BOARD OF DIRECTORS REPORT

MEETING DATE:	SEPTEMBER 15, 2026	**AGENDA ITEM: #8**
DEPARTMENT:	COMPLIANCE	
TYPE:	INFORMATIONAL ITEM	
PREPARED BY:	MARY GREGG and DAVID RZEPINSKI	______________ *Signature*
REVIEWED BY:	JERRY ESTRADA, GENERAL MANAGER	______________ *Signature*
SUBJECT:	2026 TRANSIT ASSET MANAGEMENT PLAN	

RECOMMENDATION:

Staff recommend that the Board review and comment on MTD's 2026 Transit Asset Management Plan.

DISCUSSION:

Transit Asset Management

The Federal Transit Administration (FTA) requires every federally funded transit agency to have a Transit Asset Management (TAM) Plan. TAM requires MTD to ensure that its capital assets remain in a state of good repair (SGR) by monitoring and managing those assets to enhance safety, reduce maintenance costs, increase reliability, and improve performance. TAM further requires that MTD develop SGR targets for each class of capital assets, and MTD's capital investment priorities must be coordinated with these targets. Transit agencies are required to prepare an updated Plan every four years. MTD prepared its first TAM Plan in 2018 and updated it in 2022. This updated 2026 TAM Plan must be approved by the transit agency's Accountable Executive by October 1, 2026.

MTD's General Manager, Jerry Estrada, was appointed by the Board as the Accountable Executive on September 4, 2018. Per 49 CFR § 625.5, "Accountable Executive means a single, identifiable person who has ultimate responsibility for carrying out the safety management system of a public transportation agency; responsibility for carrying out transit asset management practices; and control or direction over the human and capital resources needed to develop and maintain both the agency's public transportation agency safety plan, in accordance with 49 U.S.C 5329(d), and the agency's transit asset management plan in accordance with 49 U.S.C. 5326."

Under the TAM rule, all transit agencies are categorized based on the number of fixed-route revenue vehicles operated during peak periods. Agencies that operate 101 or more fixed-route vehicles at peak are "Tier I"; those that operate 100 or fewer are "Tier II." TAM Plan requirements for Tier I agencies are greater than those for Tier II agencies. MTD is currently a Tier II agency.

Staff have utilized a TAM Plan template provided by FTA to develop the attached Tier II 2026 TAM Plan.

As a Tier II agency, MTD's TAM Plan includes the following four required elements:

1) An inventory of the number and type of all capital assets that the agency owns, except equipment with an acquisition value under $50,000 that is not a service vehicle. The inventory also includes vehicles owned by Easy Lift Transportation, Inc., MTD's contractor providing paratransit service.
2) A condition assessment of assets for which the agency has direct capital responsibility.
3) A description of analytical processes or decision-support tools that MTD uses to estimate capital investment needs over time and develop MTD's investment prioritization.
4) A project-based prioritization of investments that is consistent with the results of the TAM analysis and MTD's SGR targets.

The TAM Plan is divided into two parts. The first part presents summary tables of MTD's assets aggregated into the above mentioned four required elements. The second portion of the Plan is the appendix to the Plan providing the raw data that is rolled up into the summary tables.

Revenue Vehicle Fleet Data

The TAM Plan provides a high-level overview of MTD's fleet. The current revenue vehicle fleet is comprised of 105 buses ranging in propulsion type and vehicle length. Bus lengths in the fleet are divided into three types: 30', 40', and 60'. There are three propulsion types in MTD's current fleet: renewable diesel, hybrid, and battery electric.

In addition to maintaining the active fleet, MTD follows a comprehensive process for the disposition of fleet assets beyond their useful life, which is based upon several factors including vehicle age, mileage, condition, reliability, and duty cycle. These factors are considered when determining which and when vehicles are designated for replacement.

As indicated in the TAM Plan, the average age of MTD's bus fleet is 8.6 years, and the approximate mileage is 272,000. Also, the percentage of the bus fleet at or exceeding their Useful Life Benchmark is 28%. The lower average age, mileage, and ULB as compared to the 2022 TAM Plan, an average of 12 years, 344,000 miles, and 44% respectively, can be attributed to the disposal of buses past their useful life for the reduction of the overall size of MTD's fleet in line with reduced service levels, as well as the replacement of aging vehicles through procurement of new battery electric buses (9-40' New Flyer and 8-40' Gillig) since the 2022 TAM Plan.

Facility and Equipment

MTD operates and maintains three facilities: Terminal 1 (primary operations and maintenance facility), the Transit Center (major passenger transfer hub), and Terminal 2 (recommissioned operations facility). As with the revenue and service fleets, MTD regularly evaluates and plans investment for necessary facility improvements and repairs and equipment, for example, the heavy-duty and light-duty charging infrastructure, repair and replacement.

Facility and equipment improvements and replacement are considered based on several factors, including age, condition, readiness, and duty cycle. Identified MTD facility improvements and equipment replacements are prioritized each fiscal year as presented in the TAM Plan.

The average age of the facilities is 20 years and the percentage of equipment at or exceeding their ULB is 7%. The refurbishment of the Transit Center and Phase 1 of the Terminal 2 Recommissioning project resulted in TAM scores above the threshold rating of 3 on a five-point scale for facilities, while the replacement of non-revenue equipment resulted in a lower percentage of equipment at their ULB compared to the 2022 TAM plan designation of 41%. Terminal 1's maintenance facility (aggregated out separately per TAM requirements) was the only facility rated below the threshold with a score of 2 as improvements achieved through the soon-to-be-completed Haley Canopy project will be factored into the scoring. Additional Terminal 1 improvements and equipment replacement identified for future years in the 2026 TAM Plan will also contribute to a revised score above the threshold at a future Plan update.

ATTACHMENT:

- MTD 2026 Transit Asset Management Plan