contract to GHD and Caltrans (structures) in March.
- **Vine Maintenance Facility:** NVTA had been banking Transportation Development Act revenues to help fund the critically needed Vine Maintenance Facility. Some

of these revenues are now needed to buttress the agency's fiscal revenue shortfall. Staff had also been working on ways to finance the facility but the economic downturn will significantly limit NVTA's ability to fund debt in the near future which limits the agency's borrowing capacity. NVTA staff have applied for Federal Transit Administration Section 5339 funds and identifying other ways to fund the project. Staff is also evaluating potential financing options in light of recent economic shifts. The project is 100% designed.

- Imola Park and Ride: This project will upgrade the existing park and ride at Imola and Golden Gate adjacent to SR 29. The project will also improve passenger facilities on the highway ramps and add pedestrian facilities connecting the north bound and southbound ramps on the south side of Imola. NVTA has applied for \$300,000 in MTC's Housing Incentive Program. If approved, this will complete the funding package for this project. The project will be 100% designed this summer and break ground as early as this fall.
- Vine Transit – Vine ridership is down 63% on services in the City of Napa and regional service Routes 10 and 11, 46% down on the express bus services, and 89% down on ADA services. In response to the drop in ridership and to address anticipated revenue shortfalls, the Vine Transit fixed route system in the City of Napa transitioned to stop to stop on demand service on April 27th. Riders can request a ride by using the Ride the Vine application or by calling dispatch. Hours of operation on all services have been reduced, including the Vine Express Bus, shuttle services, services in the City of Napa, and ADA services. The Vine has also been directed by the County's Emergency Operation Center to move homeless people to hotel sheltering and delivering food twice daily. Drivers have also volunteered to transport potentially infected people to centers for testing. All riders and drivers are required to wear masks. Vehicles are disinfected every night as part of the Vine's routine cleaning.

NVTA Finances

Roughly 65% of NVTA's revenues are made up of sales tax. Projections on sales tax are grim and range from a 14 to 27 percent reduction from prior year levels. With the exception of some block grants for planning, all of NVTA's revenues are going to be significantly down. The NVTA board approved a two-year budget at its meeting in May. The budget projected a \$2.9 million shortfall combined for the FYs 2020-21 and 2021-22. The budget proposed backfilling the shortfall with reserves and cutting transit operations and staffing.

The budget factors in \$2.7 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Bay Area received roughly \$1.3 billion from the \$25 billion directed to transit from the federal CARES stimulus bill. The revenues will be distributed by MTC in two tranches. The \$2.7 million that NVTA has received to date is from the first tranche. The second tranche will be distributed based on future need and will be determined by a Blue Ribbon Committee appointed by MTC.

Representatives from the North Bay include Supervisor and MTC Vice Chair and Sonoma County Supervisor and Commissioner David Rabbitt,

NVTA Revenues Sources

The Vine Transit system is funded through multiple fund sources, however, the majority of funds come from two sources, of which only the Federal Transit Administration funds are anticipated to remain stable.

The largest single fund source that NVTA receives is Transportation Development Act (TDA) funds. The agency receives these funds for operating the Vine collective system and Congestion Management Agency planning. These funds are based on ¼ percent of Napa County's sales tax revenues. TDA makes up roughly 55% of the Transit revenues.

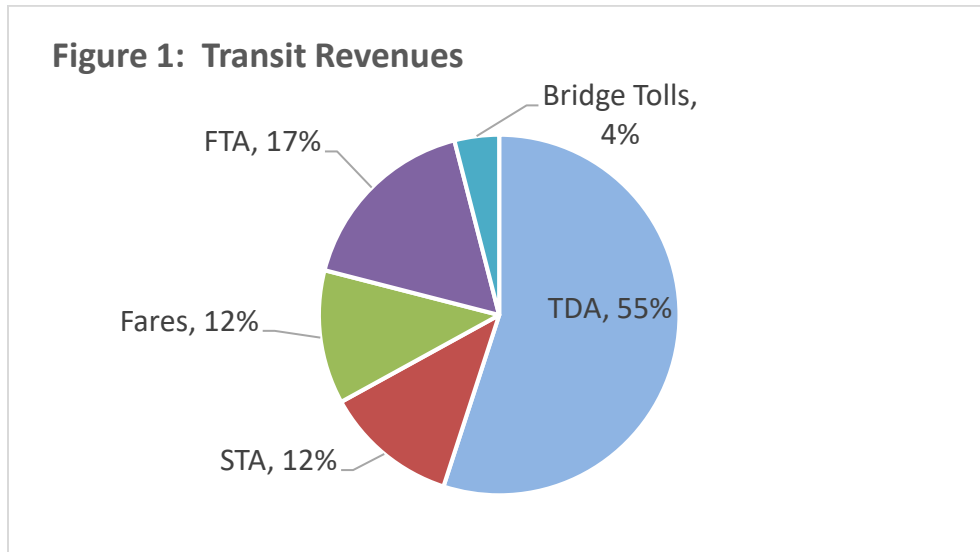
Federal Transit Administration (FTA) Section 5307 small urbanized area formula funds are appropriated annually based on the Fixing America's Surface Transportation (FAST) Act authorization levels on a formula linked to Napa urbanized area population, with a smaller subset of funds awarded on strong operational performance metrics. NVTA also receives FTA Section 5311 Non Urbanized Area funds based on population figures in the rural areas of the county. The FAST Act is funded through federal fuel tax. Roughly 17% of Vine Transit revenues come from FTA combined fund sources. There is no reason to expect significant changes in FTA revenues, and in fact, these funds make up the largest share of the federal CARES stimulus package.

State Transit Assistance (STA) is part of the TDA act but is generated from sales tax on diesel fuel. STA makes up roughly 12% of NVTA's Transit revenues. Gasoline sales have gone down roughly 50% during the SIP Order and NVTA staff thinks that diesel is likely to be about the same. Fuels tend to be more inelastic than other taxable goods so these revenues are likely to rebound more quickly than other tax-based revenues.

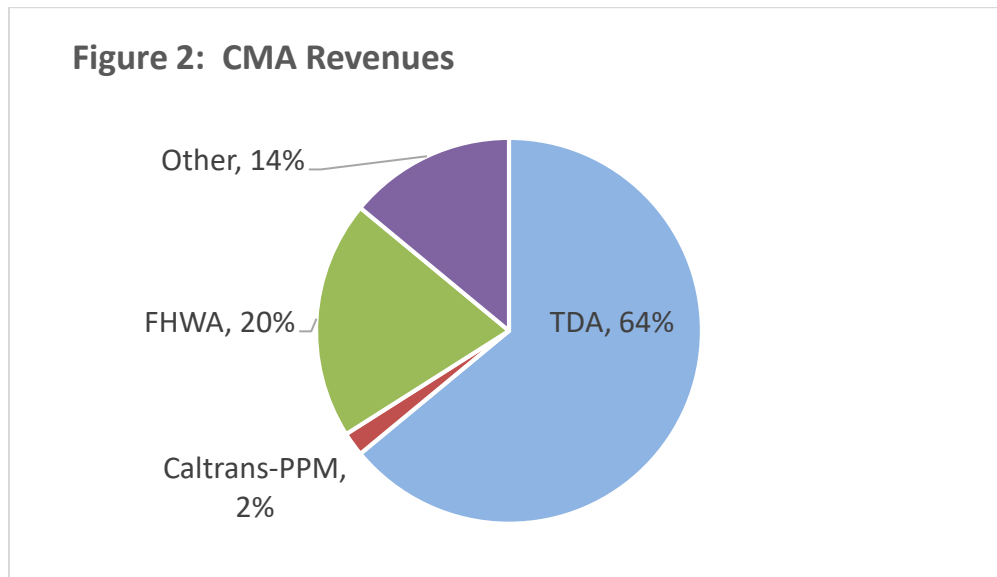
NVTA collects fares from its riders. Fares are 12% of NVTA's Transit revenues. Under the SIP, the agency is no longer collecting fares. NVTA anticipates that fare revenues will likely rebound faster than other revenues because of the high unemployment rate that is likely to result from a post SIP order recession. However, ridership is likely to be affected near term because of the potential of transmitting the virus in closed areas such as a transit vehicle.

NVTA also receives Regional Measure 2 bridge tolls for operating Vine Express Bus Route 29. These make up 4% of Vine Transit revenues. The Bay Area Toll Authority has indicated that bridge toll revenues are down 50%. Bridge tolls are likely to rebound fairly quickly – probably not to the pre-SIP order levels. Staff anticipates there may be meaningful near term cuts in how these revenues are distributed.

Figure 1 shows the percentage of each revenue source in context of the Vine Transit's total budget.



The Congestion Management Agency (CMA) also relies heavily on TDA funds. Roughly 64% of revenues are TDA with the balance of funds being federal and state highway planning funds. Like FTA funds, the funds that come from federal and state highway programs are based on federal and state gas tax and, therefore, these sources are more stable than sales tax revenues. Figure 2 below reflects the mix of revenues for the CMA.



SUPPORTING DOCUMENTS

None