



## RTA BOARD AGENDA

Wednesday, January 8, 2014  
BOARD OF SUPERVISORS' CHAMBER  
COUNTY GOVERNMENT CENTER  
1055 Monterey Street, San Luis Obispo, California 93401  
RTA starts at 8:30 am

The *AGENDA* is available/posted at: <http://www.slorta.org>

**President: Frank Mecham**

**Vice President: Shelly Higginbotham**

Board Members:

Frank Mecham (First District – SLO County)  
Bruce Gibson (Second District – SLO County)  
Adam Hill (Third District – SLO County)  
Caren Ray (Fourth District – SLO County)  
Debbie Arnold (Fifth District – SLO County)  
Tony Ferrara (Arroyo Grande)

Tom O'Malley (Atascadero)  
Debbie Peterson (Grover Beach)  
Jamie Irons (Morro Bay)  
Fred Strong (Paso Robles)  
Shelly Higginbotham (Pismo Beach)  
Jan Howell Marx (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment by contacting the SLORTA offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

### CALL TO ORDER AND ROLL CALL

**PUBLIC COMMENTS:** This portion of the agenda is reserved for any members of the public to directly address the San Luis Obispo Regional Transit Authority (RTA) Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

### Joint San Luis Obispo Council of Governments (SLOCOG) and San Luis Obispo Regional Transit Authority (RTA) Session

#### A. SLOCOG AND RTA BOARD ADMINISTRATIVE ITEMS

- A-1 ELECTION OF OFFICERS: Elect President and Vice President (**ACTION ITEM – VOICE VOTE – APPROVE**).
- A-3 EXECUTIVE COMMITTEE ASSIGNMENT (**ACTION ITEM – VOICE VOTE – APPOINT PAST PRESIDENT, PRESIDENT, AND VICE PRESIDENT**).

## **RTA Board Meeting**

**The RTA Meeting will start immediately following the joint SLOCOG-RTA meeting**

**1. CALL MEETING TO ORDER, ROLL CALL**

- 2. PUBLIC COMMENT:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

**A. INFORMATION AGENDA**

- A-1 Executive Director's Report (Receive)
- A-2 Reserve Policy (Receive)

**B. ACTION AGENDA**

- B-1 RTA Operation of Paso Robles Transit Services (Action)
- B-2 RTA Operation of Atascadero Fixed Route Services (Action)

- C. CONSENT AGENDA:** (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 Executive Committee Meeting Minutes of October 16, 2013 (Approve)
- C-2 RTA Board Meeting Minutes of November 6, 2013 (Approve)
- C-3 FTA Annual Certifications and Assurances (Approve)
- C-4 RTA Conflict of Interest Code (Approve)
- C-5 FTA 5304 Joint Short Range Transit Plan Application (Approve)
- C-6 Resolution Authorizing RTA to Submit Application for State Proposition 1B Safety and Security Funds (Approve)
- C-7 Resolution Authorizing RTA to Submit Application for Rural Transit Program Funds (Approve)

**D. CLOSED SESSION ITEMS**

D-1-1 Executive Director's annual performance evaluation

D-1-2 Conference with Labor Negotiator Geoff Straw concerning the following labor organization: Teamsters Local Union No. 986

D-1-3 It is the intention of the Board to meet in closed session concerning the following items:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code Sec. 54956.8):**

**Agency Negotiators:**

Geoff Straw

**Under Negotiation/Discussion:  
Properties:**

Price and Terms of Payment

**179 Cross Street, San Luis Obispo, CA**  
Negotiating Party:

(APN: 053-257-032)  
LTC of SLO, Ltd.

**40 Prado Road, San Luis Obispo, CA**  
Negotiating Party:

(APN: 053-022-014)  
Rescal SLO193 LLC

**E. BOARD MEMBER COMMENTS**

**ADJOURNMENT TO SLOCOG Board Meeting**

Next regularly-scheduled RTA Board meeting on March 5, 2014

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Executive Director's Report

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Information

**BACKGROUND/DISCUSSION:**

**Operations:**

RTA will conduct its quarterly Employee of the Quarter barbecue lunch on January 24th, and the winner will join us at our March 5, 2014 Board meeting. The program will be starting its third year, and now recognizes Mechanics and Utility Workers, as well as Bus Operators.

RTA began a new Bus Operator training class of five candidates on January 6th. Based on our standard six-week training period, it is expected these new Bus Operators will be ready for revenue service during the third week of February. The last training class graduated on July 3, 2013.

The Regional Transportation Advisory Committee will meet on January 15<sup>th</sup>. Items to be discussed by RTAC included North County service planning and results from the RTA Customer Perception Survey discussed in the *Service Planning & Marketing* section below.

RTA continues to work with SLOCOG and the Cities of Atascadero and Paso Robles to implement the consolidation recommendations developed in the 2012 North County Transit Plan. Additional information is provided under agenda items B-1 and B-2. Public meetings will be held in February at several locations throughout North County and Cal Poly to solicit input on final service, fare and other changes that would be implemented on June 1, 2014.

**Maintenance:**

RTA continues to struggle with maintaining our fleet of aging Runabout vehicles – primarily engine failures of our oldest cutaway vans. The Board authorized staff to procure four replacement buses at its May 1, 2013 meeting. However, RTA has been unable to use the existing CalACT statewide contract to purchase these four vehicles due to a recent FTA ruling that has eliminated this option. As a result, RTA has joined a nine-agency consortium led by Paratransit in Sacramento, and we hope to issue a purchase order in the coming weeks.

**Service Planning & Marketing:**

The SLOCOG Board recommended a CMAQ grant award to fund two over-the-road coaches and operations funding for three years to operate expanded express services on the US101 corridor (RTA Routes 9 & 10). RTA has entered into a six-agency consortium led by the Antelope Valley Transit Authority, and the MCI Corporation won the bid. Staff will seek authorization to procure two of these vehicles at a future RTA Board meeting (as soon as we are permitted to do so according to CMAQ grant rules).

RTA has wrapped up its first comprehensive RTA Customer Perception Survey, which was conducted throughout the months of October and early-November. This effort included an employee survey, a Rider Survey for RTA, Runabout and SCT customers, and an Internet-based stakeholder/Non-Rider survey. Staff will submit a full presentation to RTAC on January 15, 2014. We will provide an executive summary of this effort at the March 5, 2014 RTA Board meeting. Staff intends to use the findings from this report to assist us in updating our Strategic Business Plan.

RTA continues to work with Cambria area officials to provide special/holiday Cambria Trolley services as part of the County Services contract. On December 6<sup>th</sup> we provided service for the Hospitality Night, and on January 25<sup>th</sup> service will be provided for the Cambria Art and Wine Festival.

The Amgen Tour of California bicycle race will end its 4<sup>th</sup> Stage in Cambria on Wednesday May 14, 2014, and start the 5<sup>th</sup> Stage in Pismo Beach on Thursday May 15, 2014. As we did last year, staff will work closely with area officials to plan for impacts to transit services and to help address transportation needs.

**Finance and Administration:**

Based on a request at the November 6, 2013 RTA Board meeting, please find attached the internal control management letter that was mistakenly not included the Audit Report. As indicated, no material weaknesses were discovered during the audit, and staff has already implemented changes to everyday practices to address the two minor findings (supervisor timecard sign-off, and inventory processing improvements).

RTA and the City of San Luis Obispo have been working toward an agreement that would permit sales of RTA passes at the City Hall instead of at the County offices in order to provide a one-stop experience for area travelers. However, City staff has asked that this negotiation be delayed until further analysis can be completed. Staff will provide updates as this process continues.

RTA staff has developed a "white paper" on development of a reserve fund policy, which is included as Agenda Item A-2. Five types of reserve funds are discussed. Staff will use input received at today's meeting to develop a final draft policy document for consideration at the March 5, 2014 RTA Board meeting.

During the preceding quarter, staff worked closely with our TDA performance auditors, and the consultant team expects to have drafts ready for administrative review in late

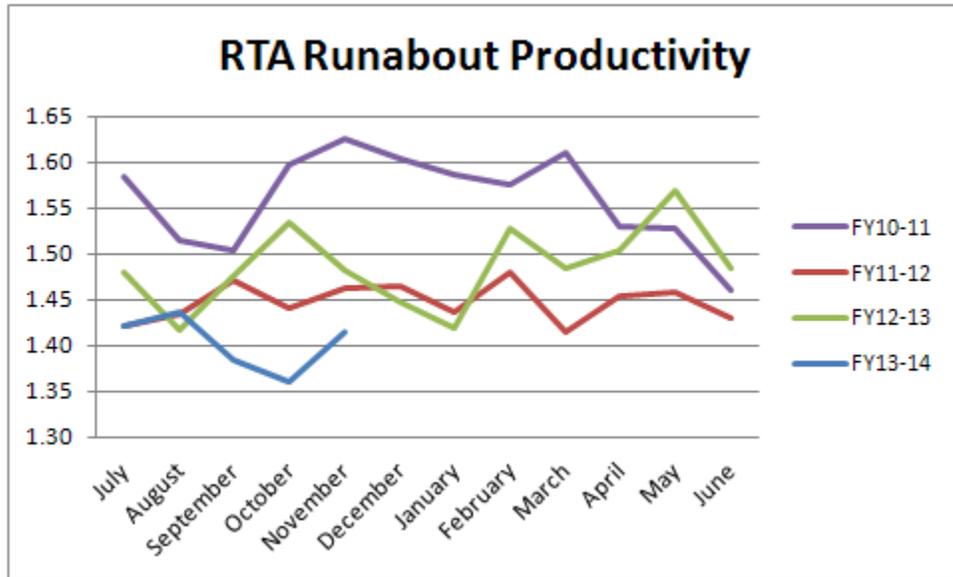
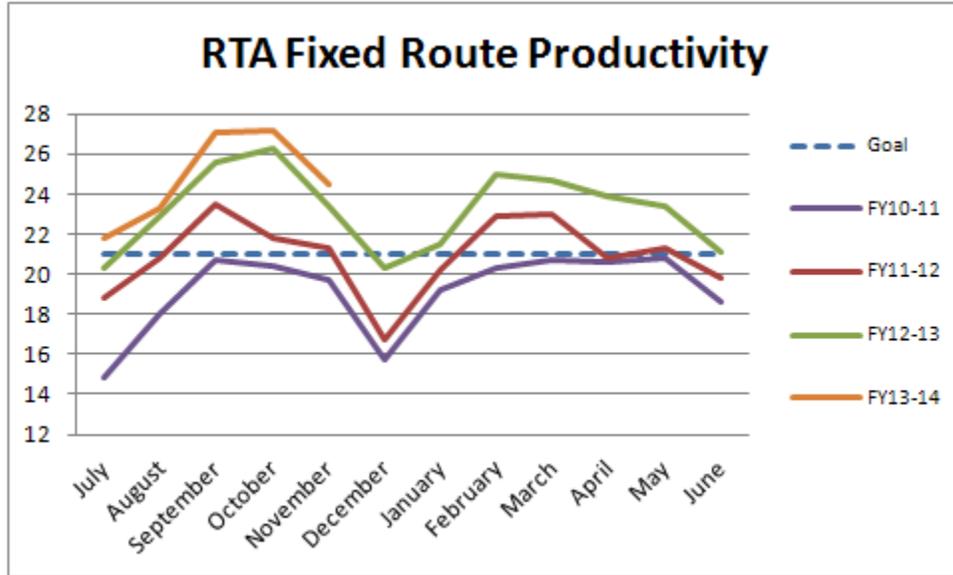
April 2014. On January 21<sup>st</sup> and 22<sup>nd</sup>, reviewers will be on site to conduct an FTA Triennial Review. Results from that process will be presented at the March 5, 2014 RTA Board meeting.

We have formally begun the internal budget-making process the next fiscal year. For this round of budgeting, RTA will again be developing a two-year operating budget (first year financially constrained; second year for planning purposes), while also incorporating a rolling five-year capital plan. We plan to bring the budget assumptions to the RTA Board at the March 5, 2014 meeting, and the final draft budget to RTAC at its April 17<sup>th</sup> meeting. It is our hope that the RTA Board will formally consider the FY14-15 budget at its May 7, 2014 meeting.

Preliminary financial data for the first five months of FY13-14 are included in the ensuring pages. In summary, this report covers 41.67% of the budget year, and overall non-capital expenditures equaled 36.08% of the annual budgeted amount. The somewhat skewed year to date fixed route farebox recovery ratio (FRR) results, which were previously presented at the September and November RTA Board meetings, are now normalized as more time has passed. As such, the 35.1% FRR reported for fixed route is a better indicator of year to date results. At this time, no budget adjustments are necessary for FY13-14.

Fixed route ridership remains strong, with 338,062 boardings through November, in comparison to 318,022 in the prior year. This represents a year-over-year increase of 6.3%, with an all time record fixed route ridership of 78,196 in October 2013. It should be noted that this monthly record includes five fare-free Transit Tuesday promotional events – the same as last year. Runabout ridership set another new single-month record of 3,888 boardings in October 2013, surpassing the previous record of 3,804 in August 2013. Year to date Runabout boardings total 18,198 passenger-trips through November 2013, equating to a year-over-year increase of 19.0% over the previous year (15,292). The graphs on the last page of this report depict ridership trends over the past four fiscal years.

Fixed route productivity of 24.23 passenger-boardings per service hour through November 2013 exceeded RTA's goal of 21. Runabout productivity actually declined slightly in October 2013 in comparison to previous October monthly figures, despite record passenger boardings. That is due to the additional daily Runabout hours and miles added in July as part of the budget-making process to meet burgeoning demand. As mentioned above, year to date Runabout ridership is up 19.0%, while service miles are up 14.9% and hours are up 25.4%. Staff will continue to monitor these important metrics to ensure Runabout is operated as efficiently as possible while still meeting ADA service requirements. The two graphs on the next page depict productivity trends for fixed route and Runabout services, respectively.



In summary, all objective/measurable year to date Performance Measure Standards identified in the 2011 RTA Strategic Business Plan were met or exceeded through November 2013.

**RTA Facility Planning**

Staff continues to work with its realtor services consultant to potentially acquire property to meet RTA’s long-term facility needs. This item will be discussed during Closed Session.

## **Labor Relations**

RTA began negotiations to amend our collective bargaining agreement (CBA) with Teamsters Local 986. Staff began meeting bi-weekly with Teamsters officials on November 4, 2013 and preliminary findings will be discussed in Closed Session at today's Board meeting.

## **FTA Legislation Update: System Safety & Transit Asset Management Reporting**

The FTA issued an Advanced Notice of Proposed Rule Making (ANPRM) on October 3, 2013 regarding system safety and transit asset management reporting as required under MAP-21. RTA staff submitted comments by the January 2, 2014 deadline based on a comprehensive review by the California Transit Indemnity Pool (CalTIP), the American Public Transportation Association (APTA), and the California Transit Association (CTA).

In short, staff's comments were focused on two areas:

1. Safeguarding of Safety Information – MAP-21 calls for all transit agencies to collect and report a considerable amount of safety sensitive information to the FTA on an annual basis. Information such as hazard analysis and safety performance goals are important components necessary in building the Safety Management System (SMS) that the FTA and MAP-21 calls for, but there is no explicit federal preemption included in the regulations to protect this information from the Freedom of Information Act (FOIA), sunshine laws, and discovery. Other federal transportation agencies (such as the FAA and FRA) have such immunities, but not the FTA. In other words, RTA would have no protection if such data is used in litigation. It is staff's opinion that FTA should take all authorized actions to safeguard safety sensitive information in federal, state, and local forums. While MAP-21 did not provide explicit federal preemption, FTA should aggressively act to maximize the safeguarding of safety information. It is only with protection from FOIA, sunshine laws, and discovery that a safety regime can be fully effective. Guarding transit agencies from potential plaintiffs is directly contrary to the strong program of self-analysis that this program will require.
2. Reduced Reporting for Small Transit Agencies – staff submitted testimony that FTA should consider effective yet reduced/streamlined reporting requirements for small transit agencies, including flexibility in organizational structure. Among other things, the ANPRM calls for a separate Safety Officer to report directly to the CEO. While that might work for a large, multi-modal (i.e., rail, bus and ferry) transportation agency that has a large/diverse safety staff, it would be burdensome for a small single-mode (i.e., bus only) transit agency like RTA.



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**MOSS, LEVY & HARTZHEIM LLP**

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CERTIFIED PUBLIC ACCOUNTANTS

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www.mlhcpas.comTo the Board of Directors  
San Luis Obispo Regional Transit Authority

We have audited the basic financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Luis Obispo Regional Transit Authority are described in Note 2 to the financial statements. As discussed in note 2 to basic financial statements effective July 1, 2012, the San Luis Obispo Regional Transit Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Authority's financial statements was (were):

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 4, 2013.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Our comments to management follow:

#### **Time cards**

##### **Finding:**

For three of the 25 transactions tested employee timecards did not contain a supervisor's signature or an employee's signature.

##### **Recommendation:**

The Authority should improve oversight in payroll areas, especially in the Runabout program, to ensure that all timecards are signed by both the employee and the supervisor.

##### **Authority's Response:**

Staff has implemented an internal audit process to review all timecards, exception time sheets, Runabout manifest, extra board logs, and schedules to be conducted at least three times during the course of each fiscal year. The first internal audit was conducted July 9th for the pay week ending June 22nd and included corrective action that was reviewed during workshops with senior staff. Each attendee acknowledged the deficiencies and committed to enforcing the proper procedures.

#### **Inventory**

##### **Finding:**

It was noted during our inventory test counts that 2 items tested were miscounted. In addition it was difficult for staff to match other items on the inventory list to the items on the shelves due to a recent re-organization of the inventory that was done without updating the listing.

##### **Recommendation**

The Authority should improve oversight in inventory controls to ensure that inventory is accurately maintained. The inventory list should be updated any time a re-organization is done so that staff can verify that reported counts are correct.

##### **Authority's Response:**

Included in the 2013/2014 budget is the capital procurement of maintenance software which will include a parts management system. As part of implementing the software, a midyear inventory count will be completed using adjusted inventory count sheets and relabeled part shelves to create a clean transition. This will create a reliable platform for all future inventory counts.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of San Luis Obispo Regional Transit Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Moss, Levy & Hartgreen LLP*

October 4, 2013

Santa Maria, CA

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

		Adopted Budget FY 2013-14	September Actual	October Budget	October Actual	October Variance	Year to Date FY 2013-14	Percent of Total Budget FY 2013-14
	Hours	60,118	5,133	5,010	5,802	(792)	22,052	36.68%
	Miles	1,594,232	129,176	132,853	143,097	(10,244)	555,975	34.87%
<b>Administration:</b>								
Labor	operations cost	731,454	54,200	60,954	54,549	6,406	218,480	29.87%
Labor - Administration Workers Comp	operations cost	35,690	2,066	2,974	2,066	908	8,265	23.16%
Office Space Rental	operations cost	416,190	31,472	34,683	31,941	2,742	127,324	30.59%
Property Insurance	operations cost	16,186	-	-	-	-	15,820	97.74%
Professional Technical Services	operations cost	90,725	4,975	22,681	2,625	20,056	22,600	24.91%
Professional Development	operations cost	16,250	4,622	1,354	2,529	(1,175)	8,222	50.60%
Operating Expense	operations cost	183,670	14,559	15,306	17,246	(1,940)	62,138	33.83%
Marketing and Reproduction	hourly	92,300	4,197	7,692	4,596	3,096	21,613	23.42%
North County Management Contract	operations cost	(6,620)	-	-	-	-	-	0.00%
County Management Contract	operations cost	(87,500)	(7,292)	(7,292)	(7,292)	-	(29,167)	33.33%
SCAT Management Contract	operations cost	(77,500)	(6,458)	(6,458)	(6,458)	-	(25,833)	33.33%
<b>Total Administration</b>		<b>1,410,846</b>	<b>102,340</b>	<b>131,894</b>	<b>101,801</b>	<b>30,093</b>	<b>429,463</b>	<b>30.44%</b>
<b>Service Delivery:</b>								
Labor - Operations	hourly	2,869,163	222,421	239,097	213,053	239,097	867,272	30.23%
Labor - Operations Workers Comp	hourly	206,962	11,982	17,247	11,982	5,265	47,929	23.16%
Labor - Maintenance	hourly	760,398	55,316	63,366	55,035	8,331	217,143	28.56%
Labor - Maintenance Workers Comp	hourly	63,811	3,694	5,318	3,694	1,623	14,764	23.14%
Fuel	miles	1,490,155	88,065	124,180	94,139	30,040	410,161	27.52%
Insurance	miles	352,037	29,200	29,336	28,652	684	115,608	32.84%
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	n/a	81,700	6,040	6,808	6,474	334	25,003	30.60%
Avila Trolley	n/a	66,100	5,150	5,508	-	5,508	22,156	33.52%
Maintenance (parts, supplies, materials)	miles	536,934	36,562	44,744	51,751	(7,006)	135,342	25.21%
Maintenance Contract Costs	miles	127,202	5,775	10,600	3,307	7,294	17,607	13.84%
<b>Total Operations</b>		<b>6,554,461</b>	<b>464,205</b>	<b>546,205</b>	<b>468,088</b>	<b>78,117</b>	<b>1,872,985</b>	<b>28.58%</b>
<b>Capital/Studies:</b>								
Computer System Maintenance/Upgrades		13,310	-	-	-	-	-	0.00%
Miscellaneous Capital								
Facility Improvements		187,820	-	-	-	-	-	0.00%
Maintenance Software and Maintenance Equipment		60,000	-	-	-	-	-	0.00%
Tire Lease Buyout		37,170	-	-	-	-	-	0.00%
Marking and Tethering Program		5,500	-	-	-	-	-	0.00%
Rotary Lift		18,700	-	-	-	-	-	0.00%
Specialized Maintenance Tools		12,650	-	-	-	-	-	0.00%
Maintenance Staff Office/Additional Desks		34,100	-	-	-	-	-	0.00%
Backup Generator		17,250	-	-	-	-	-	0.00%
Vehicle ITS/Camera System		461,787	-	-	-	-	-	0.00%
Bus Stop Improvements		61,750	-	-	-	-	-	0.00%
Bus Rehabilitation		125,000	-	-	-	-	-	0.00%
Bus Procurement Reserve/Large Capital Repairs		44,779	-	-	-	-	-	0.00%
Vehicles								
Support Vehicles		102,500	-	-	-	-	-	0.00%
40' Coaches		3,336,000	2,724,173	-	-	-	2,724,173	81.66%
Runabout Vehicles		360,000	-	-	-	-	-	0.00%
<b>Total Capital Outlay</b>		<b>4,878,316</b>	<b>2,724,173</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,724,173</b>	<b>55.84%</b>
Contingency	hourly	101,915	4,000	8,333	-	8,333	4,000	3.92%
Interest Expense	operations cost	133,954	12,841	11,163	13,269	(2,106)	52,648	39.30%
Loan Paydown		1,108,262	-	954,131	-	954,131	-	0.00%
Management Contracts		171,620	13,750	13,750	13,750	-	55,000	32.05%
<b>TOTAL FUNDING USES</b>		<b>14,359,373</b>	<b>3,321,309</b>	<b>1,665,476</b>	<b>596,908</b>	<b>1,068,568</b>	<b>5,138,269</b>	<b>35.78%</b>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<b>8,372,795</b>	<b>597,137</b>	<b>711,345</b>	<b>596,908</b>	<b>114,437</b>	<b>2,414,096</b>	<b>28.83%</b>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU OCTOBER 31, 2013 - WEEKDAYS ONLY  
CURRENT FISCAL YEAR - 2013/2014**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 80 NORTH COUNTY BEACH SHUTTLE	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	RT 83 FORT HUNTER LIGGETT	TOTAL WEEKDAY
<b>REVENUES:</b>								
FARES	135,466	150,105	1,278	100,982	9,010	9,339	34,006	440,187
<b>TOTAL ROUTE REVENUES</b>	<b>135,466</b>	<b>150,105</b>	<b>1,278</b>	<b>100,982</b>	<b>9,010</b>	<b>9,339</b>	<b>34,006</b>	<b>440,187</b>
<b>EXPENDITURES:</b>								
ADMINISTRATION	68,215	68,727	5,341	45,026	3,826	16,149	7,571	214,856
MARKETING	6,324	6,371	536	4,174	361	1,497	0	19,263
OPERATIONS/CONTINGENCY	186,478	189,780	13,225	121,691	11,421	45,004	22,422	590,022
FUEL	82,289	88,784	7,102	50,004	5,165	22,137	14,849	270,329
INSURANCE	19,889	21,458	1,492	12,086	1,330	5,350	3,589	65,194
<b>TOTAL EXPENDITURES</b>	<b>363,196</b>	<b>375,120</b>	<b>27,696</b>	<b>232,980</b>	<b>22,104</b>	<b>90,137</b>	<b>48,432</b>	<b>1,159,664</b>
<b>FAREBOX RATIO</b>	<b>37.30%</b>	<b>40.02%</b>	<b>4.61%</b>	<b>43.34%</b>	<b>40.76%</b>	<b>10.36%</b>	<b>70.22%</b>	<b>37.96%</b>
<b>RIDERSHIP</b>	<b>82,302</b>	<b>87,937</b>	<b>1,617</b>	<b>66,277</b>	<b>8,256</b>	<b>6,200</b>	<b>2,916</b>	<b>255,505</b>
<b>SERVICE MILES</b>	<b>99,319.20</b>	<b>107,157.90</b>	<b>7,792.20</b>	<b>60,351.90</b>	<b>6,514.72</b>	<b>26,717.70</b>	<b>17,922.00</b>	<b>325,775.62</b>
<b>SERVICE HOURS</b>	<b>3,245.10</b>	<b>3,269.46</b>	<b>244.53</b>	<b>2,141.94</b>	<b>188.03</b>	<b>768.21</b>	<b>360.18</b>	<b>10,217.45</b>
<b>RIDERS PER MILE</b>	<b>0.83</b>	<b>0.82</b>	<b>0.21</b>	<b>1.10</b>	<b>1.27</b>	<b>0.23</b>	<b>0.16</b>	<b>0.78</b>
<b>RIDERS PER HOUR</b>	<b>25.36</b>	<b>26.90</b>	<b>6.61</b>	<b>30.94</b>	<b>43.91</b>	<b>8.07</b>	<b>8.10</b>	<b>25.01</b>
<b>COST PER PASSENGER</b>	<b>4.41</b>	<b>4.27</b>	<b>17.13</b>	<b>3.52</b>	<b>2.68</b>	<b>14.54</b>	<b>16.61</b>	<b>4.54</b>
<b>SUBSIDY PER PASSENGER</b>	<b>2.77</b>	<b>2.56</b>	<b>16.34</b>	<b>1.99</b>	<b>1.59</b>	<b>13.03</b>	<b>4.95</b>	<b>2.82</b>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU OCTOBER 31, 2013  
CURRENT FISCAL YEAR - 2013/2014**

	RT 9 SAT P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 9 SUN P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 SAT S.M., NIPOMO, A.G., S.L.O.	RT 10 SUN S.M., NIPOMO, A.G., S.L.O.	RT 12 SAT MORRO BAY, CUESTA, SAN LUIS	RT 12 SUN MORRO BAY, CUESTA, SAN LUIS	RT 15 SAT SAN SIM., MORRO BAY, SAN LUIS	RT 15 SUN SAN SIM., MORRO BAY, SAN LUIS	TOTAL WEEKEND	TOTAL FIXED ROUTE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	8,759	4,582	8,597	5,397	5,817	3,905	1,301	872	39,231	479,418	40,134	519,552
<b>TOTAL ROUTE REVENUES</b>	8,759	4,582	8,597	5,397	5,817	3,905	1,301	872	39,231	479,418	40,134	519,552
<b>EXPENDITURES:</b>												
ADMINISTRATION	4,478	2,906	4,186	2,529	3,057	2,888	3,064	1,848	24,956	239,811	223,040	462,851
MARKETING	431	266	402	231	294	264	295	169	2,351	21,614	0	21,614
OPERATIONS/CONTINGENCY	12,265	8,011	11,581	7,016	8,245	7,832	8,572	5,182	68,704	658,726	570,005	1,228,731
FUEL	5,392	3,514	5,402	3,190	3,284	3,098	4,255	2,502	30,636	300,965	96,674	397,639
INSURANCE	1,290	864	1,292	784	786	762	1,018	615	7,410	72,604	38,548	111,152
<b>TOTAL EXPENDITURES</b>	23,856	15,560	22,863	13,751	15,665	14,843	17,203	10,315	134,057	1,293,721	928,267	2,221,988
<b>FAREBOX RATIO</b>	36.72%	29.45%	37.60%	39.24%	37.13%	26.31%	7.56%	8.45%	29.26%	37.06%	4.32%	23.38%
<b>RIDERSHIP</b>	4,738	2,655	4,884	2,878	3,281	2,154	589	423	21,602	277,107	14,857	291,964
<b>SERVICE MILES</b>	6,448.10	4,268.70	6,460.00	3,876.00	3,927.00	3,763.80	5,088.10	3,039.60	36,871.30	362,646.92	192,612.00	555,258.92
<b>SERVICE HOURS</b>	213.69	137.70	199.75	119.85	145.86	136.85	146.20	87.55	1,187.45	11,404.90	10,621.76	22,026.66
<b>RIDERS PER MILE</b>	0.73	0.62	0.76	0.74	0.84	0.57	0.12	0.14	0.59	0.76	0.08	0.53
<b>RIDERS PER HOUR</b>	22.17	19.28	24.45	24.01	22.49	15.74	4.03	4.83	18.19	24.30	1.40	13.26
<b>COST PER PASSENGER</b>	5.04	5.86	4.68	4.78	4.77	6.89	29.21	24.39	6.21	4.67	62.48	7.61
<b>SUBSIDY PER PASSENGER</b>	3.19	4.13	2.92	2.90	3.00	5.08	27.00	22.32	4.39	2.94	59.78	5.83

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

		Adopted Budget FY 2013-14	October Actual	November Budget	November Actual	November Variance	Year to Date FY 2013-14	Percent of Total Budget FY 2013-14
	Hours	60,118	5,802	5,010	4,906	104	26,959	44.84%
	Miles	1,594,232	143,097	132,853	123,998	8,854	679,973	42.65%
<b>Administration:</b>								
Labor	operations cost	731,454	54,549	60,954	53,113	7,842	271,593	37.13%
Labor - Administration Workers Comp	operations cost	35,690	2,066	2,974	2,066	908	10,332	28.95%
Office Space Rental	operations cost	416,190	31,941	34,683	45,364	(10,682)	172,689	41.49%
Property Insurance	operations cost	16,186	-	-	-	-	15,820	97.74%
Professional Technical Services	operations cost	90,725	2,625	-	-	-	22,600	24.91%
Professional Development	operations cost	16,250	2,529	1,354	(36)	1,390	8,186	50.37%
Operating Expense	operations cost	183,670	17,246	15,306	31,939	(16,633)	94,077	51.22%
Marketing and Reproduction	hourly	92,300	4,596	7,692	4,515	3,177	26,128	28.31%
North County Management Contract	operations cost	(6,620)	-	-	-	-	-	0.00%
County Management Contract	operations cost	(87,500)	(7,292)	(7,292)	(7,292)	-	(36,458)	41.67%
SCAT Management Contract	operations cost	(77,500)	(6,458)	(6,458)	(6,458)	-	(32,292)	41.67%
<b>Total Administration</b>		<b>1,410,846</b>	<b>101,801</b>	<b>109,213</b>	<b>123,211</b>	<b>(13,998)</b>	<b>552,674</b>	<b>39.17%</b>
<b>Service Delivery:</b>								
Labor - Operations	hourly	2,869,163	213,053	239,097	224,732	239,097	1,092,004	38.06%
Labor - Operations Workers Comp	hourly	206,962	11,982	17,247	11,982	5,265	59,911	28.95%
Labor - Maintenance	hourly	760,398	55,035	63,366	60,479	2,887	277,622	36.51%
Labor - Maintenance Workers Comp	hourly	63,811	3,694	5,318	3,694	1,623	18,459	28.93%
Fuel	miles	1,490,155	94,139	124,180	86,985	37,195	497,146	33.36%
Insurance	miles	352,037	28,652	29,336	28,652	684	144,261	40.98%
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	n/a	81,700	6,474	6,808	6,408	400	31,411	38.45%
Avila Trolley	n/a	66,100	-	5,508	-	5,508	22,156	33.52%
Maintenance (parts, supplies, materials)	miles	536,934	51,751	44,744	30,075	14,669	165,417	30.81%
Maintenance Contract Costs	miles	127,202	3,307	10,600	4,485	6,115	22,092	17.37%
<b>Total Operations</b>		<b>6,554,461</b>	<b>468,088</b>	<b>546,205</b>	<b>457,493</b>	<b>88,712</b>	<b>2,330,478</b>	<b>35.56%</b>
<b>Capital/Studies:</b>								
Computer System Maintenance/Upgrades		13,310	-	13,310	13,416	(106)	13,416	100.80%
Miscellaneous Capital								
Facility Improvements		187,820	-	-	-	-	-	0.00%
Maintenance Software and Maintenance Equipment		60,000	-	-	-	-	-	0.00%
Tire Lease Buyout		37,170	-	-	-	-	-	0.00%
Marking and Tethering Program		5,500	-	-	-	-	-	0.00%
Rotary Lift		18,700	-	-	-	-	-	0.00%
Specialized Maintenance Tools		12,650	-	-	-	-	-	0.00%
Maintenance Staff Office/Additional Desks		34,100	-	-	-	-	-	0.00%
Backup Generator		17,250	-	-	-	-	-	0.00%
Vehicle ITS/Camera System		461,787	-	-	-	-	-	0.00%
Bus Stop Improvements		61,750	-	-	-	-	-	0.00%
Bus Rehabilitation		125,000	-	-	-	-	-	0.00%
Bus Procurement Reserve/Large Capital Repairs		44,779	-	-	-	-	-	0.00%
Vehicles								
Support Vehicles		102,500	-	-	-	-	-	0.00%
40' Coaches		3,336,000	-	-	-	-	2,724,173	81.66%
Runabout Vehicles		360,000	-	-	-	-	-	0.00%
<b>Total Capital Outlay</b>		<b>4,878,316</b>	<b>-</b>	<b>13,310</b>	<b>13,416</b>	<b>(106)</b>	<b>2,737,589</b>	<b>56.12%</b>
Contingency	hourly	101,915	-	8,333	-	8,333	4,000	3.92%
Interest Expense	operations cost	133,954	13,269	11,163	11,985	(822)	64,633	48.25%
Loan Paydown		1,108,262	154,131	-	-	-	154,131	13.91%
Management Contracts		171,620	13,750	13,750	13,750	-	68,750	40.06%
<b>TOTAL FUNDING USES</b>		<b>14,359,373</b>	<b>751,039</b>	<b>701,974</b>	<b>619,855</b>	<b>82,119</b>	<b>5,912,255</b>	<b>41.17%</b>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<b>8,372,795</b>	<b>596,908</b>	<b>688,664</b>	<b>606,439</b>	<b>82,225</b>	<b>3,020,535</b>	<b>36.08%</b>

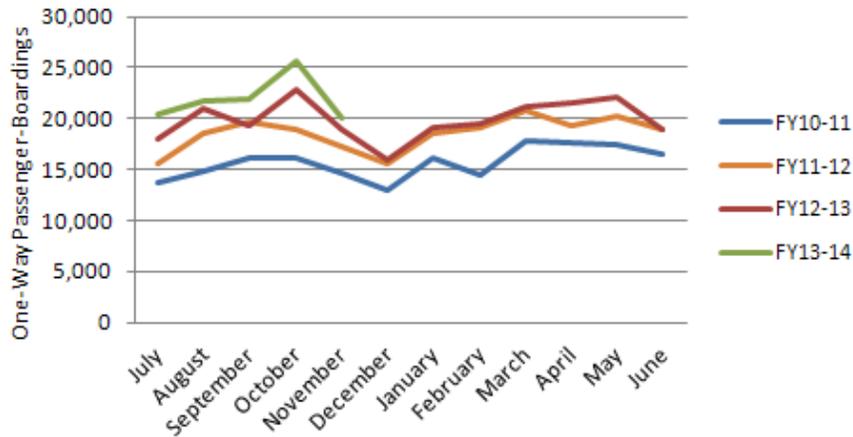
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU NOVEMBER 30, 2013 - WEEKDAYS ONLY  
CURRENT FISCAL YEAR - 2013/2014**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 80 NORTH COUNTY BEACH SHUTTLE	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	RT 83 FORT HUNTER LIGGETT	TOTAL WEEKDAY
<b>REVENUES:</b>								
FARES	157,458	175,447	1,278	120,441	11,456	11,283	42,508	519,872
<b>TOTAL ROUTE REVENUES</b>	<b>157,458</b>	<b>175,447</b>	<b>1,278</b>	<b>120,441</b>	<b>11,456</b>	<b>11,283</b>	<b>42,508</b>	<b>519,872</b>
<b>EXPENDITURES:</b>								
ADMINISTRATION	87,566	88,193	5,341	57,871	5,406	20,817	9,695	274,888
MARKETING	7,636	7,691	536	5,045	468	1,814	0	23,191
OPERATIONS/CONTINGENCY	234,273	238,284	13,225	153,101	15,386	56,731	28,078	739,079
FUEL	99,233	107,032	7,102	60,353	6,730	26,780	17,871	325,102
INSURANCE	24,850	26,801	1,492	15,116	1,788	6,710	4,474	81,231
<b>TOTAL EXPENDITURES</b>	<b>453,558</b>	<b>468,002</b>	<b>27,696</b>	<b>291,486</b>	<b>29,778</b>	<b>112,852</b>	<b>60,118</b>	<b>1,443,490</b>
<b>FAREBOX RATIO</b>	<b>34.72%</b>	<b>37.49%</b>	<b>4.61%</b>	<b>41.32%</b>	<b>38.47%</b>	<b>10.00%</b>	<b>70.71%</b>	<b>36.01%</b>
<b>RIDERSHIP</b>	<b>100,545</b>	<b>106,627</b>	<b>1,617</b>	<b>80,714</b>	<b>10,293</b>	<b>7,520</b>	<b>3,541</b>	<b>310,857</b>
<b>SERVICE MILES</b>	<b>121,260.70</b>	<b>130,788.20</b>	<b>7,792.20</b>	<b>73,753.60</b>	<b>8,541.52</b>	<b>32,731.40</b>	<b>21,836.00</b>	<b>396,703.62</b>
<b>SERVICE HOURS</b>	<b>3,961.90</b>	<b>3,990.53</b>	<b>244.53</b>	<b>2,617.77</b>	<b>246.53</b>	<b>941.13</b>	<b>438.84</b>	<b>12,441.23</b>
<b>RIDERS PER MILE</b>	<b>0.83</b>	<b>0.82</b>	<b>0.21</b>	<b>1.09</b>	<b>1.21</b>	<b>0.23</b>	<b>0.16</b>	<b>0.78</b>
<b>RIDERS PER HOUR</b>	<b>25.38</b>	<b>26.72</b>	<b>6.61</b>	<b>30.83</b>	<b>41.75</b>	<b>7.99</b>	<b>8.07</b>	<b>24.99</b>
<b>COST PER PASSENGER</b>	<b>4.51</b>	<b>4.39</b>	<b>17.13</b>	<b>3.61</b>	<b>2.89</b>	<b>15.01</b>	<b>16.98</b>	<b>4.64</b>
<b>SUBSIDY PER PASSENGER</b>	<b>2.94</b>	<b>2.74</b>	<b>16.34</b>	<b>2.12</b>	<b>1.78</b>	<b>13.51</b>	<b>4.97</b>	<b>2.97</b>

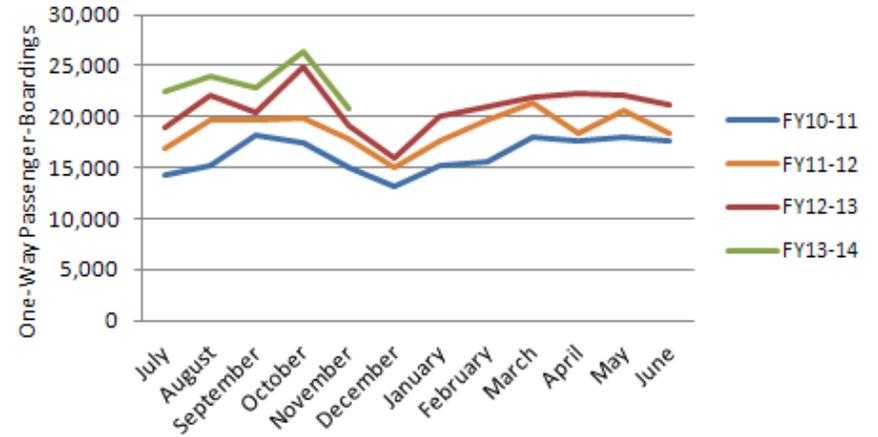
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU NOVEMBER 30, 2013  
CURRENT FISCAL YEAR - 2013/2014**

	RT 9 SAT P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 9 SUN P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 SAT S.M., NIPOMO, A.G., S.L.O.	RT 10 SUN S.M., NIPOMO, A.G., S.L.O.	RT 12 SAT MORRO BAY, CUESTA, SAN LUIS	RT 12 SUN MORRO BAY, CUESTA, SAN LUIS	RT 15 SAT SAN SIM., MORRO BAY, SAN LUIS	RT 15 SUN SAN SIM., MORRO BAY, SAN LUIS	TOTAL WEEKEND	TOTAL FIXED ROUTE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	10,538	5,519	10,867	6,547	7,350	4,640	1,661	1,056	48,178	568,049	48,905	616,954
<b>TOTAL ROUTE REVENUES</b>	10,538	5,519	10,867	6,547	7,350	4,640	1,661	1,056	48,178	568,049	48,905	616,954
<b>EXPENDITURES:</b>												
ADMINISTRATION	6,175	3,781	5,772	3,291	4,215	3,757	4,225	2,404	33,619	308,507	286,790	595,297
MARKETING	546	325	510	283	372	323	373	207	2,938	26,129	0	26,129
OPERATIONS/CONTINGENCY	16,449	10,175	15,526	8,910	11,063	9,952	11,489	6,578	90,140	829,219	719,509	1,548,728
FUEL	6,856	4,289	6,869	3,895	4,176	3,782	5,410	3,054	38,331	363,433	119,394	482,827
INSURANCE	1,719	1,091	1,722	991	1,047	962	1,356	777	9,663	90,894	48,294	139,188
<b>TOTAL EXPENDITURES</b>	31,744	19,660	30,399	17,368	20,872	18,775	22,853	13,020	174,692	1,618,182	1,173,987	2,792,170
<b>FAREBOX RATIO</b>	33.20%	28.07%	35.75%	37.70%	35.21%	24.71%	7.27%	8.11%	27.58%	35.10%	4.17%	22.10%
<b>RIDERSHIP</b>	5,904	3,274	6,281	3,545	4,239	2,613	802	547	27,205	338,062	18,198	356,260
<b>SERVICE MILES</b>	8,344.60	5,273.10	8,360.00	4,788.00	5,082.00	4,649.40	6,584.60	3,754.80	46,836.50	443,540.12	235,717.00	679,257.12
<b>SERVICE HOURS</b>	276.54	170.10	258.50	148.05	188.76	169.05	189.20	108.15	1,508.35	13,949.58	12,983.29	26,932.87
<b>RIDERS PER MILE</b>	0.71	0.62	0.75	0.74	0.83	0.56	0.12	0.15	0.58	0.76	0.08	0.52
<b>RIDERS PER HOUR</b>	21.35	19.25	24.30	23.94	22.46	15.46	4.24	5.06	18.04	24.23	1.40	13.23
<b>COST PER PASSENGER</b>	5.38	6.00	4.84	4.90	4.92	7.19	28.49	23.80	6.42	4.79	64.51	7.84
<b>SUBSIDY PER PASSENGER</b>	3.59	4.32	3.11	3.05	3.19	5.41	26.42	21.87	4.65	3.11	61.82	6.11

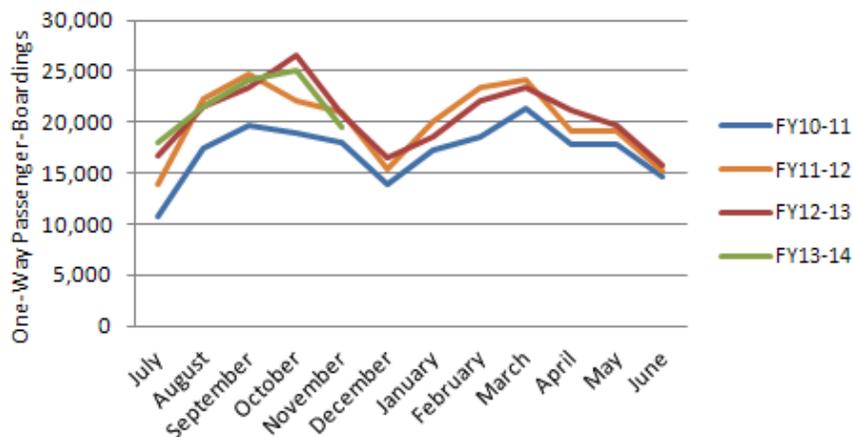
**RTA Route 9 Ridership By Month**



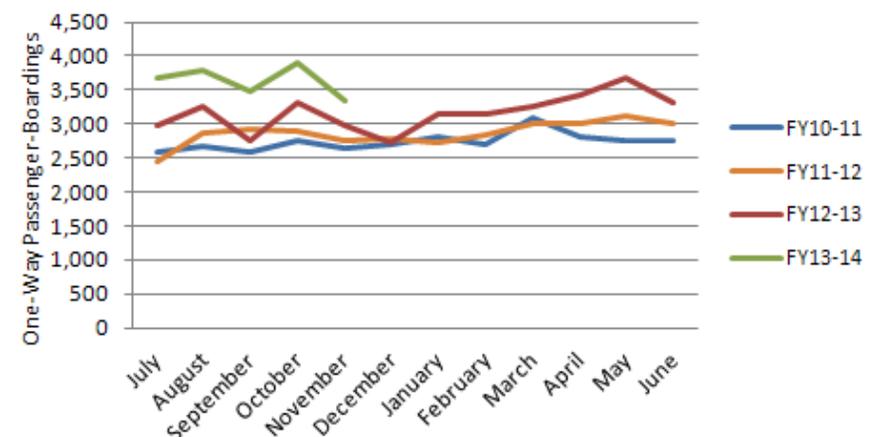
**RTA Route 10 Ridership By Month**



**RTA Other Fixed Rtes. Ridership/Mo.**



**RTA Runabout Ridership by Mo.**



**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Reserve Policy

**ACTION:** Information; Consideration in March 2014

**PRESENTED BY:** Geoff Straw  
Executive Director

**STAFF RECOMMENDATION:** Receive

**BACKGROUND/DISCUSSION:**

This staff report presents preliminary recommendations on a formal RTA reserve policy and its various components. Staff intends to solicit input from the Board at the January 8, 2014 meeting to obtain further direction regarding reserve fund level(s), and to bring a final policy recommendation to the Board at its March 2014 meeting.

As identified by the Government Finance Officers Association (GFOA), accountants employ the term fund balance to describe the net assets of an agency's funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of agency funds calculated on an agency's budgetary basis. In both cases, fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

Accountants distinguish reserved fund balance from unreserved fund balance. Typically, only the latter is available for spending. Accountants also sometimes report a designated portion of unreserved fund balance to indicate that the governing body or management have tentative plans concerning the use of all or a portion of unreserved fund balance.

It is essential that government agencies maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures). Fund balance levels are a crucial consideration, too, in long-term financial planning. In most cases, discussions of fund balance will properly focus on a government agency's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unreserved fund balance in the general fund. The GFOA recommends that government agencies establish a formal policy on the level of unreserved fund balance that should be maintained in an agency's general fund.

During the Fiscal Year 2013-14 budget making process, RTA staff expressed a desire to establish a formal reserve policy in order to provide financial stability and predictability for the RTA jurisdictions. In the discussion below, staff will present various types of reserves that have correlating goals.

The GFOA Best Practice recommendation is, at a minimum, that government agencies, regardless of size, maintain unrestricted fund balance (reserves) of no less than two months of regular general fund operating revenues or no less than 5% to 15% regular general fund operating expenditures – whichever is more predictable in a government agency’s particular circumstances. Factors for the government to consider include:

1. The predictability of its revenues and the volatility of its expenditures,
2. The agency’s perceived exposure to significant one-time outlays such as disasters, immediate capital needs, and State or Federal budget cuts,
3. The agency’s liquidity, and
4. Prior commitments and assignments of funds.

It should be noted that the first two of the six specific reserve funds discussed below have been established by RTA staff in budget documents based on past practice rather than through Board policy. As such, staff is recommending that reserve funds be formally codified through policy for budget-making purposes and, more importantly, to guide decisions when either funding shortfalls or windfalls result in relatively large deviations from projections.

The six types of reserve funds that staff presents below include:

1. Cash Flow Reserve
2. Capital Projects Reserve
3. Operating Reserve
4. Self-Insurance Reserve
5. Budget Stabilization Reserve
6. Facility Rehabilitation/Replacement Reserve

Each reserve fund balance that is formally established should be reviewed annually during the budget development process to reflect the most recent financial information available. The allocations budgeted for these reserve funds would be included in the annual budget and the proposed use of any reserves would be accompanied, when feasible, with a plan for replenishment within a reasonable period of time.

#### Existing Cash Flow Reserve Fund

The current RTA two-year operating budget identifies cash flow requirements for FY13-14 and FY14-15, and it is identified as “Cash Flow Requirements per TDA” in our budget documents. This line-item is essentially a Cash Flow Reserve and equates to

one-quarter expenses less one quarter fare revenue. A Cash Flow Reserve is required because of two facts:

1. Transportation Development Act funds are disbursed quarterly, and those funds are provided by SLOCOG to RTA at the end of each quarter, and
2. FTA funds are provided on a reimbursement basis only.

In the future, staff will replace the term “Cash Flow Requirements per TDA” with “Cash Flow Reserve per TDA” in budget documents. Please note that the prior year Cash Flow Reserve is included in the beginning fund balance, and it is not accumulated from year to year. For FY13-14, the budgeted cash flow balance was \$1,479,337.

#### Existing Capital Projects Reserve Fund

RTA has traditionally identified a capital projects reserve fund that represents the carryover of surplus funds to be used for future capital projects as outlined in the projected capital expenditures budget. For FY13-14, the budgeted Capital Projects Reserve balance was \$318,373. Again, this amount represents the carryover from the previous fiscal year (FY12-13).

For future budget plans, RTA is recommending that the Capital Projects Reserve be developed using a five-year annual average that is based on two components:

1. For small capital projects that are fully-funded using 100% local funds, staff will budget the entire amount.
2. For large capital projects that use external funding, staff will budget the local match amount after deducting the reasonably anticipated amount of external funds.

An alternative and potentially simpler methodology would be to merely calculate the average annual capital expenditures and multiply by the 20% local match required for most FTA-funded capital projects. Either way, using a five-year annual average helps normalize local funding requirements over the planning horizon.

Another important consideration in developing a formal Capital Projects Reserve policy is whether or not RTA should continue to assume 80% FTA cost-sharing on bus replacement and/or expansion purchases in light of uncertain future Federal funding. In the past, RTA has been successful in attaining Federal funds to partially or completely fund buses. The current federal transportation funding bill, known as Moving Ahead for Progress in the 21<sup>st</sup> Century (also known as MAP-21), has essentially eliminated discretionary Bus and Bus Facilities funds for these types of projects. MAP-21 ends on September 30, 2014, and State Proposition 1B bond funding is approaching the end of its ten-year bond cycle. It should be noted that the cost of one completely locally-funded full-size bus is greater than the \$318,373 amount identified in the FY13-14 budget. For

the time being, staff suggests that the 20% local match strategy continue; if there is a significant future change in Federal funding, the reserve policy would be amended.

#### Potential New Operating Reserve Fund

An Operating Reserve Fund equal to a percentage of the prior fiscal year actual operating expenses should also be considered. It could be used at the discretion of the Board to fund unforeseen operating costs not anticipated during the annual budget development process. An example would be a very large increase in the cost of fuel, which currently represents the second-highest line-item in the RTA operating budget.

As mentioned above, the GFOA has recommended two months' expenses to serve as an operations reserve, which rounds to approximately 15% of the annual operating budget. It would be prudent to aim for this 15% level over a specified accumulation period (i.e., two or three fiscal years); once the 15% Operating Reserve Fund level is attained, subsequent annual budget-making efforts would focus on adjusting the inputs as needed to maintain the 15% level.

#### Potential New Self-Insurance Reserve Fund

Currently, RTA does not self-insure any areas of liability coverage. However, we have the option of increasing our self insured retention with our carriers. It should be noted that staff has not pursued increasing our deductible due to the lack of a Self-Insurance Reserve Fund and the challenges RTA has encountered in the past with cash flow. Should the Board wish staff to evaluate lines of insurance coverage and self insure for a portion of coverage, a Self-Insurance Reserve fund would need to be established to cover fluctuations.

#### Potential New Budget Stabilization Reserve Fund

This type of reserve is sometimes referred to as a "rainy day fund" and is very similar to an operating reserve. RTA has annually identified a "Contingency" in its operating budget, although this amount has typically been development in an ad hoc way. A true Budget Stabilization Reserve Fund is typically focused on an unexpected revenue shortfall caused by a disaster, a dire emergency (i.e., flood or earthquake), or a significant economic downturn. Given that the stabilization reserve ("rainy day fund") is an unallocated reserve, this reserve is not intended to be spent except during these dire circumstances. One option is to identify a portion (i.e., one-third of the suggested 15% Operating Reserve Fund) as the Budget Stabilization Reserve Fund that could only be used in the event of a major event.

#### Potential New Facility Rehabilitation/Replacement Reserve

A facility rehabilitation and replacement reserve could be established that is based on the remaining useful life and associated accumulated depreciation of a facility or facilities. However, since RTA does not currently own any major facilities, it might be best to revisit this issue during development of future facility project budgets.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** RTA Operation of Paso Robles Transit Services

**ACTION:** Review and Approve

**PRESENTED BY:** Geoff Straw  
Executive Director

**STAFF RECOMMENDATION:** Authorize the RTA Executive Director and Board President to execute a contract for RTA direct operation, management, administration, and vehicle maintenance of Paso Robles transit services.

**BACKGROUND/DISCUSSION:**

The SLOCOG Board adopted the North County Transit Plan in June 2012, following similar actions by the Paso Robles and Atascadero City Councils. The key Plan recommendations are to:

1. Consolidate the entire Paso Express Routes A, B and C into the RTA, with the local Route C (North Cuesta-downtown Paso Robles-Twin Cities) service replaced by an extended RTA Route 9.
2. Consolidate the Atascadero El Camino Shuttle into RTA by replacing it with an expanded RTA Route 9.

This staff report and the attached Draft Agreement focuses on the consolidation of Paso Robles transit services into RTA. The primary benefit of this consolidation is the City of Paso Robles would realize significant savings in Local Transportation Funds (LTF), which are state monies eligible for transit, bicycle projects, streets and roads. The North County region would benefit by the reduced demands by municipal systems on Federal Transit Administration Section 5307 program funds apportioned to the *Paso Robles – Atascadero Urbanized Area*. Riders benefit by their ability to transfer across local and intercity/regional services. Finally, RTA benefits due to reduced sub-grantee oversight responsibilities.

Attached is a draft agreement that would become effective June 1, 2014. The contract presumes RTA would assume full operation and administration of Paso Robles local transit services, with RTA acting as the direct TDA recipient. None of the costs of providing and administering Paso Robles local transit services would be passed on to the other local jurisdictions that fund RTA core operations. Staff is seeking the Board's

authorization for the RTA Executive Director and RTA Board President to execute the final contract once ratified by the Paso Robles City Council. Any final changes to the contract that have insubstantial impacts on RTA would be reported back to the RTA Board as an information item; any substantial changes would require ratification by the full Board.

Note that this item will also come before the SLOCOG Board of Directors at its February 5<sup>th</sup> meeting seeking authorization for the SLOCOG Executive Director and Board President to execute the contract.

**AGREEMENT FOR  
CONSOLIDATION OF PASO ROBLES TRANSIT SERVICES INTO SAN LUIS  
OBISPO REGIONAL TRANSIT AUTHORITY**

**THIS AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between the CITY OF PASO ROBLES, (hereinafter referred to as "CITY") and the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, (hereinafter referred to as "RTA").

**WITNESSETH:**

**WHEREAS**, CITY has been responsible for local transit and other local transportation services within and immediately adjacent to the incorporated areas of the City not considered part of the regional transportation system; and

**WHEREAS**, CITY is the direct recipient of Transportation Development Act (TDA) funds, which is comprised of Local Transportation Funds (LTF) and State Transit Assistance (STA) funds; and

**WHEREAS**, CITY is projected to receive a total of \$1,431,580 in TDA funds in fiscal year 2013-14; and

**WHEREAS**, in fiscal year 2013-14. CITY budgeted \$778,434 of its TDA allocation for local public transit services and \$349,842 of its TDA allocation for regional RTA transit services. The remaining TDA funds are available to meet local bicycle, pedestrian and streets/roads needs; and

**WHEREAS**, CITY desires consolidation of its local public transit services into RTA to take advantage of efficiencies and cost-savings that result from such consolidation; and

**WHEREAS**, RTA is responsible for regional transit and other regional transportation services, and is deemed trained, experienced, expert and competent to perform such services on behalf of CITY; and

**WHEREAS**, RTA is presently providing similar coordinated/consolidated services to South County Transit and to the County of San Luis Obispo; and

**WHEREAS**, said agreements have been beneficial to RTA, South County Transit, and the County of San Luis Obispo; and

**WHEREAS**, CITY desires to cease direct management of local public transit services in CITY limits.

**NOW THEREFORE**, the parties do mutually agree as follows:

1. Transfer of All Future Transit Obligations. CITY hereby transfers all obligations to provide local public transit services to RTA. RTA will operate all local public transit services in CITY based on recommendations in the May 2012 North County Transit Plan.
2. Scope of Services. Pursuant to this Agreement, RTA shall provide to CITY the services identified in Attachment "A" attached hereto as if entirely set forth herein.
3. Compensation. CITY shall permit RTA to directly submit an annual TDA claim to SLOCOG for local public transit services, a sum not to exceed RTA's actual cost of operating said services. Said compensation will be developed in the following manner: RTA shall annually submit to the City Administrative Services Director by March 1 a detailed proposal to provide the services identified in Attachment "A" and an associated amount of compensation for providing those services for the subsequent fiscal year. The City Administrative Services Director shall annually provide written consent to the proposal, including the service level and amount of compensation by April 1 unless the proposal is determined to be unreasonable. Any annual proposal the Administrative Services Director determines to be unreasonable will be placed on a City Council agenda and an RTA Board of Directors agenda so that it may be considered and mutually agreed upon by these respective boards prior to May 1. CITY shall provide written direction to SLOCOG that the agreed upon amount of compensation should be allocated to the RTA directly from the share of TDA monies allocated to the CITY through the SLOCOG allocation process. RTA will be responsible for submitting a claim for these monies to SLOCOG during the subsequent fiscal year for deposit directly into RTA's account. RTA shall account for CITY monies separately from all other monies received.
4. Transfer of Funds. Any fully-funded but not yet completed CITY transit projects that remain as of June 1, 2014 will be completed by CITY using transit funds. RTA will provide technical assistance as appropriate. CITY shall transfer all non-committed monies remaining in its transit fund to RTA by the effective date of this Agreement. RTA will use these monies to fund CITY transportation services and will account for these monies separately. This is a one-time transfer.
5. Transfer of Vehicles and Equipment. CITY shall transfer ownership of and responsibility for all vehicles and transit vehicle-specific equipment by the effective date of this Agreement to RTA. A list of these vehicles and equipment is included in Attachment "B".
6. Term of Agreement. This Agreement shall commence effective June 1, 2014 and shall continue, until and unless terminated earlier as provided herein. RTA will furnish sufficient personnel to complete all phases of the tasks.

7. Termination of Agreement for Convenience of Either Party. Either party may terminate this Agreement at any time by giving to the other party One Hundred Eighty (180) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of the transaction occurring prior to the effective date of such termination. RTA shall use budgeted funds to pay for all work satisfactorily completed prior to the effective date of such termination.
8. Termination of Agreement for Cause. If, through any cause within its control, either party fails to fulfill in a timely and professional manner its obligations under this Agreement, or if either party violates any of the terms or provisions of this Agreement, either party shall have the right to terminate this Agreement effective immediately upon giving written notice thereof to the party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. RTA shall use budgeted funds to pay for all work satisfactorily complete prior to the effective date of such termination.
9. Modification. This Agreement, together with Attachment "A," (Scope of Work) and Attachment "B" (Vehicles and Equipment) constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.
10. Non-Assignment of Agreement. Inasmuch as this Agreement is intended to transfer all local public transit services to RTA, RTA shall not assign, transfer, delegate, or sublet this Agreement or any interest herein without the prior written consent of the CITY Administrative Services Director, and any such assignment, transfer, delegation, or sublet without CITY's prior written consent shall be considered null and void.
11. Covenant. The validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California.
12. Enforceability. The invalidity and unenforceability of any terms or provisions hereof shall in no way affect the validity or enforceability of any other terms or provisions.
13. Employment Status. RTA shall, during the entire term of the Agreement, be construed to be an independent agency, and shall in no event be construed to be an employee of CITY. RTA understands and agrees that its employees are not, and will not, be eligible for membership in or any benefits from any CITY group plan for hospital, surgical or medical insurance, or for membership in any CITY retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a CITY employee.

RTA will need two new positions to operate transit services pursuant to this Agreement: a Special Projects Coordinator and a Road Supervisor. Since the RTA Administrative Services Officer position has similar roles and responsibilities to the current Paso Robles Transit Services Coordinator position, RTA agrees to hire the Transit Service Coordinator into the Administrative Services Officer position at CITY's equivalent wage and benefits levels, and according to established RTA human resources policies and procedures. The Road Supervisor position will be recruited through RTA's existing human resources process.

14. Warranty of RTA. RTA warrants that it is properly certified and licensed under the laws and regulations of the State of California to provide the services herein agreed to.
15. Conflicts of Interest. No officer, employee, director or agent of CITY shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Agreement or the provisions thereof.
16. Indemnification. RTA shall defend, indemnify and hold harmless CITY, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, or other losses that may be asserted by any person or entity, including RTA, and that arise out of, or are related any act or omission of RTA relating to this Agreement. The obligation to indemnify shall be effective and shall extend to all such claims or losses in their entirety. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the CITY, its officers and employees.
17. Insurance Requirements. RTA, at its sole cost, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement. All of the insurance companies providing insurance for RTA shall have, and provide evidence of, an A.M. Best & Co. rating of A:VII or above, unless exception is granted by CITY's Administrative Services Director. Further, all policies shall be maintained for the full term of this Agreement and related warranty period if applicable.

A. Scope and Limits of Required Insurance Policies

1) Commercial General Liability

Policy shall include coverage at least as broad as set forth in Insurance Services Office Commercial General Liability Coverage (CG 00 01) with policy limits of not less than \$5 (five) million dollars combined single limit per occurrence. Policy shall be endorsed with

the following specific language or contain equivalent language in the policy:

- a) The CITY, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- b) The insurance provided herein shall be considered primary coverage to the CITY with respect to any insurance or self-insured retention maintained by the CITY. Further, the CITY's insurance shall be considered excess insurance only and shall not be called upon to contribute to this insurance.
- c) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.

2) Business Automobile Policy

Policy shall include coverage at least as broad as set forth in the liability section of Insurance Services Office Business Auto Coverage (CA 00 010) with policy limits of no less than \$5 (five) million dollars combined single limit for each occurrence. Said insurance shall include coverage for owned, non-owned, and hired vehicles. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- a) The CITY, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement
- b) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.

3) Worker's Compensation / Employer's Liability Insurance

- a) Worker's Compensation: policy shall provide statutory limits as required by State of California/ Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- i. RTA and its insurer shall waive all rights of subrogation against the CITY, its officers and employees for workers' compensation losses arising out of this Agreement.
  - ii. The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.
- b) Employer's Liability: policy shall provide \$1 million dollars per accident for bodily injury or disease.

B. Deductibles and Self-Insurance Retentions

All deductibles and/or self-insured retentions which apply to the insurance policies required herein will be declared in writing and approved by CITY prior to commencement of this Agreement.

C. Documentation

Prior to commencement of work and annually thereafter for the term of this Agreement, RTA will provide the CITY Administrative Services Director properly executed certificates of insurance clearly evidencing the coverage, limits, and endorsements specified in this Agreement. Further, at the CITY's request, the RTA shall provide certified copies of the insurance policies within thirty days of request.

D. Absence of Insurance Coverage

CITY may direct RTA to immediately cease all activities with respect to this Agreement if it determines that RTA fails to carry, in full force and effect, all insurance policies with coverage levels at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered RTA's delay and expense.

18. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing, and shall be sent by certified or registered mail to:

CITY:

City of Paso Robles  
Department of Administrative Services  
1000 Spring Street  
Paso Robles, California 93446

RTA:

SLO Regional Transit Authority  
179 Cross St, Suite A  
San Luis Obispo, California 93401

19. Progress Reports. RTA shall submit brief progress reports the CITY, progress reports accompanied by invoices shall describe the work performed, plus any problems anticipated in performing said work in future. Said reports shall be optional upon written approval by the CITY Administrative Services Director.
20. Copyright. Any reports, maps, documents or other materials produced in whole or part under this Agreement shall be the property of CITY, and shall not be subject to any application for copyright by or on behalf of the RTA.
21. Findings Confidential. No reports, maps, information, documents, or any other materials given to or prepared by RTA under this Agreement which CITY requests, in writing, to be kept confidential, shall be made available to any individual or organizations by RTA without the prior written approval of CITY Administrative Services Director. However, RTA shall be free to disclose such data as is publicly available, already in its possession, or independently developed.

IN WITNESS WHEREOF, this AGREEMENT has been executed by the parties hereto, upon the date first above written.

CITY	RTA & SLOCOG
ATTEST:	ATTEST:
<hr/> <b>City Clerk of The City of Paso Robles</b>	<hr/> Executive Director RTA
[SEAL]	<hr/> Executive Director SLOCOG
APPROVED AS TO FORM AND LEGAL EFFECT: <b>&lt;&lt;NAME&gt;&gt;</b> <b>City of Paso Robles Counsel</b>	APPROVED AS TO FORM AND LEGAL EFFECT: RITA NEAL County Counsel
By: <hr/> <b>&lt;&lt;NAME&gt;&gt;</b>	By: <hr/> Assistant County Counsel
Date: <hr/>	Date: <hr/>
CITY	RTA & SLOCOG
<hr/> Mayor City of Paso Robles	<hr/> President RTA & SLOCOG Board of Directors
Date: <hr/>	Date: <hr/>

## **ATTACHMENT "A"** **SCOPE OF WORK**

Transit services administered and operated by RTA and part of this agreement include local public transit services in the incorporated and adjacent areas of the City of Paso Robles and not considered part of the RTA regional transportation system.

The intent of the agreement is for RTA to consolidate local public transit services into RTA. RTA will serve as the direct recipient of all transit-specific Transportation Development Act (TDA) funds apportioned to CITY, and will seek available Federal Transit Administration (FTA) funds to partially fund local public transit services. The following list is not meant to be all inclusive:

### RTA-PROVIDED TRANSIT VEHICLE, MANAGEMENT, ADMINISTRATIVE, FINANCIAL SERVICES

1. Operate local public transit services as recommended in the May 2012 North County Transit Plan.
2. Provide data collection, reconciling and monitoring of local public transit services to appropriate transportation monitoring agencies including, but not limited to the San Luis Obispo Council of Governments (SLOCOG), the FTA, and the State of California.
3. Provide route analysis for effectiveness and efficiency and report to CITY on an as-needed basis.
4. Monitor system-wide on-time performance
5. Assist SLOCOG in the development and implementation of future Short Range Transit Plans.
6. Attend meetings with CITY as needed to address local public transit issues as they arise.
7. Prepare annual budget for local public transit services.
8. Prepare and administer annual TDA claim.
9. Prepare and submit annual State Controller's Report.
10. Coordinate and conduct all audits/reviews, including the annual TDA fiscal and compliance audit, the FTA Triennial Review, and the TDA Triennial Audit.

11. Develop and submit grant applications to fund local public transit services, including the purchase of vehicles and equipment that will be owned by RTA and used to provide local public transit services in the CITY.
12. All financial and budgetary reports outlined herein shall provide sufficient detail so as to report CITY transportation services separately from all other RTA regional transportation services.
13. Provide bus stop maintenance for local and regional transit bus stops in CITY.

The CITY is agreeing to provide to RTA the following services for the CITY's actual cost of providing these services plus administrative overhead. The following list is not meant to be all inclusive:

#### CITY-PROVIDED ASSETS AND SERVICES

1. CITY shall provide use of the existing passenger transfer area, offices and overnight parking space for CITY transit vehicles adjacent to the Paso Robles Train Station. The CITY general fund shall be compensated \$2,000 per month for the use of these facilities using TDA funds subject to annual adjustments identified in the annual budget-making process.

**ATTACHMENT "B"**  
**VEHICLES AND EQUIPMENT**

The following list of CITY-owned vehicles and equipment will be transferred on an as-is, where-is basis on the effective date of this Agreement.

<b>Non-vehicle Equipment</b>	<b>Date</b>	<b>Asset</b>	<b>Life</b>
	<b>Acquired</b>	<b>Value</b>	<b>Yrs.</b>
Bus Shelters (7)	6/30/1998	25,871.00	20
Bus Shelters (8)	3/29/1999	29,566.88	20
Bus Hoist (currently being replaced)	2/8/2000	23,730.50	20
Bus shelters/retrofit lighting	6/30/2005	14,206.00	20
13 LED solar units	6/30/2006	19,792.00	20
Telephone System	6/30/2008	4,000.00	20
Fare Boxes - 129	6/30/2010	22,063.15	5
Fare Boxes - 131	6/30/2010	55,157.94	5
Replacement Seating Bus 23	6/30/2010	10,917.91	5
Electronic Encoding	6/29/2011	11,351.36	5
Vehicle Seating ARRA Grant Funded	6/30/2012	72,543.61	5
Bus Shelters ARRA Grant Funded	6/29/2012	21,142.48	20
Parking Lot Lighting ARRA Grant Funded	6/29/2012	31,092.17	20

<b>Vehicles</b>							
<b>City ID#</b>	<b>Type of Service:</b>	<b>Pass. Seats</b>	<b>Year</b>	<b>Make</b>	<b>Model</b>	<b>Veh. Lic #</b>	<b>VIN</b>
14	Paso Express - Fixed Route/DAR	21	2002	Ford E-450	El Dorado	909550	1FDWE45F82HA61290
21	Paso Express- Fixed Route	29	2007	Chevrolet	El Dorado	1258079	1GBG5V19X7F421455
22	Paso Express- Fixed Route	29	2007	Chevrolet	El Dorado	1258078	1GBG5V1997F421270
23	Paso Express- Fixed Route	29	2009	Chevrolet	El Dorado	1322217	1GBG5V1939F406668
24	Paso Express- Fixed Route	29	2012	Ford SD	El Dorado	1396051	1FDUF56T9CEA43719
25	Paso Express- Fixed Route	29	2013	Int'l	El Dorado	1370733	5WEASAAM3DH361877
26	Paso Express- Fixed Route	29	2013	Int'l	El Dorado	1370732	5WEASAAM5DH361878
27	Paso Express- Fixed Route	29	2013	Int'l	El Dorado	1370734	5WEASAAM7DH361879
28	Paso Express- Fixed Route	29	2013	Int'l	El Dorado	1370735	5WEASAAM3DH361880
29	Paso Expres - Dial -A-Ride	4	2013	Dodge	Braun Entrevan	1409585	2C4RDGBG8DR787211
30	Paso Express- Dial-A-Ride	4	2013	Dodge	Braun Entrevan	1409326	2C4RDGBGXDR787212

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** RTA Operation of Atascadero Fixed Route Services

**ACTION:** Review and Approve

**PRESENTED BY:** Geoff Straw  
Executive Director

**STAFF RECOMMENDATION:** Authorize the Executive Director and Board President to execute the contract for RTA direct operation, management, administration, and vehicle maintenance of Atascadero fixed route services.

**BACKGROUND/DISCUSSION:**

The SLOCOG Board adopted the North County Transit Plan in June 2012, following similar actions by the Paso Robles and Atascadero City Councils. The key Plan recommendations are to:

1. Consolidate the entire Paso Express Routes A, B and C into the RTA, with the local Route C (North Cuesta-downtown Paso Robles-Twin Cities) service replaced by an extended RTA Route 9.
2. Consolidate the Atascadero El Camino Shuttle into RTA by replacing it with an expanded RTA Route 9.

This staff report and the attached Draft Agreement focuses on the consolidation of Atascadero fixed route services into RTA. The primary benefit of this consolidation is the City of Atascadero would realize significant savings in Local Transportation Funds (LTF), which are state monies eligible for transit, bicycle projects, streets and roads. The North County region would benefit by the reduced demands by municipal systems on Federal Transit Administration Section 5307 program funds apportioned to the *Paso Robles – Atascadero Urbanized Area*. Riders benefit by their ability to transfer across local and intercity/regional services.

Attached is a draft agreement that would become effective June 1, 2014. The contract presumes that RTA would assume full operation and administration of Atascadero fixed route services, with RTA acting as the direct TDA recipient. None of the costs of providing and administering Atascadero local fixed route services would be passed on to the other local jurisdictions that fund RTA core operations. Staff is seeking the

Board's authorization for the RTA Executive Director and RTA Board President to execute the final contract once ratified by the Atascadero City Council. Any final changes to the contract that have insubstantial impacts on RTA would be reported back to the RTA Board as an information item; any substantial changes would require ratification by the full Board.

Note that this item will also come before the SLOCOG Board of Directors at its February 5<sup>th</sup> meeting seeking authorization for the SLOCOG Executive Director and Board President to execute the contract.

**AGREEMENT FOR CONSOLIDATION OF ATASCADERO EL CAMINO SHUTTLE  
INTO  
THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**THIS AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between the CITY OF ATASCADERO, (hereinafter referred to as "CITY"), the SAN LUIS OBISPO COUNCIL OF GOVERNMENTS (hereinafter referred to as "SLOCOG"), and the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, (hereinafter referred to as "RTA").

**WITNESSETH:**

**WHEREAS**, CITY is currently responsible for local fixed route transit, local dial-a-ride transit, and other local public transportation services within and immediately adjacent to the incorporated areas of the City not considered part of the regional RTA transportation system; and

**WHEREAS**, CITY's local fixed route service, known as the Atascadero El Camino Shuttle, currently operates the entire length of El Camino Real within CITY limits, as well as to/from the Twin Cities Hospital in Templeton; and

**WHEREAS**, CITY desires consolidation of its local fixed route transit services into the regional RTA fixed route program to provide a cost-savings to CITY, to eliminate redundancies, and to take advantage of efficiencies that will result; and

**WHEREAS**, SLOCOG is responsible for transportation planning and funding allocation within San Luis Obispo County; and

**WHEREAS**, RTA is responsible for providing regional fixed route public transit services, and is deemed trained, experienced, expert and competent to perform such services; and

**WHEREAS**, RTA Route 9 currently operates hourly fixed route service along the US-101 corridor between San Luis Obispo and Paso Robles, including on that portion of El Camino Real between the southern CITY limit and Traffic Way; and

**WHEREAS**, RTA is presently providing similar coordination and consolidation services under contract to South County Transit and to the County of San Luis Obispo; and

**WHEREAS**, said contract has been beneficial to South County Transit, the County of San Luis Obispo, and RTA; and

**WHEREAS**, CITY desires RTA to operate fixed route service along the entire El Camino Real corridor within CITY limits.

**NOW THEREFORE**, the parties do mutually agree as follows:

1. Transfer of All Future Fixed Route Obligations. CITY hereby transfers all obligations to provide local fixed route public transit services to RTA. RTA will operate all local fixed route public transit services in CITY based on recommendations in the May 2012 North County Transit Plan.
2. Scope of Services. Pursuant to this Agreement, RTA shall provide to CITY the services identified in Attachment "A" attached hereto as if entirely set forth herein.
3. Transfer of vehicles. CITY shall transfer to RTA all fixed route vehicles previously used for El Camino Shuttle services, as well as any related vehicle-specific equipment, by the effective date of this Agreement.
4. Future Capital Programming. The future funding plan developed by SLOCOG as a follow-up to the May 2012 North County Transit Plan indicates that CITY's anticipated share of eligible federal revenues will be reduced as a result of consolidating its fixed route services into RTA. The parties to this Agreement acknowledge CITY's contribution towards the federal "cost-savings" in the region. The parties agree to assign a high priority to meeting CITY's future transit capital needs.
5. Reduced Dial-A-Ride Farebox Recovery Ratio Requirement. As part of this consolidation effort, SLOCOG has designated a reduced 15% farebox recovery ratio requirement for the Atascadero Dial-A-Ride service, as indicated in a June 2013 letter from SLOCOG.
6. Term of Agreement. This Agreement shall commence effective June 1, 2014 and shall continue, until and unless terminated earlier as provided herein. RTA will furnish sufficient personnel to complete all phases of the tasks.
7. Termination of Agreement for Convenience of Either Party. Either party may terminate this Agreement at any time by giving to the other party One Hundred Eighty (180) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of the transaction occurring prior to the effective date of such termination.
8. Termination of Agreement for Cause. If, through any cause within its control, either party fails to fulfill in a timely and professional manner its obligations under this Agreement, or if either party violates any of the terms or provisions of this Agreement, either party shall have the right to terminate this Agreement effective immediately upon giving written notice thereof to the party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination.

9. Modification. This Agreement, together with Attachment "A," (Scope of Work) constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.
10. Non-Assignment of Agreement. Inasmuch as this Agreement is intended to transfer all local fixed route public transit service obligations to RTA, RTA shall not assign, transfer, delegate, or sublet this Agreement or any interest herein without the prior written consent of the CITY Administrative Services Director, and any such assignment, transfer, delegation, or sublet without CITY's prior written consent shall be considered null and void.
11. Covenant. The validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California.
12. Enforceability. The invalidity and unenforceability of any terms or provisions hereof shall in no way affect the validity or enforceability of any other terms or provisions.
13. Employment Status. RTA shall, during the entire term of the Agreement, be construed to be an independent agency, and shall in no event be construed to be an employee of CITY. RTA understands and agrees that its employees are not, and will not, be eligible for membership in or any benefits from any CITY group plan for hospital, surgical or medical insurance, or for membership in any CITY retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a CITY employee.
14. Warranty of RTA. RTA warrants that it is properly certified and licensed under the laws and regulations of the State of California to provide the services herein agreed to.
15. Conflicts of Interest. No officer, employee, director or agent of CITY shall participate in any decision relating to this Agreement which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Agreement or the provisions thereof.
16. Indemnification. RTA shall defend, indemnify and hold harmless CITY, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, or other losses that may be asserted by any person or entity, including RTA, and that arise out of, or are related any act or omission of RTA relating to this Agreement. The obligation to indemnify shall be effective and shall extend to all such claims or losses in their entirety. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the CITY, its officers and employees.

17. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing, and shall be sent by certified or registered mail to:

CITY:

City of Atascadero  
Department of Public Works  
6500 Palma Avenue  
Atascadero, CA 93422

RTA:

SLO Regional Transit Authority  
179 Cross St, Suite A  
San Luis Obispo, CA 93401

SLOCOG:

SLO Council of Governments  
1114 Marsh Street  
San Luis Obispo, CA 93401

18. Copyright. Any reports, maps, documents or other materials produced in whole or part under this Agreement shall be the property of CITY, and shall not be subject to any application for copyright by or on behalf of the RTA.
19. Findings Confidential. No reports, maps, information, documents, or any other materials given to or prepared by RTA under this Agreement which CITY requests, in writing, to be kept confidential, shall be made available to any individual or organizations by RTA without the prior written approval of CITY Public Works Director. However, RTA shall be free to disclose such data as is publicly available, already in its possession, or independently developed.

IN WITNESS WHEREOF, this AGREEMENT has been executed by the parties hereto, upon the date first above written.

CITY	RTA and SLOCOG
ATTEST:	ATTEST:
<u>City Clerk of The City of Atascadero</u> [SEAL]	<u>Executive Director RTA</u>
	<u>Executive Director SLOCOG</u>
APPROVED AS TO FORM AND LEGAL EFFECT: <<NAME>> <u>City of Atascadero Counsel</u>	APPROVED AS TO FORM AND LEGAL EFFECT: RITA NEAL <u>County Counsel</u>
By: _____ <<NAME>>	By: _____ Assistant County Counsel
Date: _____	Date: _____
CITY	RTA and SLOCOG
<u>Mayor City of Atascadero</u>	<u>President RTA &amp; SLOCOG Boards of Directors</u>
Date: _____	Date: _____

## **ATTACHMENT "A"** **SCOPE OF WORK**

The intent of the agreement is for RTA to operate regional Route 9 fixed route services along the corridor formerly served by the Atascadero El Camino Shuttle. In essence, the northern portion of El Camino Real (north of Traffic Way) – which was previously served by the El Camino Shuttle – will instead be served by RTA Route 9. The following list of services is not meant to be all inclusive:

### **RTA-PROVIDED TRANSIT VEHICLE, MANAGEMENT, ADMINISTRATIVE, FINANCIAL SERVICES**

1. Determine fixed route operational and capital needs along the El Camino Real corridor, and provide recommendations to CITY Public Works Director on potential changes. RTA recommended changes would require express authorization from CITY Public Works Director prior to implementation, and would include:
  - a. Bus stop additions, eliminations, revisions and/or improvements.
  - b. Major service level changes, including addition or elimination of service to areas within CITY; major service level changes might also require authorization from the RTA Board of Directors.

RTA would implement operational and capital projects using TDA funds apportioned to RTA through the annual budget-making process for regional fixed route services.

2. Repair fixed route bus stop signs and passenger amenities used by RTA regional fixed route services within CITY corporate boundaries.
3. Plan and implement a marketing campaign to inform the Atascadero community about the fixed route service consolidation that would occur in May 2014. Once consolidation is fully implemented, RTA shall continue marketing efforts along the entire Route 9 corridor.
4. Attend meetings with CITY as needed.

The CITY is agreeing to provide to RTA the following services for the CITY's actual cost of providing these services plus administrative overhead. The following list is not meant to be all inclusive:

### **CITY-PROVIDED ASSETS AND SERVICES**

1. Provide use of the existing passenger transfer area.

2. Provide annual no-cost encroachment permit to RTA and its contractors for the express purpose of maintaining fixed route bus stop locations.
3. Continue to provide general public Atascadero Dial-A-Ride services using CITY and contracted staffing resources.
4. Work with SLOCOG, RTA and private entities to secure a Park-and-Ride lot within close proximity to the Atascadero Transit center.
5. Coordinate and cooperate with RTA in public outreach activities (web-based and others) to promote awareness and understanding of the new Route 9 coverage, and an updated "Trip Planner" (i.e. google transit).

DRAFT



San Luis Obispo Regional Transit Authority  
Executive Committee Meeting  
Minutes 10/16/2013  
C-1

Members Present: Frank Mecham, President  
Shelly Higginbotham, Vice President

Members Absent: Fred Strong, Past President

Staff Present: Geoff Straw, Executive Director  
Tania Arnold, CFO and Director of Administration  
Anna Mafort-Lacy, Administrative Assistant  
Nina Negranti, County Counsel

Also Present: Ron DeCarli, SLOCOG  
Aida Nicklin, SLOCOG  
Eric Greening, Atascadero  
Fred Collins, Los Osos  
Aaron Kirby, Arroyo Grande

1. **Call to Order and Roll Call:**

**President Frank Mecham** called the meeting to order at 10:03 a.m. Silent Roll Call was taken and a quorum was present.

2. **Public Comments:**

**Mr. Eric Greening**, Atascadero, said he heard from drivers that employees attended a training about driver expectations should there be a nuclear emergency. He asked if this could be agendized or added to the Executive Director's report. Until drivers became public employees, they were not expected to take on this responsibility. Now that they are public employees, they cannot walk away from this added responsibility. I would hope their compensation will reflect this when entering labor negotiations.

### 3. Information Items

#### A. Information Items:

##### A-1 Executive Director's Report

**Mr. Straw** reminded everyone the Employee of the Quarter barbecue will be on Thursday, October 31. He reviewed some of the comments coming out of the Regional Transit Advisory Committee (RTAC) meeting that adjourned a few minutes prior. There was no quorum but staff received some good feedback. The Summer Beach Shuttle ridership was very low and the farebox recovery ratio was about 1%. For those reasons, staff is recommending we do not continue with the service next summer.

Staff is moving forward with a notice to proceed to purchase eight new buses. We hired a new utility bus stop maintenance person. The primary focus for this position is to clean and maintain bus stops throughout the RTA service area. Staff is preparing to submit an application for Congestion Mitigation Air Quality (CMAQ) funds to address overcrowding on routes 9 and 10. This application will seek 80% federal money for three new buses and funding to operate additional express service for three years. Staff is also proposing the purchase of several Over-the-Road Coaches for this service.

Staff completed its on-site bus stop assessment project and is prioritizing a list of bus stop improvements. We are also finishing up a comprehensive Customer Perception Survey. This included employees and riders for RTA, Runabout and South County Transit (SCT), as well as an Internet-based stakeholder/non-rider survey. Staff will provide a summary of findings at the January Board meeting.

RTA finance and administrative staff completed the annual fiscal and compliance audit report for the last fiscal year. Financial results were positive.

Fixed route ridership keeps building, with 129,482 boardings through August 31, compared with 118,230 the previous year. This represents an increase of 9.5%. Runabout ridership set a new single-month record in August of 7,496 boardings, which is an increase of 20.2% over the previous year.

Runabout productivity dropped in August 2013 compared with the previous year, even though we had record passenger ridership. This is due to the additional daily Runabout hours added in July as part of the budget-making process to meet demand.

In short, all measurable performance standards on the Strategic Business Plan were met or exceeded year-to-date through August 2013.

The RTA Facility Subcommittee will meet on October 21 to discuss long-term operations and maintenance facility needs. We will report the results of that meeting at the November 6 Board meeting.

We will begin labor negotiations for the collective bargaining agreement (CBA) with Teamsters Local 986 that will expire on January 31, 2014. The first meeting will take place November 4 and will occur every two weeks until we finalize an agreement.

**Mr. Straw** concluded the Executive Director's report.

**Mr. Greening** raised two issues—the over-the-road coach passenger capacity is great. However, they have awkward bicycle and wheelchair loading and unloading. Can these be remedied? This is still a concern.

**Mr. Straw** said CHP will not allow bike racks on a 45 foot bus. The bike storage on this type of vehicle is in the belly of the bus. Something we will have to discuss is whether or not we allow bicycles in the bus for these express trips.

**President Mecham** inquired why CHP will not allow front bike racks. **Mr. Straw** informed him that it adds 3-4 feet and makes the vehicle too long.

#### A-2 Planning & Programming FTA-Funded Projects

**Mr. Straw** said staff went through each bus in the fleet and compared at least two replacement cycles based upon the number of miles each runs every year and created a replacement schedule for when we secure funding. The report looked at how much it cost by urbanized area in the county. We no longer have access to discretionary funding on the federal level. He reviewed with the committee operating costs, fleet replacement and other capital needs.

We assumed \$4M over 10 years using federal dollars to finance a new operations/maintenance facility. This was split into the three urbanized areas: North County, San Luis Obispo and South County. SLOCOG is authorized to move the federal money around based upon need.

Staff assumed zero growth in federal dollars and 5% annual increase in operating and all capital costs.

The committee discussed the need for a reserve policy, which hasn't been necessary because staff has been successful in securing grant money. **Ms. Tania Arnold** said we will probably bring to the January Board meeting a reserve policy to implement.

#### A-3 North County Transit Consolidation

**Mr. Straw** reviewed and discussed recent developments related to the North County Transit Consolidation. He presented a summary of costs, savings and possible penalties for both Atascadero and Paso Robles. **Ms. Arnold** pointed out we are making many assumptions regarding costs. Mr. Straw noted staff needs to know by the end of November if Atascadero will consolidate.

**Vice President Higginbotham** clarified that if Atascadero does not consolidate, the other jurisdictions will not back-fill. **Mr. Ron DeCarli** pointed to areas where the city will realize cost savings through consolidation. **Mr. Straw** indicated a projected \$500,000 of reduced need for 5307 funds through consolidation. This is important for all jurisdictions to consider.

**President Mecham** inquired about the cost for Atascadero to consolidate in a few years as opposed to now. **Mr. Straw** said from RTA's standpoint, there is no real difference related to start-up costs.

**Mr. Greening** inquired if RTA and/or SLOCOG will attend next week's Atascadero City Council meeting that will address the topic of consolidation. **President Mecham** said he assumed the council would be briefed by city staff on this subject. **Mr. Greening** said he wanted to make sure we were prepared to get all information to them and record RTA/SLOCOG's efforts. **Mr. Straw** added that based upon the meetings he's attended with Atascadero staff; they seem to be in favor of consolidating. **Mr. Greening** said he was looking forward to seeing the staff report.

#### **4. Action Items**

##### B-1 RTA Summer Special Services

**Mr. Straw** outlined the results of the Summer Beach Shuttle and the Youth Ride Free promotion.

Youth boardings on RTA routes went up from 30,820 in 2012 to 39,058 this year, representing 26.7% increase. Overall year-over-year ridership on RTA routes increased by 7.8%. Overall fare revenue went up by 31.4%. The average fare per passenger trip increased by 21.5% overall. The YRF promotion was very successful and many of the obstacles we observed last year were reduced or evaporated.

The Summer Beach Shuttle did not meet either performance standard that staff established. The ridership standard was 9.5 passengers per service hour, or 60 passengers per day, which totals 3,450 for the season. Actual ridership totaled only 2,085, or 6.2 passenger-boardings per hour.

The second standard was the farebox revenue expectation of \$2,588 total. The farebox receipts totaled only \$562, which equates to a farebox recovery ratio of about 1%. Even with Youth Ride Free offered on the Shuttle, we didn't attain the ridership standard. Because of this poor performance, staff is recommending that the Beach Shuttle program not be continued next year.

**Vice President Higginbotham** asked if the poor performance is because it is a new service. Sometimes you hear about service taking 2-3 years to gain steam. **Mr. Straw** said the rule of thumb is two years to build up a new service, with 65% of goals met in the first year. We just didn't get there.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of August 7, 2013

**Vice President Higginbotham** moved to approve Item C-1 and **President Mecham** seconded. The motion passed on a voice vote.

6. **Agenda Review:**

**Mr. Straw** reviewed the Board agenda, stating we will have closed session related to the property and labor negotiations.

The next Executive Committee meeting will be on December 11. He asked the Committee if they want to meet more frequently during Union negotiations. **President Mecham** suggested only meeting more often when necessary.

7. **Closed Session Items:**

None

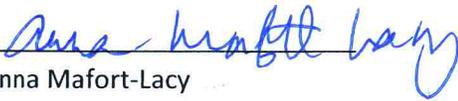
8. **Open Session:**

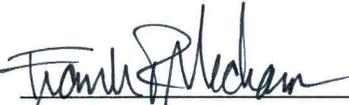
None

9. **Adjournment:** President Mecham adjourned the meeting at 11:00 a.m.

Respectfully Submitted,

Acknowledged by,

  
\_\_\_\_\_  
Anna Mafort-Lacy  
Administrative Assistant

  
\_\_\_\_\_  
Frank Mecham  
RTA President

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
MINUTES OF NOVEMBER 6, 2013**

**C-2**

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**BOARD MEMBERS PRESENT:**

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO  
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO  
SHELLY HIGGINBOTHAM, CITY OF PISMO BEACH (*Vice President*)  
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO  
JAMIE IRONS, CITY OF MORRO BAY  
FRANK MECHAM, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (*President*)  
TOM O'MALLEY, CITY OF ATASCADERO  
DEBBIE PETERSON, CITY OF GROVER BEACH  
CAREN RAY (FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO)

**BOARD MEMBERS ABSENT:**

TONY FERRARA, CITY OF ARROYO GRANDE  
JAN MARX, CITY OF SAN LUIS OBISPO  
FRED STRONG, CITY OF PASO ROBLES (*Past President*)

**STAFF PRESENT:**

GEOFF STRAW, EXECUTIVE DIRECTOR  
TANIA ARNOLD, CFO DIRECTOR OF ADMINISTRATION  
PHIL MOORES, OPERATIONS MANAGER  
TIM MCNULTY, SAN LUIS OBISPO COUNTY COUNSEL  
JAY NEWTON, RTA BUS OPERATOR  
TRENA WILSON, ADMINISTRATIVE ASSISTANT  
OMAR MCPHERSON, GRANTS MANAGER  
ANNA MAFORT-LACY, ADMINISTRATIVE ASSISTANT

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**CALL TO ORDER AND ROLL CALL:** President Frank Mecham called the meeting to order at 8:30 a.m. A roll call was taken and a quorum was present.

**Public Comments:** **Mr. Eric Greening**, Atascadero, presented a flyer and talked about an upcoming free seminar about computer guided pod cars on monorails that are being considered in some parts of the world.

**A. INFORMATION AGENDA:**

**A-1 Executive Directors Report:** **Mr. Straw** announced the quarterly barbecue lunch took place on October 31 and it was very festive—particularly since people dressed for Halloween. He introduced Operations Manager **Mr. Phil Moores**, who presented the Employee of the Quarter, **Mr. Jay Newton**.

**Mr. Moores** said Mr. Newton primarily drives Route 10 and has been with the company six years. He told a story about a woman eating a burrito on the bus who commended Mr. Newton for his performance and considerate method of asking her to put away the food while on the bus.

**Mr. Newton** thanked the staff and Board Members. He said it is good to have a program like this. It opens the door for new hires, knowing they can aspire to this goal. **President Mecham** thanked Mr. Newton for his service.

**Mr. Straw** showed some pictures from the barbecue and the South County Transit (SCT) ribbon-cutting event.

All RTA employees participated in the Nuclear 101 training sponsored by the San Luis Obispo County Office of Emergency Services (OES). This event helped drivers and dispatchers get a better understanding of their job duties in the event of an emergency at Diablo Nuclear Plant. All staff also participated in Verbal Judo training on Saturday, November 2. There were two training sessions. The holiday Christmas party will be held Sunday, December 15.

We will operate Sunday service the day after Thanksgiving, November 29, December 24 and December 31. The office will be closed and no service will be provided on November 28, December 25 and January 1.

We provided a notice to proceed to Gillig to purchase eight new low-floor 40-foot buses for RTA and one 35-foot bus for SCT. The buses will be delivered in 16-18 months. Staff is recommending we pull Consent Agenda Item C-4. Our ability to procure Runabout vehicles via the CalACT joint procurement is no longer permitted under recently-revised Federal Transit Administration (FTA) guidelines.

The fixed route fleet is currently in good shape with the new buses. However, the aging Runabout cutaway minibuses are requiring major repairs. The engines on these vehicles are built to last about 150,000 miles, but some in our fleet are approaching the 300,000 mark. In

the last month, we've had three engine failures and one transmission failure. Mr. Straw gave kudos to the maintenance crew for getting all but one vehicle up and running.

RTA staff continues to work with Atascadero and Paso Robles officials to implement recommendations from the North County Transit Plan.

Staff completed field work to review all RTA bus stops, review possible hazards and ensure they are accessible to the greatest possible degree. Staff is working with the County Public Works department on this project. The goal is to also present a list to all jurisdictions by the end of the year.

Staff completed a customer perception survey in October and November. Employees and riders were polled and the results will be presented at the January Board meeting. We have been working with the City of San Luis Obispo to sell RTA passes in conjunction with their own. This will provide a one-stop shop downtown for purchasing bus passes. Right now, our riders must go to the County Public Works counter to buy them. We hope to get this done by the end of January and will bring back an agreement at the next meeting.

RTA submitted a CMAQ application to San Luis Obispo Council of Governments (SLOCOG) for additional express service. We have a great deal of overcrowding on Route 9 in particular. This would be a good way to meet this need. One option is to buy additional low-floor transit buses like we currently have in our fleet. The other option is to buy over-the-road coaches that would be used specifically for these express runs. These vehicles have seats for 57 passengers, as opposed to 39 on the other vehicles. We hope to hear something back before the December SLOCOG Board meeting.

**Mr. Straw** announced **Ms. Tania Arnold** would present the findings of the Annual Fiscal and Compliance Audit. **Ms. Arnold** pointed to page 13 of the report and reviewed the farebox recovery ratio (FRR) for all fixed route, Runabout, Dial-A-Ride and the Cambria Trolley services. Fixed Route FRR was at 30.82%, up from 28.81% the prior year. The Runabout FRR dropped slightly to 4.03%, compared with 4.2% the previous year.

The Fiscal Audit provided a schedule of expenses on Page 16. For administration, we came under budget by \$155,259. For Service Delivery, we came under budget by \$278,137. Most notably, we were significantly under budget for Capital/Studies. This is because we budgeted for the new vehicles in Fiscal Year 12-13. Overall, we did very well. She thanked **Mr. Omar McPherson** and **Ms. Trena Wilson** for helping to get the information together. This is a very busy year, as we have three upcoming audits.

**Mr. Straw** thanked Tania for the report and her hard work. He then said Fixed Route ridership is tracking pretty closely each month and continues to trend up year after year. Runabout ridership is all over the place, although we set records in the months of July and August.

Fixed Route productivity is 22.2 passenger boardings per hour of service has exceeded RTA's goal of 21. Runabout productivity declined in August 2013, compared with the previous year, despite record boardings. This is due to additional daily Runabout hours added in July as part of the budget-making process to meet burgeoning demand. Staff will continue to monitor this to ensure Runabout operates as efficiently as possible.

**Mr. Straw** concluded his Executive Director's report.

**President Mecham** opened to Board comment.

**Board Member Bruce Gibson** inquired about the auditor's statement regarding internal control. Were any deficiencies cited and/or have we received a certification? He requested this be added to the Board packet. **Ms. Arnold** said this is the complete audit report. The internal controls are a separate letter that is not included in this report, but we do have it and can provide it at the next Board meeting.

**President Mecham** opened public comment.

**Mr. Greening** discussed the Nuclear Training 101. He said drivers are expected to make repeated trips into the danger zone should we have an issue at Diablo Canyon. He hoped the Board would take note of this during labor negotiations. Back when RTA contracted with private companies, such as First Transit, they could not be deputized. This added responsibility should be reflected in their compensation.

**President Mecham** closed public comment.

**President Mecham** closed Board comment.

**A-2 Planning and Programming FTA-Funded Projects report: Mr. Straw** reviewed changes to Federal Transit Administration (FTA) funding. The Program of Projects (POP) now has a longer planning horizon of five years. The current two-year federal transportation bill, Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21), no longer includes discretionary funds for transit capital projects. RTA received over \$4 Million in the last few years in FTA State of Good Repair funds, which are no longer available, to replace eleven 40-foot buses.

RTA used this opportunity to create a long-range vehicle replacement plan for the next 25 years. We assumed the status quo service levels and identified the need for 62 fixed route/trolley bus replacements and 88 Runabout/Dial-A-Ride minibus vehicles. Assuming an annual inflation of 5% in the cost of vehicles, RTA will require more than \$48 Million for vehicle replacements.

**Mr. Straw** presented a large document outlining a five-year budget of FTA 5307 and 5339 funds by project for the three Urbanized Areas.

**Mr. Straw** concluded his report.

**President Mecham** opened to Board comment.

**President Mecham** opened public comment.

**President Mecham** closed public comment.

**President Mecham** closed Board comment.

**A-3 North County Transit Consolidation Update:** **Mr. Straw** summarized recent developments related to the North County Transit Consolidation. The SLOCOG Board adopted a North County Transit Plan in June 2012 and the cities of Atascadero and Paso Robles also accepted it. The intent was to look at duplicate services and try to remove those duplications as a way to save money and resources.

The Plan identified five service recommendations:

1. Consolidate all Paso Express Routes into RTA, with Route C service becoming part of RTA Route 9.
2. Eliminate the El Camino Shuttle and Saturday Traveler Shuttle, replacing it with an extended RTA Route 9 in North Atascadero.
3. Maintain the Atascadero Dial-A-Ride within the City of Atascadero control.
4. Resume some transit service in downtown Templeton and provide service to Twin Cities Hospital.
5. Increase Route 9 express service during the week.

Two things we are trying to do is realize saving in Local Transportation Funds (LTF) on the local level and reduce demands on FTA 5307 funds for the region.

Between September 2012 and early 2013, SLOCOG retained consultants to do some additional work. During the process, we found some of the cost models were based on FY10-11 numbers and needed to be updated. We also noticed they were looking at savings without analyzing where the funds came from. We wanted to flush out and separate the revenues from the cities of Paso Robles and Atascadero. **Mr. Straw** said staff is quickly moving toward a consolidation with Paso Robles. A draft agreement is currently circulating among city staff. We hope to implement this service on June 1, 2014.

We are working with staff from the City of Atascadero, who has asked us to further develop the agreement. We hope to have a draft agreement out to them by the end of today. Our hope is the agreement will be presented for discussion at the December 10 city council meeting and possibly implement on June 1 as well.

**Mr. Straw** concluded his report.

**President Mecham** opened to Board comment.

**President Mecham** opened public comment.

**Mr. Greening** said that as an Atascadero resident, he strongly urges the City to work constructively with this process as it will create a substantial savings.

**President Mecham** closed public comment.

**Vice President Shelly Higginbotham** asked if Atascadero could consolidate with RTA at a later date if an agreement was not made simultaneously with Paso Robles. Can modifications be made at a later date? **Mr. Straw** said both cities are contracted with First Transit. The challenge would be to find another contractor to operate the smaller service. We can take our time with Atascadero and add them at a later date, if need be.

**Board Member Tom O'Malley** said he believes the Atascadero City Council will reach an agreement at the next meeting. I believe the staff recommendation will be to go forward. The Dial-A-Ride is very important to us. It meets a need for residents, particularly seniors who don't have another source of transportation. Atascadero has more miles of road with more hilly terrain than any other city in the county. It will be my recommendation that we move forward with the consolidation.

**President Mecham** closed Board comment.

## **B. ACTION AGENDA:**

**B-1 Analysis of Summer Special Services:** **Mr. Straw** briefly reviewed the Summer Youth Ride Free (YRF) program and the North County Summer Beach Shuttle.

This is the second year of YRF and we are seeing substantial increases in youth boardings, with 39,058 this year compared with 30,820 last summer. This represents an increase of 26.7%. It should be noted we saw an overall increase of 7.8%, so youngsters were not the only ones using the bus more during the summer months. The overall ridership was 184,066 this year, up from 170,794 in summer 2012. The fare per passenger trip rose from \$1.77 last year to \$2.15 this year. Staff recommends we participate in the YRF program next year, possibly from June 15 through August 15.

The Summer Beach Shuttle is a service that has been discussed for several years and links the North County with the North Coast. RTA and SLOCOG worked together to set aside \$40,000 in discretionary STA funds to operate this shuttle. We established two performance standards at the March 6, 2013 Board meeting to evaluate the success of this service. With input from

various groups, stakeholders and the public, staff created a route that began in Paso Robles, continued to Templeton and Atascadero before heading to Morro Bay and Cayucos on the coast via Highway 41. The Shuttle runs three round trips per day, five days a week, Tuesday through Saturday, from June 7 through August 24, 2013.

Unfortunately the service fell short on both the ridership and revenue performance standards. The established ridership standard was 9.5 passengers or 60 passengers per day, which totals 3,450 trip for the summer season. The established fare box revenue standard is 6%.

Actual ridership was about 60% of the standard and the fare box was approximately 1%. Because we fell so short of both performance standards, staff is recommending we do not continue the North County Beach Shuttle Service next year.

**Mr. Straw** concluded his Report.

**President Mecham** opened Board comment.

**Board Member Debbie Peterson** provided feedback from a couple of Grover Beach business people who love riding the bus. One said there was still a problem of youth overcrowding on South County Transit Routes 21 and 24. Also, the seats on the new buses are not very comfortable. This is a community that rides the bus. Another person reported feeling more constrained and unable to have personal conversations with the drivers because of the cameras. Finally, Board Member Peterson said the YRF program seems to help young people get comfortable riding buses.

**Board Member O'Malley** spoke favorably about the service to the coast. I would like to work with **Morro Bay Mayor Jamie Irons** and their city council to look at future options along Highway 41 in a few years.

**Board Member Irons** appreciated RTA staff efforts to take on a proactive role in educating groups for the YRF program. He also said the Beach Shuttle service was a creative endeavor and should not be entirely shelved. He welcomed the opportunity to collaborate with Atascadero on options for this project at a later date.

**President Mecham** opened public comment.

**Mr. Greening** said he reluctantly supports staff recommendation to cease operating the Summer Beach Shuttle service. He agreed with Board Members O'Malley and Irons that this service should not be forgotten. Allowing 2 ½ months for a service to prove itself is not the industry standard. Ideally we should give it another try and see if it is more successful next summer.

He enthusiastically supports staff recommendation to continue with the Youth Ride Free program. He urged staff not to squeeze the service time too much, as schools are an excellent resource for getting the word out. Providing this service during the last week of school allows

them to try it immediately and this makes it seem like a more viable option to those unfamiliar with public transit.

**President Mecham** closed public comment.

**President Mecham** closed Board comment.

**Board Member Gibson** moved to approve Action Agenda Item B-1. **Board Member O'Malley** seconded, and the motion carried on a voice vote.

**C. CONSENT AGENDA:**

- C-1 Executive Committee Meeting Minutes of August 7, 2013 (Approve)
- C-2 RTA Board Meeting Minutes of September 4, 2013 (Approve)
- C-3 Amend CBA with Teamsters Local 986 to Recognize "Part-Time/Health-Benefited" Employees (Approve)
- C-4 Authorize Executive Director to Conduct a Multi-Year Joint Procurement for Paratransit Vehicles (Approve)

As noted in the Executive Director's report, Item C-4 was pulled from the Consent Agenda.

**President Mecham** opened Board comment.

**President Mecham** opened public comment.

**President Mecham** closed public comment.

**President Mecham** closed Board comment.

**Vice President Higginbotham** moved to approve Consent Agenda Items. **Board Member Gibson** seconded, and the motion carried on a roll call vote.

**D. CLOSED SESSION:**

D-1-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization: Teamsters Local Union No. 986

D-1-2 It is the intention of the Board to meet in closed session concerning the following items:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code Sec. 54956.8):**

**Agency Negotiators:** Geoff Straw  
**Under Negotiation/Discussion:** Price and Terms of Payment

**Properties:**  
**179 Cross Street, San Luis Obispo, CA** (APN: 053-257-032)  
Negotiating Party: LTC of SLO, Ltd.

**40 Prado Road, San Luis Obispo, CA** (APN: 053-022-014)  
Negotiating Party: Rescal SLO193 LLC

RTA went into *Closed Session* at 9:36 a.m. and returned to *Open Session* at 9:46 a.m.

**Open Session:** Mr. Tim McNulty, Legal Counsel, reported that the Board met in closed session, no reportable action was taken.

**BOARD MEMBER COMMENTS:** There were no comments.

**ADJOURNMENT:** President Mecham adjourned the RTA meeting at 9:47 a.m.

Respectfully Submitted,

Anna Mafort-Lacy  
RTA, Administrative Assistant

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Federal FY 2014 Certifications and Assurances for Federal Transit Administration Assistance Programs

**ACTION:** Approve

**PRESENTED BY:** Omar McPherson

**STAFF RECOMMENDATION:** Authorize Geoff Straw and Tim McNulty to execute and submit the 2014 Certifications and Assurances to the appropriate agencies on behalf of RTA

**BACKGROUND/DISCUSSION:**

Each year, the California Department of Transportation (Department) and RTA must recertify to the Federal Transit Administration (FTA) that all applicable Federal requirements are adhered to when administering Federal grants. To this end, the Department and RTA obtain certification from sub-recipient agencies that they too will comply with applicable Federal requirements.

Due to the recent delays in enacting FY2014 legislation, FTA has not yet published the 2014 Certifications and Assurances in the Federal Register. However, once this is completed, RTA will need to execute and submit the 2014 Certifications and Assurances document to the appropriated agencies to remain an eligible grantee and sub-recipient of FTA funds. RTA fulfills this requirement annually and ensures that these Federal requirements are followed.

**RECOMMENDATION:**

Staff recommends the Board authorize Geoff Straw and Tim McNulty to execute and submit the 2014 Certifications and Assurances to the appropriate agencies on behalf of RTA.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-4

**TOPIC:** Conflict of Interest Update

**ACTION:** Approve Amendment

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Approve Resolution

**BACKGROUND/DISCUSSION:**

The State Political Reform Act requires every local government agency to review its “Conflict of Interest Code” biennially to determine if it is accurate or, alternatively, that the code must be amended. RTA’s Code was first adopted in September 1994 to reflect RTA as an independent, self-governing entity (separate from the county).

In 2004 Conflict of Interest Code – *Biennial Notice* noted the new requirement to have all conflict-of-interest codes reflect the change in filing deadline for Statement of Economic Interest, which is now April 1st.

Every public agency or entity is required to adopt a *Conflict of Interest Code* pursuant to the State Political Reform Act of 1974 (Government Code Section 81000, et seq.). RTA’s Conflict of Interest Code was last amended in November 2004 to modify Article III, Section 302 – b) to incorporate the April 1<sup>st</sup> filing deadline.

As a result of the Rideshare program joining the San Luis Obispo Council of Governments in 2007, RTA staff submitted a revised Conflict of Interest Code removing the Rideshare Program Manager and adding the RTA Accountant.

In order to reflect the current titles used, RTA staff is hereby submitting a revised Conflict of Interest Code updating the title of Executive Director (formally Transit Manager), CFO/Director of Administration (formally Accountant), and adding the Grants Manager. The standard conflict of interest code as provided for in Section 18723 of the California Code of Regulations, including any amendments thereof, are being adopted by reference into this conflict of interest code.

Designated positions subject to this policy includes each RTA delegate and alternate, the Executive Director, CFO/Director of Administration, and Grants Manager.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)**

**CONFLICT OF INTEREST CODE**

ARTICLE I

GENERAL

Section

100. Purpose and Effect.

- a) Pursuant to the provisions of Government Code Section 87300, the San Luis Obispo Regional Transit Authority (RTA) hereby adopts the following Conflict of Interest Code. This Code shall be interpreted in a manner consistent with Government Code Section 81000 – *the “Political Reform Act of 1974,”* et seq.; (the “Act”) and the Regulations adopted pursuant thereto by the Fair Political Practices Commission. The provisions of this Code are in addition to Government Code Sections 87100, 1090-1097, 1125-1127, Education Code Section 1171, et seq., and other laws pertaining to conflicts of interest.
- b) This Code has the force and effect of law and any violation of this Code shall be deemed a violation of Chapter 7 of the Act, Government Code Section 87100, et seq., and will be subject to the enforcement and penalty provisions provided for in the Act.

101. Definitions. Except as provided in subsections (a) and (b), the definitions contained in the Act and the regulations adopted pursuant thereto are incorporated into this Code.

- a) The definition of “Investment” contained in the Act (Government Code Section 82034) is incorporated herein, except that the term “investment” shall not include ownership of less than one-half (1/2) of one (1) percent of the outstanding securities of a business entity whose securities are registered with the Securities and Exchange Commission of the United States Government.
- b) The definition of “Income” contained in the Act (Government Code Section 82030) is incorporated herein, except that “income” shall not include a designated employee’s compensation received from the Council.

102. Effective Date of Code. This Code shall become effective on \_\_\_\_\_.

103. Severability. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase or word of this Code is for any reason held to be invalid, unconstitutional or unenforceable, such decision shall not affect the validity of the remaining portions of this Code. It is hereby declared that this Code, and each section, subparagraph, sentence, clause, phrase and word thereof, would have been adopted irrespective of the fact that one or more of such portions of this Code be declared invalid, unconstitutional or unenforceable.

104. Statute of Limitations. No action based on a disqualification provision of this Code shall be brought pursuant to Government Code Section 91003(b) to restrain the execution of, or to set aside official action of the RTA unless commenced within ninety (90) days following the official action.

## ARTICLE II

### DESIGNATED POSITIONS AND REPORTABLE FINANCIAL INTERESTS

#### Section

200. Designated Positions and Designated Employees. The positions within the RTA identified in Exhibit "A" of this Code are hereby established as "designated positions." Any officer, employee, governing board member (where appropriate) or consultant of the RTA whose position with the RTA is a "designated position" in Exhibit "A" of this Code is a "designated employee." A person is a designated employee when the person's position with the RTA entails the making or participation in the making of decisions, which may foresee ably have a material effect on a financial interest.
201. Reportable Financial Interests. In Exhibit "A" of this Code, each designated position is assigned disclosure category numbers, which correspond to specific financial disclosure categories set forth in Exhibit "B." Each designated employee shall disclose those financial interests required in the Exhibit "B" disclosure categories listed next to his/her designated position in Exhibit "A."
202. Scope of Reportable Financial Interests. Only "financial interests" can be made reportable by a conflict of interest code. For disclosure purposes, the Act divides financial interests into three groups: investments, interests in real property and income (Government Code Section 87302(b)). Except as modified in Section 101 of this Code, the broad definitions and limitations of the terms investment, interest in real property and income are found in the Act (Government Code Sections 82034, 82033, and 82030). If a financial interest does not fit within any of these three definitions, a designated employee cannot be required by a conflict of interest code to disclose that interest. In addition, the types and scope of investments, interests in real property and income made reportable by a designated employee's disclosure categories may, in many situations, be narrower than the basic definitions found in the Act. To prevent over disclosure, each designated employee should therefore consult the definitions of investments, interests in real property, and income, as well as his or her specific disclosure categories before filling out the statement of financial interests.
203. Manner of Reporting Financial Interests. Except as provided in subsections (a) & (b), the manner of reporting reportable investments, interests in real property and income shall be pursuant to Government Code Sections 87206 and 87207.
- (a) Designated employees are not required to comply with Government Code Section 87206(e).
  - (b) For purposes of Government Code Section 87207(b)(2) and (3), the disclosure of the names of clients or customers who paid fees to the business entity is required only if it is reasonably foreseeable that financial interest of the client or customer may be materially affected by any RTA related decisions made or participated in by the designated employee.

## ARTICLE III

### FILING OF STATEMENTS OF FINANCIAL INTERESTS

#### Section

300. Duty to File Statements of Financial Interests. It shall be the duty of each designated employee to file statements of financial interests conforming to all applicable requirements of this Code. Such statements shall be on forms provided by the County Clerk upon request.
301. Designation and Duties of Filing Officer; Place of Filing Statements.
- a) The RTA herewith delegates authority and responsibility to the County Clerk for receipt of all statements of financial interests and for administration of the duties of the filing officer delineated in Government Code Sections 81008, 81010, and 91013.
  - b) Designated employees shall file any statements required by this Code with the County Clerk who shall retain the original and forward a copy to the RTA. Both the County Clerk and the RTA shall make statements accessible to the public in a manner consistent with Government Code Section 81008.
  - c) Upon request, the County Clerk shall supply copies of pertinent sections of the Act, this Code, disclosure forms and instruction manuals for filling out disclosure forms.
302. Times of Filing and Periods Covered by Statements.
- a) Initial Statements shall be filed by each designated employee within thirty (30) days after the effective date of this Code and shall disclose investments and interests in real property (but not income) held at the time of filing. Persons appointed, promoted, or transferred to designate positions shall file initial statements within thirty (30) days after the date of assuming the position.
  - b) Annual Statements shall be filed April 1 disclosing reportable investments, interests in real property and income held or received in the period since the closing date of the designated employee's previously filed statement and December 31<sup>st</sup>.
  - c) Leaving Office Statements shall be filed by every person who leaves a designated position specified in Exhibit "A" within thirty (30) days after leaving the position, disclosing his or her reportable investments, interests in real property and income during the period since the closing date of the previous statement filed pursuant to this Code. The statement shall include any reportable investments, interests in real property, and income held or received at any time during the period covered by the statement, whether or not still held at the time of filing.

ARTICLE IV  
DISQUALIFICATION

Section

400. Circumstance Requiring Disqualification.

- a) A designated employee must disqualify himself or herself from making or participating in the making of any decision, or from using his or her official position to influence a RTA decision, if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from the decision's effect on the public generally, on any reportable\* financial interest (except gifts of less than \$250.00) or upon any business entity in which the designated employee holds a position of management or is a director, officer, partner, trustee, or employee.
- b) No designated employee shall be prevented from making or participating in the making of any decision:
  - 1) Which relates to his or her compensation from the RTA, or the terms and conditions of his or her employment or contract with the RTA; or
  - 2) To the extent his or her participation is legally required for the decision to be made. The fact that an official's vote is needed to break a tie does not make his or her participation legally required for purposes of this section.

401. Manner of Disqualification.

- a) If a person required to disqualify pursuant to Section 400 is a member of a decision-making board, commission or committee, he or she shall:
  - 1) Give notice of the existence of the conflict at the meeting during which consideration of the decision takes place, the notice to be made part of the official record; and
  - 2) Refrain from participating in the decision or in any way attempting to use his or her official position to influence the decision.
- b) All other designated employees required to disqualify pursuant to Section 400 shall do so by notifying his or her supervisor in writing, describing with particularity the nature of the conflicting financial interest. Upon receipt of such statement, the supervisor shall reassign the matter to another employee.

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\* Although not required by this Code, under Government Code Section 87100 and other conflict of interest laws, a public official or employee (whether designated or not) may be required to disqualify himself or herself from making or participating in a decision in situations where a financial interest, although not subject to disclosure by a conflict of interest code, may foresee ably be materially affected by the decision.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)  
Conflict of Interest Code

EXHIBIT A

Designated Position List

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
RTA Director	1,2,3
Alternate RTA Director	1,2,3
<u>Executive Director</u>	<u>1,2,3</u>
<u>Regional Transit Manager</u>	<u>1,2,3</u>
<u>CFO/Director of Administration</u>	<u>1,2,3</u>
<u>Accountant</u>	<u>1,2,3</u>
<u>Grants Manager</u>	<u>1,2,3</u>

(1) A RTA Director who is a Board of Supervisors Member reports under Conflict of Interest Code for the County Board of Supervisors and is not required to file a separate statement under the RTA Code.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)  
Conflict of Interest Code

EXHIBIT B

Disclosure Categories

Category Number:

1. Interests in real property<sup>(1)</sup> located within, or not more than one-half (1/2) mile outside the County boundary.
2. Investments<sup>(2)</sup> in, and income<sup>(3)</sup> from, any business entity doing business within the County.
3. Income<sup>(3)</sup> of any business entity in which the filer or spouse owns a 10% interest or greater, which is derived from client(s) or customer(s) who, with reasonable foresee ability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category if the filer's pro rata share of fees from such client or customer was greater than \$1,000 in the reporting period in the case of businesses providing legal or brokerage services, or \$10,000 for all other types of businesses.

See Footnotes on following page.

## FOOTNOTES

(Applicable to ALL Categories. See Referenced Sections of the Government Code for Complete Definitions.)

- (1) Interests in real property of the filer include those of the filer's spouse and dependent children as well as the filer's pro rata share of interests in real property owned by any business entity or trust in which filer or spouse owns a 10% interest or greater. Excluded are interests in real property with a fair market value of less than \$1,000 or property, which is used principally as the place of residence of the filer. (Government Code Sections 82033 and 87206.5)
- (2) Investments of a filer include those of the filer's spouse and dependent children as well as the filer's pro rata share of investments owned by any business entity or trust in which the filer or spouse owns a 10% interest or greater. Excluded are assets with the fair market value of less than \$1,000 or ownership of less than one-half (1/2) of 1% of the outstanding securities of a business entity whose securities are registered with the Securities and Exchange Commission. (Government Code Section 82034 and Section 101 of this Code)
- (3) Income includes a filer's community property interest in income of his or her spouse, as well as the filer's pro rata share of income of any business entity or trust in which the individual or spouse owns a 10% interest or greater. Income also includes non-family gifts worth more than \$25. (Government Code Section 82030)

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-5

**TOPIC:** FTA 5304 Joint Short Range Transit Plan Application – for RTA and San Luis Obispo Transit

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Authorize Geoff Straw to submit the FY 2014 Joint Short Range Transit Plan Application on behalf of RTA and San Luis Obispo Transit.

**BACKGROUND/DISCUSSION:**

Last year staff applied FTA 5304 planning grant to conduct a joint Short Range Transit Plan (SRTP) study effort with SLO Transit and was informed in late July 2013 by Caltrans that this project was not funded. RTA and SLOCOG staff participated in a teleconference on August 22 to determine possible ways to improve the application for a future round of funding.

Staff is proposing to seek FTA Section 5304 planning funds to conduct a joint Short Range Transit Plan (SRTP) study effort with San Luis Obispo Transit (SLO Transit). This joint effort would permit us to better coordinate our service and capital plans, while also studying some of the impediments of travel between our agencies' routes. SLO Transit's SRTP expires in FY13-14, while RTA's technically expires in FY14-15. However, RTA SRTP was based on data from FY07-08, and a significant number of changes occurred between the time the study effort began and when it was finally adopted in December 2010. Two examples are that RTA constructed a new operations/maintenance facility in 2006 to 2008, and we took the service in-house in 2009. Under this joint planning effort, RTA would act as the lead agency to submit the grant application before the February 3, 2014 deadline.

**RECOMMENDATION:**

Authorize Geoff Straw to submit the FY 2014 Joint Short Range Transit Plan Application on behalf of RTA and San Luis Obispo Transit.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-6

**TOPIC:** Resolution Authorizing RTA to Submit Application for State Proposition 1B Safety and Security Funds

**ACTION:** Approve

**PRESENTED BY:** Omar McPherson, Grants Manager

**STAFF RECOMMENDATION:** Adopt Resolution

Proposition 1B Safety and Security bond funding was passed November 2006 by the voters. This passage estimates that \$639,000 will come to San Luis Obispo County for capital projects over the next three years. RTA is an eligible recipient of this funding.

Besides RTA, eligible recipients of the Proposition 1B funds include SCT, the City of Morro Bay, the City of San Luis Obispo, the City of Atascadero, the City of Paso Robles and San Luis Obispo County. Grants are due in the San Luis Obispo Council of Governments offices by February 3, 2014. Projects must be transit-related capital projects and have a life span minimum of 10 years.

**Staff recommends approval of the resolutions authorizing the RTA Executive Director or Grants Manager to submit Proposition 1B grant applications up to \$213,000 for various Safety and Security Capital needs for the year 2013/14.**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
RESOLUTION NO. 14-\_\_**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT  
AUTHORITY BOARD OF DIRECTORS,  
AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE  
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS FOR  
CALIFORNIA PROPOSITION 1B SAFETY AND SECURITY PROGRAM  
FUNDS**

**WHEREAS**, San Luis Obispo Regional Transit Authority is under contract to fully administer transit services for the County of San Luis Obispo; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority (RTA) and the County of San Luis Obispo are eligible applicants for California Proposition 1B Program funds; and,

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are in need of various materials, supplies, and equipment, all of which are eligible for purchase under the California Proposition 1B Fund Program Policies and Procedures; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo will continue to provide transportation services, including complementary ADA service, in San Luis Obispo County; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority is seeking grant funding to maximize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are requesting up to **\$213,000** for 13/14 funding year cycle from the Proposition 1B Safety and Security Fund Program for the purchase of various materials, supplies and equipment connect with the Safety and Security guidelines.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director or his Designee to submit a proposal to the San Luis Obispo Council of Governments from the California Proposition 1B Safety and Security Fund Program of up to **\$213,000** for 13/14 funding year for the purchase of various materials, supplies and equipment connect with the Safety and Security guidelines.

**BE IT FURTHER RESOLVED**, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

**BE IT FURTHER RESOLVED**, that the Executive Director or his Designee is hereby authorized to submit said funding requests.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby adopted this 8<sup>th</sup> day of January 2014.

\_\_\_\_\_  
Frank Mecham, President  
San Luis Obispo Regional Transit Authority

**ATTEST:**

\_\_\_\_\_  
Geoff Straw, Executive Director  
San Luis Obispo Regional Transit Authority

**APPROVED AS TO FORM AND LEGAL EFFECT:**

Rita L. Neal  
County Counsel

By: \_\_\_\_\_  
Timothy McNulty, Counsel  
San Luis Obispo Regional Transit Authority

Date: \_\_\_\_\_

**SAN LUIS OBISPO REGIONAL TRANIST AUTHORITY**

**January 8, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-7

**TOPIC:** Resolution Authorizing RTA to Submit Application for Rural Transit Program Funds

**ACTION:** Approve

**PRESENTED BY:** Omar McPherson, Grants Manager

**STAFF RECOMMENDATION:** Adopt Resolution

In 2003, the San Luis Obispo Council of Governments and the San Luis Obispo Regional Transit Authority agreed to exchange Federal Transit Administration (FTA) Section 5311 funds for Transportation Development Act (TDA) funds to create the local Rural Transit Fund Program. The new program included the same eligibility of recipients and projects as the Section 5311 program, and made the access and availability of funds much easier for the rural transit operators, including RTA.

There is an estimated \$453,000 available for the 2014/2015 fiscal year. Eligible recipients of the rural transit funds include RTA, the City of Morro Bay and San Luis Obispo County. Grants are due in the San Luis Obispo Council of Governments offices by February 3, 2014.

Staff is requesting authorization to submit a grant application of up to \$453,000 for the purchase of various materials, supplies and equipment. Staff recommends approval of the resolution.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
RESOLUTION NO. 14-\_\_\_\_\_**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT  
AUTHORITY BOARD OF DIRECTORS,  
AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE  
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS  
RURAL TRANSIT FUND PROGRAM**

**WHEREAS**, San Luis Obispo Regional Transit Authority is under contract to fully administer transit services for the County of San Luis Obispo; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority (RTA) and the County of San Luis Obispo are an eligible applicant for Rural Transit Program funds (formerly FTA Section 5311); and,

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are in need of various materials, supplies, and equipment, all of which are eligible for purchase under the Rural Transit Fund Program Policies and Procedures; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo will continue to provide transportation services, including complementary ADA service, in San Luis Obispo County; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are seeking grant funding to maximize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

**WHEREAS**, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are requesting up to **\$453,000** from the Rural Transit Fund Program for the purchase of various materials, supplies and equipment including proposed tenant improvements for a maintenance facility.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit a proposal to the San Luis Obispo Council of Governments from the Rural Transit Fund Program of up to **\$453,000** for the purchase of various materials, supplies and equipment including proposed tenant improvements for a maintenance facility.

**BE IT FURTHER RESOLVED**, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

**BE IT FURTHER RESOLVED**, that the Executive Director is hereby authorized to submit said funding requests.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby adopted this 8<sup>th</sup> day of January 2014.

\_\_\_\_\_  
Frank Mecham, President  
San Luis Obispo Regional Transit Authority

**ATTEST:**

\_\_\_\_\_  
Geoff Straw, Executive Director  
San Luis Obispo Regional Transit Authority

**APPROVED AS TO FORM AND LEGAL EFFECT:**

Rita L. Neal  
County Counsel

By: \_\_\_\_\_  
Timothy McNulty, Counsel  
San Luis Obispo Regional Transit Authority

Date: \_\_\_\_\_