



City Council Agenda Item

City Council Meeting Date: January 6, 2026

TO: Dean Albro, City Manager

FROM: Richard Fernbaugh, Transit/Airport Administrator
r_fernbaugh@ci.lompoc.ca.us

SUBJECT: Approve Transit Fare Promotion Reimbursement Agreement with SBCAG and Authorize the City Manager to Execute the Agreement

Recommendation:

Staff recommends the City Council approve the Transit Fare Promotion Reimbursement Agreement (attached) with Santa Barbara County Association of Governments (SBCAG) and authorize the City Manager to execute the Agreement.

Background:

SBCAG provides regional planning and coordination for public transit agencies within Santa Barbara County. For Fiscal Year (FY) 2024-25, SBCAG was awarded Low Carbon Transportation Opportunity Program (LCTOP) funds from the State of California.

The purpose of these funds and the subsequent agreement is to support area transit agencies that offer promotional "free rides" or reduced fares to the public. The agreement establishes a cooperative reimbursement mechanism, ensuring transit agencies can still record and collect necessary farebox revenue during these promotional periods.

The agreement formalizes the process for reimbursing City of Lompoc Transit (COLT) for "Free Rides" offered, utilizing the State LCTOP funds managed by SBCAG. The agreement commences upon execution by all parties and concludes no later than June 30, 2029, unless terminated sooner.

Discussion:

Offering limited "Free Ride" promotions is a common strategy used by transit providers to promote public transit usage, reduce financial burdens on riders, and incentivize trips during historically lower-ridership periods (e.g., weekends).

These promotions are typically limited because fares collected are a part of a transit provider's operational funding sources.

COLT utilized the "Free Ride" promotions beginning December 1, 2025, and continuing through January 31, 2026. Using the awarded State LCTOP funds, SBCAG has developed an agreement allowing participating transit providers to seek a reimbursement for these "Free Ride" periods. This mechanism encourages "Free Ride" promotions without negative financial consequences for the transit provider.

Reimbursement Process

Following the promotion, COLT will submit a valid invoice to SBCAG detailing the number of passenger boardings by rider category and the total amount due. The invoice must include attached, untampered farebox system reports as backup documentation, accurately reflecting valid boardings by route and rider category during the promotional period.

SBCAG will reimburse COLT based on an adjusted fare box rate shown in the table below. For Fixed Routes, the adjusted rate is calculated as the average of the Regular and Senior/Disabled fares. For example, the City rate of \$1.13 is derived from the average of \$1.50 regular fare and \$0.75 senior fare. The Wine Country Express fare of \$2.50 was not adjusted averaging the senior rate since most travelers are adults. *This adjustment does not affect ADA Paratransit, Micro Transit, or Santa Barbara Shuttle Services.

COLT Adjusted Reimbursement Rates (2025)

Service Mode	Adjusted City Rate	Adjusted County Rate
	Inside City Limits	Outside City Limits
Fixed Route (All Boardings)	\$1.13	\$1.50
On-Demand Microtransit	\$2.00*	\$4.00*
ADA Paratransit	\$3.00*	\$4.00*
Wine Country Express	\$2.50	N/A
Santa Barbara Shuttle	\$10.00*	N/A

Standard Fare Reference

- Fixed Route fares (all boardings)
Within City Limits are \$1.50 (Regular) and \$0.75 (Senior/Disabled). Adjusted rate is average of the two rates (\$1.13)
Outside City Limits: are \$2.00 (Regular) and \$1.00 (Senior/Disabled). Adjusted rate is average of the two rates (\$1.50).
- Microtransit fares are \$2.00 within City Limits and \$4.00 for outside City Limits. No rate adjustment
- ADA Paratransit fares are \$3.00 within City Limits and \$4.00 for outside City Limits. No rate adjustment.
- Wine Country Express is \$2.50 for Adults and \$1.25 for Seniors; Adjusted rate equals adult rate of \$2.50 for reimbursement, since very few seniors ride this bus.
- Santa Barbara Shuttle is a flat \$10.00. No rate adjustment
- Free Fares: Children and Personal Aides ride free on all applicable services.

Fiscal Impact:

There is no impact on the City's General Fund. The Transit Division operates as an Enterprise Fund with its own independent sources of operational and capital funding. The currently adopted FY 2025-26 budget for COLT services is sufficient to fund this program, regardless of the reimbursement agreement status.

Ratifying this agreement enables COLT to be reimbursed by SBCAG for some of the fare revenues that would otherwise be lost during "Free Ride" promotional periods, from December 1, 2025 to January 31, 2026.

Historical data from the previous year (December 2024 and January 2025 data used for estimation) recorded 5,085 and 5,527 revenue passengers, respectively. If passenger counts were to remain consistent, SBCAG would reimburse COLT approximately \$18,698 in farebox revenue.

However, given that other agencies serving similar populations have experienced a 20–60% passenger growth following such promotions, staff anticipates receiving an estimated \$22,438 to \$29,918 in total fare box revenue reimbursement.

		Dec-24		Jan-25	
		Passenger Count	Reimbursement amount	Passenger Count	Reimbursement amount
Fixed (City)	\$ 1.13	2692	\$ 3,041.96	2831	\$ 3,199.03
County	\$ 1.50	824	\$ 1,236.00	947	\$ 1,420.50
Micro (City)*	\$ 2.00	0	\$ -	0	\$ -
County	\$ 4.00	0	\$ -	0	\$ -
WCE	\$ 2.50	951	\$ 2,377.50	996	\$ 2,490.00
Paratransit (City)	\$ 3.00	516	\$ 1,548.00	622	\$ 1,866.00
County	\$ 4.00	65	\$ 260.00	70	\$ 280.00
SB Shuttle	\$ 10.00	37	\$ 370.00	61	\$ 610.00
		5085	\$ 8,833.46	5527	\$ 9,865.53
Estimated reimbursement based on prior years			\$ 18,698.99		
With 20% growth			\$ 22,438.79		
With 60% growth			\$ 29,918.38		

*Please note we do not have any historical data on Micro Transit.

Conclusion:

Approving the agreement with SBCAG will allow COLT to participate in valuable "Free Ride" promotions without negatively impacting its operational budget or the City's General Fund. By leveraging LCTOP funds administered by SBCAG, the City can both incentivize public transit use among residents and recover most of the lost farebox revenue.

Respectfully submitted,

 Richard Fernbaugh, Transit/Airport Administrator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

 Craig Dierling, Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

 Dean Albro, City Manager