

Committee Members
LESLIE CASTELLANO
City of Eureka
DEBRA GARNES
City of Rio Dell
TAMI TRENT
City of Fortuna

HTA Board Staff
GREG PRATT
General Manager
KATIE COLLENDER
Finance Manager



Humboldt Transit Authority
Finance and Operations Committee
HTA Conference Room - 133 V Street Eureka
AGENDA

Tuesday, May 27, 2025 9:00 AM Finance & Operations Committee Meeting

A. Call Meeting to Order

B. Roll Call & Introductions

C. Community Members Communication

Members of the community are invited to comment on items or issues not on the agenda.

D. New Business

1. Draft Fiscal Year 2025/2026 Budget, Draft Financial Forecast, and Draft Budget Narrative

Staff: Katie Collender

Action Recommend: Review, Discuss, and if no Changes, Approve Draft Budget

E. Adjournment

Humboldt Transit Authority (HTA) is committed to a policy of non-discrimination pursuant to the requirements of Title VI of the Civil Rights Act of 1964. Persons who require special accommodations, accessible seating, or documentation in alternative formats under the American with Disabilities Act or persons who require translation services (free of charge) should contact HTA at least two days prior to the meeting.

Humboldt Transit Authority (HTA) se compromete a una norma de no discriminación de acuerdo a los requisitos del Artículo VI del Acto Derechos Civiles de 1964. Las personas que requieren alojamiento especial de acuerdo con el American with Disabilities Act, o personas que requieren servicios de traducción (libre de cargo) deben comunicarse con HTA al menos dos días antes de la reunión.



133 V Street
Eureka, CA 95501

A Public Entity Serving Humboldt County Since 1976

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TO: Finance and Operations Committee Members

FROM: Katie Collender, Finance Manager

DATE: May 27, 2025

SUBJECT: Draft Fiscal Year 2025/2026 Budget, Draft Financial Forecast, and Draft Budget Narrative

Staff have completed the annual budget for the upcoming fiscal year. Through the budgeting process HTA examines its transactions closely, identifies service changes, gathers funding estimates, and considers economic forecasts to produce a balanced draft budget that anticipates how the agency will meet financial obligations in the upcoming year while striving towards its operational goals. This year, a five-year financial forecast and expanded narrative have been added to strengthen HTA's ability to plan for future needs.

HTA is committed to rebuilding the ridership base lost during the pandemic, this year RTS is on track to hit 70% of peak ridership. Recovery will continue through enhanced marketing campaigns, expanding outreach, simplifying processes, listening to community needs, and continuing to build public and private partnerships. Investment in technology will further this goal while increasing comfort and streamlining processes for riders. An accessible, convenient, affordable transit system benefits all residents of Humboldt County, and these priorities are embedded in next year's budget.

Action Recommended: Review, Discuss, and Direct Staff as Needed.

DRAFT 2025-26 BUDGET BY ROUTE

	Redwood Transit System	Eureka Transit Service	Arcata & Mad River Transit System	Southern Humboldt Intercity	North State Express 299	North State Express 101	Paratransit	Flex Microtransit	Total
Planned Miles	42%	8%	9%	11%	7%	6%	9%	8%	100%
Planned Hours	36%	15%	11%	6%	4%	3%	13%	12%	100%
Resources									
Operating Resources									
Fares & Passes	\$ 723,000	\$ 231,000	\$ 70,000	\$ 48,000	\$ 32,000	\$ 7,500	\$ 48,000	\$ 20,000	\$ 1,179,500
Contract Transportation	\$ 120,000	\$ 13,000	\$ 341,500	\$ 500	\$ 31,700	\$ 50	\$ 925,156	\$ -	\$ 1,431,906
Total Operating Revenue	\$ 843,000	\$ 244,000	\$ 411,500	\$ 48,500	\$ 63,700	\$ 7,550	\$ 973,156	\$ 20,000	\$ 2,611,406
Non Operating Resources									
Recurring Revenue									
Advertising	\$ 68,400	\$ 28,500	\$ 20,900	\$ 11,400	\$ 7,600	\$ 5,700	\$ 24,700	\$ 22,800	\$ 190,000
Interest/Miscellaneous	\$ 16,200	\$ 6,750	\$ 4,950	\$ 2,700	\$ 1,800	\$ 1,350	\$ 5,850	\$ 5,400	\$ 45,000
Federal Formula 5311	\$ 750,000	\$ 308,125	\$ -	\$ 300,000	\$ 209,132	\$ 215,600	\$ -	\$ -	\$ 1,782,857
JPA Member Assessment	\$ 2,059,957	\$ 198,067	\$ 305,003	\$ 626,803	\$ 303,944	\$ -	\$ 141,361	\$ -	\$ 3,635,135
State Transit Assistance	\$ 610,000	\$ 240,000	\$ 114,876	\$ 222,121	\$ 166,650	\$ 200,000	\$ -	\$ 28,026	\$ 1,581,673
State of Good Repair	\$ 90,000	\$ 79,728	\$ 62,580	\$ -	\$ -	\$ -	\$ 42,000	\$ -	\$ 274,308
Low Carbon Transit Ops Prgm	\$ 156,856	\$ 46,253	\$ 40,220	\$ 34,187	\$ 22,121	\$ 18,099	\$ 44,242	\$ 40,220	\$ 402,198
Transit Intercity Rail Capital Prgm	\$ 117,000	\$ 48,750	\$ 35,750	\$ 19,500	\$ 13,000	\$ 9,750	\$ 42,250	\$ 39,000	\$ 325,000
SB125 Formula Transit Intercity	\$ 325,557	\$ 193,331	\$ 102,260	\$ 117,002	\$ 152,410	\$ 65,299	\$ 51,824	\$ 190,690	\$ 1,198,373
Measure O	\$ 1,600,000	\$ 460,000	\$ 561,964	\$ 107,906	\$ 21,059	\$ 269,706	\$ 479,365	\$ 100,000	\$ 3,600,000
Regional Early Action Planning 2.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,190,250	\$ 1,190,250
Total Nonoperating	\$ 5,793,970	\$ 1,609,504	\$ 1,248,503	\$ 1,441,619	\$ 897,716	\$ 785,504	\$ 831,592	\$ 1,616,386	\$ 14,224,794
TOTAL RESOURCES	\$ 6,636,970	\$ 1,853,504	\$ 1,660,003	\$ 1,490,119	\$ 961,416	\$ 793,054	\$ 1,804,748	\$ 1,636,386	\$ 16,836,200
Operating Requirements									
Payroll	\$ 2,226,886	\$ 803,158	\$ 630,115	\$ 423,657	\$ 278,062	\$ 218,392	\$ 723,200	\$ 663,530	\$ 5,967,000
Employee Costs	\$ 569,502	\$ 205,400	\$ 161,146	\$ 108,346	\$ 71,112	\$ 55,852	\$ 184,951	\$ 169,691	\$ 1,526,000
Retirement	\$ 363,498	\$ 131,100	\$ 102,854	\$ 69,154	\$ 45,388	\$ 35,648	\$ 118,049	\$ 108,309	\$ 974,000
Contract Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 498,960	\$ 95,040	\$ 106,920	\$ 130,680	\$ 83,160	\$ 71,280	\$ 106,920	\$ 95,040	\$ 1,188,000
General Operating	\$ 227,880	\$ 94,950	\$ 69,630	\$ 37,980	\$ 25,320	\$ 18,990	\$ 82,290	\$ 75,960	\$ 633,000
Facilities	\$ 132,300	\$ 25,200	\$ 28,350	\$ 34,650	\$ 22,050	\$ 18,900	\$ 28,350	\$ 25,200	\$ 315,000
Technology	\$ 184,800	\$ 35,200	\$ 39,600	\$ 48,400	\$ 30,800	\$ 26,400	\$ 39,600	\$ 35,200	\$ 440,000
Vehicles	\$ 861,000	\$ 164,000	\$ 184,500	\$ 225,500	\$ 143,500	\$ 123,000	\$ 184,500	\$ 164,000	\$ 2,050,000
Total Operating	\$ 5,064,826	\$ 1,554,048	\$ 1,323,115	\$ 1,078,367	\$ 699,392	\$ 568,462	\$ 1,467,860	\$ 1,336,930	\$ 13,093,000
Capital Requirements									
Capital Purchases	\$ 113,400	\$ 21,600	\$ 24,300	\$ 29,700	\$ 18,900	\$ 16,200	\$ 24,300	\$ 21,600	\$ 270,000
Facility Maintenance	\$ 244,944	\$ 46,656	\$ 52,488	\$ 64,152	\$ 40,824	\$ 34,992	\$ 52,488	\$ 46,656	\$ 583,200
Vehicles	\$ 1,213,800	\$ 231,200	\$ 260,100	\$ 317,900	\$ 202,300	\$ 173,400	\$ 260,100	\$ 231,200	\$ 2,890,000
Total Capital	\$ 1,572,144	\$ 299,456	\$ 336,888	\$ 411,752	\$ 262,024	\$ 224,592	\$ 336,888	\$ 299,456	\$ 3,743,200
TOTAL REQUIREMENTS	\$ 6,636,970	\$ 1,853,504	\$ 1,660,003	\$ 1,490,119	\$ 961,416	\$ 793,054	\$ 1,804,748	\$ 1,636,386	\$ 16,836,200
Revenue Less Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DRAFT 2025-26 BUDGET AND FINANCIAL FORECAST

	FY 23-24 Actual	FY 24-25 Budget	FY 25-26 Budget	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast	FY 29-30 Forecast
Resources							
Operating Resources							
Fares & Passes	\$ 1,014,981	\$ 1,097,800	\$ 1,179,500	\$ 1,238,475	\$ 1,300,399	\$ 1,365,419	\$ 1,433,690
Contract Transportation	\$ 1,833,664	\$ 1,905,469	\$ 1,431,906	\$ 1,474,863	\$ 1,519,109	\$ 1,564,682	\$ 1,611,622
Total Operating Revenue	\$ 2,848,645	\$ 3,003,269	\$ 2,611,406	\$ 2,713,338	\$ 2,819,508	\$ 2,930,101	\$ 3,045,312
Non Operating Resources							
Recurring Revenue							
Advertising	\$ 161,349	\$ 185,000	\$ 190,000	\$ 195,700	\$ 201,571	\$ 207,618	\$ 213,847
Interest/Miscellaneous	\$ 302,969	\$ 39,500	\$ 45,000	\$ 22,000	\$ 22,440	\$ 22,889	\$ 23,347
Federal Formula 5311	\$ 1,666,341	\$ 1,752,270	\$ 1,782,857	\$ 1,818,514	\$ 1,854,884	\$ 1,891,982	\$ 1,929,822
JPA Member Assessment	\$ 2,982,417	\$ 3,248,551	\$ 3,635,135	\$ 3,744,189	\$ 3,856,515	\$ 3,972,210	\$ 4,091,376
State Transit Assistance	\$ 1,631,783	\$ 325,573	\$ 1,581,673	\$ 1,613,306	\$ 1,645,572	\$ 1,678,483	\$ 1,712,053
State of Good Repair	\$ 222,784	\$ 250,435	\$ 274,308	\$ 279,794	\$ 285,390	\$ 291,098	\$ 296,920
Low Carbon Transit Ops Prgm	\$ 375,914	\$ 385,676	\$ 402,198	\$ 410,242	\$ 418,447	\$ 426,816	\$ 435,352
Transit Intercity Rail Capital Prgm	\$ 1,488,227	\$ 325,000	\$ 325,000	\$ 341,250	\$ 358,313	\$ 376,229	\$ 395,040
SB125 Formula Transit Intercity	\$ -	\$ 1,358,307	\$ 1,198,373	\$ 1,571,487	\$ 2,207,330	\$ 2,894,792	\$ 3,637,963
Measure O	\$ -	\$ -	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000
Regional Early Action Planning 2.0	\$ -	\$ -	\$ 1,190,250	\$ -	\$ -	\$ -	\$ -
Total Nonoperating	\$ 8,831,784	\$ 7,870,312	\$ 14,224,794	\$ 13,596,482	\$ 14,450,462	\$ 15,362,117	\$ 16,335,720
TOTAL RESOURCES	\$ 11,680,429	\$ 10,873,581	\$ 16,836,200	\$ 16,309,820	\$ 17,269,970	\$ 18,292,218	\$ 19,381,032
Operating Requirements							
Payroll	\$ 3,818,216	\$ 4,629,300	\$ 5,967,000	\$ 6,265,350	\$ 6,578,618	\$ 6,907,549	\$ 7,252,926
Employee Costs	\$ 1,031,655	\$ 1,123,394	\$ 1,526,000	\$ 1,602,300	\$ 1,682,415	\$ 1,766,536	\$ 1,854,863
Retirement	\$ 986,513	\$ 832,000	\$ 974,000	\$ 1,022,700	\$ 1,073,835	\$ 1,127,527	\$ 1,183,903
Contract Transportation	\$ 955,939	\$ 852,078	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 763,688	\$ 930,700	\$ 1,188,000	\$ 1,283,040	\$ 1,385,683	\$ 1,496,538	\$ 1,616,261
General Operating	\$ 446,328	\$ 372,361	\$ 633,000	\$ 658,320	\$ 684,653	\$ 712,039	\$ 740,521
Facilities	\$ 273,349	\$ 277,099	\$ 315,000	\$ 330,750	\$ 347,288	\$ 364,652	\$ 382,885
Technology	\$ 327,414	\$ 354,500	\$ 440,000	\$ 462,000	\$ 485,100	\$ 509,355	\$ 534,823
Vehicles	\$ 1,117,270	\$ 1,502,149	\$ 2,050,000	\$ 2,255,000	\$ 2,480,500	\$ 2,728,550	\$ 3,001,405
Total Operating	\$ 9,720,371	\$ 10,873,581	\$ 13,093,000	\$ 13,879,460	\$ 14,718,092	\$ 15,612,746	\$ 16,567,587
Capital Requirements							
Capital Purchases	\$ 24,157		\$ 270,000	\$ 283,500	\$ 297,675	\$ 312,559	\$ 328,187
Facility Maintenance	\$ 362,062		\$ 583,200	\$ 612,360	\$ 642,978	\$ 675,127	\$ 708,883
Vehicles	\$ 1,745,550		\$ 2,890,000	\$ 1,534,500	\$ 1,611,225	\$ 1,691,786	\$ 1,776,375
Total Capital	\$ 2,131,769		\$ 3,743,200	\$ 2,430,360	\$ 2,551,878	\$ 2,679,472	\$ 2,813,445
TOTAL REQUIREMENTS	\$ 11,852,140	\$ 10,873,581	\$ 16,836,200	\$ 16,309,820	\$ 17,269,970	\$ 18,292,218	\$ 19,381,032
Revenue Less Requirements	\$ (171,711)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Draft Budget Narrative

Introduction

Staff have completed the annual budget for the upcoming fiscal year. Through the budgeting process HTA examines its transactions closely, identifies service changes, gathers funding estimates, and considers economic forecasts to produce a balanced draft budget that anticipates how the agency will meet financial obligations in the upcoming year while striving towards its operational goals. This year, a five-year financial forecast and expanded narrative have been added to strengthen HTA's ability to plan for future needs.

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Current Routes:

Redwood Transit System (RTS)	Eureka Transit Service (ETS)	Arcata & Mad River Transit System (A&MRTS)
Southern Humboldt Intercity (SHI)	North State Express 299 (NSE 299)	North State Express 101 (NSE 101)
Paratransit or Dial-a-Ride (DAR)	Flex Microtransit (Flex)	

Key Items:

Addition to the Budgeting Model

The traditional single-year budgeting model focuses on maintaining current programs without addressing their long-term implications. To achieve sustainable growth, it is essential to assess what decisions on service levels and expenses in the current year mean for the agency's future. The resource projections in this plan allow the Board to play a critical role in shaping these decisions and ensuring the agency's lasting viability. The budget showing costs by route is also included, with expected cost distributions based on contracts, allocations by miles, hours, or a combination of factors.

Prior annual budgets focused on an operating cash flow model and did not include capital projects. Because capital amounts were not in the budget last year, there appears to be a greater increase than is accurate. Moving forward, the method used will show consistency and allow for continued comparison after the 24/25 fiscal year closes.

Draft Budget Narrative

Funding Updates

Senate Bill (SB) 125

Senate Bill (SB) 125 will distribute \$4 billion from the Transit and Intercity Rail Capital Program to regional transportation planning agencies over the next few fiscal years. This money is highly flexible and can be used for operations or capital improvements. The Humboldt County Association of Governments (HCAOG) is administering these funds for Humboldt County. SB 125 also establishes a Transit Transformation Task Force led by the California State Transportation Agency to develop policy recommendations on how to grow transit ridership, improve the transit experience, and address the long-term operational needs agencies face.

Measure O

The citizens of Humboldt County have memorialized their support for public transportation with a new sales tax. On November 6, 2024, Humboldt County voters passed a 1% sales tax known as “Measure O.” This new tax is estimated to bring over \$24 million to the county each year to improve road infrastructure and to maintain and enhance local public transit. On April 22, 2025, the Humboldt County Board of Supervisors adopted a resolution that named HTA as the appropriate agency to represent local transit and receive 15% of the total amount collected starting on July 1, 2025, until June 30, 2030. Each year, HTA will bring its Work Plan to the Social Services Transportation Advisory Council for review and input. HTA will then finalize the plan as they deem appropriate and bring it before the HTA Board of Directors for adoption. Staff will then submit quarterly reports to the County Administrative Office to receive payment. An annual report will be submitted to the Humboldt County Audit Committee by the end of December following each fiscal year.

Measure O priorities for the upcoming fiscal year include the restoration of late-night and early-morning service on Redwood Transit System, Southern Humboldt, North State Express 299, and North State Express 101, and support for Dial-a-Ride. Although HTA is committed to the transition to zero emissions, with no local redundancy for hydrogen fuel, it is essential to retain a diversified fleet. With 76.4% of the RTS fleet past its useful life, as defined by the FTA and Caltrans, HTA plans to purchase two diesel buses to strengthen its ability to provide reliable transportation to the county.

Service Changes

Arcata & Mad River Transit System (A&MRTS)

Starting July 1, 2025, the Arcata & Mad River Transit System (A&MRTS) and its assets will be transferred to HTA and fully integrated into its operations. The City of Arcata has managed A&MRTS independently since its inception in 1975, the same year HTA was founded. Since

Draft Budget Narrative

2001, HTA has provided bus maintenance and parking for City buses. After the pandemic, A&MRTS also experienced driver staffing shortages, which led to HTA becoming the operating contractor starting July 1, 2023. This consolidation will allow better coordination and streamlining of the fixed route network in Humboldt County.

Paratransit Operations

HCAOG contracts with HTA to serve as the Consolidated Transportation Services Agency for Humboldt County, responsible for ensuring paratransit services are provided to populations unable to use traditional transit in an efficient way. Paratransit operations have been performed by a contractor, CAE Transport, for many years. Costs have continued to rise across the transit industry, including in the paratransit space. Continuing the theme of consolidation and efficiency through operations utilizing the structure of HTA to manage these programs, resulting in administrative cost savings.

Other Items

Staffing and Recruitment

Challenges with driver recruitment across the transit industry required HTA to increase driver salaries to attract qualified applicants and retain valuable employees. These measures have reduced vacancies and given HTA the ability to maintain the exceptional growth seen in the past few fiscal years. Since 2023, HTA has increased its staffing by 22%, with projections reaching a 41% increase by the start of the 2025/26 fiscal year.

Insurance

HTA is a member of the California Transit Indemnity Pool (CalTIP), a Joint Powers Authority insurance pool. By joining with other agencies to establish a pooled program layer and to purchase reinsurance, members are slightly insulated from the volatile insurance industry. CalTIP provides general liability, and vehicle physical damage. For the next fiscal year, there were changes to the lowest starting amount of what reinsurance partners were willing to offer in the general liability program. This meant that CalTIP was required to fund its self-funded layer at \$2.5 million rather than \$2 million per incident. The cost share between pool members is based on loss history and revenue miles. HTA's service increases in the coming year combined with this self-funded layer change equates to a \$550,205 contribution to the general liability program. This is 49.5% higher than the prior year.