



RTA BOARD AGENDA

Wednesday, November 6, 2013
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.

A. INFORMATION AGENDA

- A-1 Executive Director's Report (Receive)
- A-2 Planning and Programming of FTA-Funded Projects (Information; table to be handed out at meeting)
- A-3 North County Transit Consolidation Update (Information)

B. ACTION AGENDA

- B-1 RTA Summer Special 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 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)

D. CLOSED SESSION ITEMS

- 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: 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

Next RTA meeting:

- Possible joint meeting with SLOCOG on December 4, 2013.
- Next regularly-scheduled meeting on January 8, 2014

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 6, 2013

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Receive as Information

BACKGROUND/DISCUSSION:

Operations:

RTA conducted its quarterly Employee of the Quarter barbecue lunch on October 31, and the winner will join us at our November 6th Board meeting. A total of 30 nominations were submitted by fellow RTA team members and by riders.

The Regional Transportation Advisory Committee met on October 16, although a quorum was not achieved. Items discussed by RTAC included an initial discussion on updating the RTA Strategic Business Plan, as well as a review of RTA special summer services performance. RTAC members seemed to support participation in the summer Youth Ride Free program in 2014, and to support elimination of the Summer Beach Shuttle due to low ridership. RTAC will further discuss the Strategic Business Plan at its quarterly meeting in January 2014.

On October 10th, all RTA staff members participated in "Nuclear 101" training conducted over two classes provided by the SLO County Office of Emergency Services. By all accounts this training was well-received and it provided a forum to discuss RTA employees' responsibilities in case of a nuclear release at Diablo Canyon. Per-person funding for the training was provided by OES.

All staff also participated in the second annual Verbal Judo training on November 2nd. This training builds upon the tools discussed at last year's program to assist employees in "disarming" agitated riders and in optimally dealing with other high-stress situations.

RTA is planning its Holiday Party for the late-afternoon/early-evening of December 15th in San Luis Obispo. Please mark your calendars now; staff will send out invitations in the coming weeks with details on the exact time and location.

RTA has determined holiday season service levels, and will begin to advertise the following dates on our website and on the buses that our administrative offices will be closed and a Sunday service level will be operated on November 29th, December 24th

and December 31st. In addition, the offices will be closed and no service will be provided on November 28th, December 25th and January 1st.

Maintenance:

At the May 1, 2013, meeting, the RTA Board authorized procurement of up to eight low-floor 40-foot buses. On October 23rd, RTA issued a Notice to Proceed for these eight buses, along with one 35-foot bus for South County Transit to the Gillig Corporation. This procurement was made possible by RTA and SCT's involvement in the 22-agency 5-year joint procurement led by the Central Costa County Transit Authority. We are currently negotiating final details, including delivery dates. Based on preliminary discussions with Gillig officials, the buses will be delivered in 16 to 18 months.

Also at its May 1, 2013 meeting, the RTA Board authorized staff to procure four Runabout cutaway minibuses through a joint procurement managed by the CalACT. However, recent FTA joint procurement restrictions have deemed that 2011 program invalid. As such, Agenda Item C-4 requests authorization for staff to develop and manage its own RFP process to procure these types of vehicles and possible future options over the next five years.

The RTA fleet is in good shape – especially with the arrival of the seven new 2013 buses. However, our oldest Runabout cutaway minibuses have caused some reliability challenges in past few months. In particular, four of our six 2007 and 2008 cutaway vehicles have required major engine and/or transmission repairs in the last month. These gasoline-powered engines require either a full engine replacement (~\$4,000 for parts) or installation of rebuilt heads (\$2,800) at 100,000 to 130,000-mile intervals. Since these older minibuses have close to 300,000 miles on them and are due for replacement, the maintenance staff is doing a good job limping them along until the replacement buses arrive. This has required RTA to occasionally use non-accessible vehicles to serve ambulatory Runabout riders, which is less than ideal from a productivity and flexibility standpoint.

Service Planning & Marketing:

RTA staff is working closely with officials from the cities of Atascadero and Paso Robles to implement the recommendations in the North County Transit Plan. A further discussion of this topic is provided in Agenda Item A-3.

Agenda Item B-1 includes a discussion of recent performance measures and recommendation for possible continuation/elimination for two seasonal summer services: the Summer Youth Ride Free program, and the Summer Beach Shuttle program.

Staff has completed its on-site bus stop assessment project, and is currently developing a prioritized list of bus stop improvements that we will first share with SLO County staff, and then with each city's public works department. We anticipate forwarding the study report to each jurisdiction by the end of the calendar year.

During the month of October and early part of November, RTA wrapped up its first comprehensive RTA Customer Perception Survey. This effort included an employee survey, a Rider Survey for RTA, Runabout and South County Transit customers, and an Internet-based stakeholder/Non-Rider survey. We will provide a summary of this effort at the January 2014 RTA Board meeting, focusing on how it can assist us in implementing performance measures and service improvements identified in our Strategic Business Plan.

RTA is working with the City of San Luis Obispo to sell RTA passes at City Hall. That would permit riders to buy RTA and/or SLO Transit passes from one single outlet, and the City would accept credit cards; SLO County, which currently sells passes downtown, does not accept credit cards. Our goal is have this agreement in place in January, which means the City would need to bring the draft agreement before the City Council by November or December so that the RTA Board could possibly consider it at its January 8, 2014 meeting.

Finance and Administration:

During the preceding quarter, staff worked closely with our auditors to complete the RTA Annual Fiscal and Compliance Audit report for FY12-13, which is attached to this report. Overall, financial results were positive, and the auditors affirmed the information reported is fairly stated in all material respects in relation to the financial statements as a whole. It should be noted that this is the second consecutive year that the audit was completed relatively early in the calendar year. Kudos to Tania Arnold, who led the audit effort, as well as Omar McPherson and Trena Wilson, both of whom assisted in completing the process quickly and efficiently.

Preliminary financial data for the first two months of FY13-14 are included in the attached report. In summary, this report covers 16.7% of the budget year, and overall non-capital expenditures equaled 14.6% of the annual budgeted amount. While it is too early to draw any conclusions or determine any trends, it is important to note a couple of issues presented in the financial and operating tables:

1. Similar to the July results presented at the September RTA Board meeting, total fixed route farebox revenues of \$280,649 include a “slug-load” of bulk institutional pass sales that tend to occur at the beginning of each fiscal year. As such, the 42.4% farebox recovery ratio (FRR) reported for fixed route is somewhat misleading and will decline as the year progresses.
2. RTA paid for its seven new buses in September, so that capital expenditure will be presented when the September financial statements are completed. All other capital projects in the budget are subject to the availability of funding, as well as available staff resources to implement each project.

Fixed route ridership remains strong, with 129,482 boardings through August 31, in comparison to 118,230 in the prior year. This represents a year-over-year increase of 9.5%, and both July and August represent record ridership months in comparison to

previous monthly totals. Runabout ridership set a new single-month record in August – surpassing the previous record in July – totaling 7,496 boardings year to date, and equating to a year over year increase of 20.2% over YTD August 2012 Runabout boardings.

Fixed route productivity of 22.2 passenger-boardings per service hour through August 2013 exceeded RTA's goal of 21.

Runabout productivity actually declined in August 2013 in comparison to previous August monthly figures, despite record passenger boardings. That is due to the additional daily Runabout hours added in July as part of the budget-making process to meet burgeoning demand. Staff will continue to monitor this important metric to ensure Runabout is operated as efficiently as possible while still meeting ADA service requirements.

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

RTA Facility Planning

Staff met with the property owner at 179 Cross Street to propose a possible purchase, and we are awaiting an answer. Because no answer was received in time, the originally-scheduled October 21, 2013 RTA Facility Subcommittee was cancelled. Further developments on this topic will be discussed in Closed Session on November 6th.

Labor Relations

Agenda Item C-3 includes a formal amendment to the Collective Bargaining Agreement (CBA) with Teamsters Local 986 to incorporate the new Part-Time/Health-Benefited employee designation.

RTA's current CBA expires on January 31, 2014. As permitted under the CBA, staff began negotiations with Teamsters officials on November 4, 2013. Preliminary findings from that meeting will be discussed in Closed Session on November 6th.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

		Adopted Budget FY 2013-14	July Actual	August Budget	August Actual	August Variance	Year to Date FY 2013-14	Percent of Total Budget FY 2013-14
	Hours	60,118	5,496	5,010	5,621	(611)	11,117	18.49%
	Miles	1,594,232	140,513	132,853	143,189	(10,336)	283,702	17.80%
Administration:								
	operations cost	731,454	50,270	60,954	59,462	1,492	109,732	15.00%
Labor - Administration Workers Comp	operations cost	35,690	2,066	2,974	2,066	908	4,133	11.58%
Office Space Rental	operations cost	416,190	32,127	34,683	31,785	2,898	63,912	15.36%
Property Insurance	operations cost	16,186	15,820	-	-	-	15,820	97.74%
Professional Technical Services	operations cost	90,725	15,000	-	-	-	15,000	16.53%
Professional Development	operations cost	16,250	200	1,354	871	483	1,071	6.59%
Operating Expense	operations cost	183,670	16,550	15,306	13,783	1,523	30,333	16.52%
Marketing and Reproduction	hourly	92,300	3,921	7,692	8,900	(1,208)	12,821	13.89%
North County Management Contract	operations cost	(6,620)	-	-	-	-	-	0.00%
County Management Contract	operations cost	(87,500)	(7,292)	(7,292)	(7,292)	-	(14,583)	16.67%
SCAT Management Contract	operations cost	(77,500)	(6,458)	(6,458)	(6,458)	-	(12,917)	16.67%
	Total Administration	1,410,846	122,204	109,213	103,118	6,095	225,322	15.97%
Service Delivery:								
Labor - Operations	hourly	2,869,163	212,402	239,097	219,396	239,097	431,798	15.05%
Labor - Operations Workers Comp	hourly	206,962	11,982	17,247	11,982	5,265	23,965	11.58%
Labor - Maintenance	hourly	760,398	54,554	63,366	52,238	11,129	106,792	14.04%
Labor - Maintenance Workers Comp	hourly	63,811	3,681	5,318	3,694	1,623	7,375	11.56%
Fuel	miles	1,490,155	108,265	124,180	119,692	4,488	227,957	15.30%
Insurance	miles	352,037	28,598	29,336	29,158	179	57,756	16.41%
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	n/a	81,700	6,321	6,808	6,168	641	12,489	15.29%
Avila Trolley	n/a	66,100	8,250	5,508	8,756	(3,248)	17,006	25.73%
Maintenance (parts, supplies, materials)	miles	536,934	18,661	44,744	28,368	16,377	47,029	8.76%
Maintenance Contract Costs	miles	127,202	-	10,600	8,525	2,075	8,525	6.70%
	Total Operations	6,554,461	452,715	546,205	487,976	58,229	940,691	14.35%
Capital/Studies:								
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	-	-	-	-	-	0.00%
Runabout Vehicles		360,000	-	-	-	-	-	0.00%
	Total Capital Outlay	4,878,316	-	-	-	-	-	0.00%
Contingency	hourly	101,915	-	8,333	-	8,333	-	0.00%
Interest Expense	operations cost	133,954	13,269	11,163	13,269	(2,106)	26,538	19.81%
Loan Paydown		1,108,262	-	-	-	-	-	0.00%
Management Contracts		171,620	13,750	13,750	13,750	-	27,500	16.02%
TOTAL FUNDING USES		14,359,373	601,938	688,664	618,113	70,551	1,220,051	8.50%
TOTAL NON-CAPITAL EXPENDITURES		8,372,795	601,938	688,664	618,113	70,551	1,220,051	14.57%

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU AUGUST 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
REVENUES:								
FARES	85,232	93,900	1,278	54,577	1,029	5,917	17,003	258,936
TOTAL ROUTE REVENUES	85,232	93,900	1,278	54,577	1,029	5,917	17,003	258,936
EXPENDITURES:								
ADMINISTRATION	35,549	35,815	5,341	23,464	980	8,415	3,946	113,510
MARKETING	3,705	3,733	536	2,446	133	877	0	11,430
OPERATIONS/CONTINGENCY	88,582	89,924	13,225	57,972	2,694	21,276	10,490	284,165
FUEL	45,992	49,622	7,102	27,947	1,585	12,372	8,299	152,920
INSURANCE	9,601	10,358	1,492	5,834	315	2,583	1,732	31,916
TOTAL EXPENDITURES	183,429	189,453	27,696	117,663	5,707	45,524	24,468	593,940
FAREBOX RATIO	46.47%	49.56%	4.61%	46.38%	18.04%	13.00%	69.49%	43.60%
RIDERSHIP	38,247	42,649	1,617	29,672	1,667	3,291	1,382	118,525
SERVICE MILES	50,230.40	54,194.80	7,792.20	30,522.80	1,672.92	13,512.40	9,064.00	166,989.52
SERVICE HOURS	1,641.20	1,653.52	244.53	1,083.28	48.28	388.52	182.16	5,241.49
RIDERS PER MILE	0.76	0.79	0.21	0.97	1.00	0.24	0.15	0.71
RIDERS PER HOUR	23.30	25.79	6.61	27.39	34.53	8.47	7.59	22.61
COST PER PASSENGER	4.80	4.44	17.13	3.97	3.42	13.83	17.70	5.01
SUBSIDY PER PASSENGER	2.57	2.24	16.34	2.13	2.81	12.03	5.40	2.83

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU AUGUST 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
REVENUES:												
FARES	5,431	2,432	4,425	2,723	3,257	2,062	884	500	21,713	280,649	20,341	300,989
TOTAL ROUTE REVENUES	5,431	2,432	4,425	2,723	3,257	2,062	884	500	21,713	280,649	20,341	300,989
EXPENDITURES:												
ADMINISTRATION	2,421	1,404	2,263	1,222	1,652	1,395	1,656	892	12,904	126,414	113,588	240,002
MARKETING	266	146	249	127	182	145	182	93	1,391	12,821	0	12,821
OPERATIONS/CONTINGENCY	6,116	3,502	5,762	3,063	4,126	3,438	4,255	2,256	32,518	316,683	270,178	586,861
FUEL	3,147	1,839	3,152	1,670	1,916	1,622	2,483	1,310	17,139	170,059	50,188	220,247
INSURANCE	651	384	652	349	396	339	513	273	3,557	35,472	18,540	54,012
TOTAL EXPENDITURES	12,601	7,275	12,078	6,430	8,273	6,939	9,089	4,824	67,510	661,450	452,494	1,113,944
FAREBOX RATIO	43.10%	33.42%	36.64%	42.34%	39.37%	29.72%	9.72%	10.36%	32.16%	42.43%	4.50%	27.02%
RIDERSHIP	2,663	1,225	2,413	1,345	1,749	1,036	321	205	10,957	129,482	7,496	136,978
SERVICE MILES	3,413.70	2,008.80	3,420.00	1,824.00	2,079.00	1,771.20	2,693.70	1,430.40	18,640.80	185,630.32	97,356.00	282,986.32
SERVICE HOURS	113.13	64.80	105.75	56.40	77.22	64.40	77.40	41.20	600.30	5,841.79	5,249.42	11,091.21
RIDERS PER MILE	0.78	0.61	0.71	0.74	0.84	0.58	0.12	0.14	0.59	0.70	0.08	0.48
RIDERS PER HOUR	23.54	18.90	22.82	23.85	22.65	16.09	4.15	4.98	18.25	22.16	1.43	12.35
COST PER PASSENGER	4.73	5.94	5.01	4.78	4.73	6.70	28.32	23.53	6.16	5.11	60.36	8.13
SUBSIDY PER PASSENGER	2.69	3.95	3.17	2.76	2.87	4.71	25.56	21.09	4.18	2.94	57.65	5.93

**SAN LUIS OBISPO REGIONAL
TRANSIT AUTHORITY
FINANCIAL STATEMENTS
June 30, 2013**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
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June 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Luis Obispo Regional Transit Authority
San Luis Obispo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the of San Luis Obispo Regional Transit Authority (Agency) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Luis Obispo Regional Transit Authority, as of June 30, 2013, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in note 2 to the 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*.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the San Luis Obispo Regional Transit Authority's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedule is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013, on our consideration of the San Luis Obispo Regional Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Moss, Reny & Hartgrain LLP

October 4, 2013
Santa Maria, California

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR JUNE 30, 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash and investments	\$ 4,860,229	\$ 2,738,955
Accounts receivable	5,784	188,575
Intergovernmental receivables	228,005	198,609
Grants receivable	1,031,733	953,955
Prepaid items	73,603	72,208
Inventory at cost	146,132	138,629
Total current assets	<u>6,345,486</u>	<u>4,290,931</u>
Capital assets:		
Depreciable:		
Buildings and improvements	4,604,670	4,604,670
Equipment and vehicles	10,516,684	9,911,236
Less accumulated depreciation	<u>(7,499,685)</u>	<u>(6,456,147)</u>
Total net capital assets	<u>7,621,669</u>	<u>8,059,759</u>
 Total assets	 <u>13,967,155</u>	 <u>12,350,690</u>
LIABILITIES		
Current liabilities:		
Accounts payable	364,734	364,892
Accrued payroll	65,945	190,027
Unearned revenue	4,379,016	2,927,457
Customer deposits	27,703	27,703
Loan payable	308,262	308,262
Total current liabilities	<u>5,145,660</u>	<u>3,818,341</u>
Noncurrent liabilities:		
Compensated absences	124,081	125,901
Loan payable	2,157,835	2,466,097
Total noncurrent liabilities	<u>2,281,916</u>	<u>2,591,998</u>
 Total liabilities	 <u>7,427,576</u>	 <u>6,410,339</u>
NET POSITION		
Net investment in capital assets	5,155,572	5,285,400
Unrestricted	1,384,007	654,951
 Total net position	 <u>\$ 6,539,579</u>	 <u>\$ 5,940,351</u>

The notes to basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2013</u>	<u>2012</u>
Operating Revenues:		
Passenger fares	\$ 1,375,807	\$ 1,386,691
Other operating revenue	183,251	183,931
Total operating revenues	<u>1,559,058</u>	<u>1,570,622</u>
Operating Expenses:		
Transit operating expenses	5,775,197	5,409,782
Administration and financial services	1,436,997	1,414,048
Depreciation	1,296,313	1,293,269
Total operating expenses	<u>8,508,507</u>	<u>8,117,099</u>
Operating loss	<u>(6,949,449)</u>	<u>(6,546,477)</u>
Non-Operating Revenues (Expenses):		
Transportation Development Act funds	4,065,309	3,203,382
Federal and State operating grants	2,706,578	1,646,481
Interest income	5,635	2,896
Fees and reimbursements from other governmental agencies	66,532	629,967
Loss on disposal of capital assets	(1,000)	(1,663)
Settlement expense		(334,698)
Interest expense	(167,257)	(188,664)
Total non-operating revenues (expenses)	<u>6,675,797</u>	<u>4,957,701</u>
Capital Contributions:		
Federal capital grants	567,440	183,160
State capital grants	239,325	389,118
Local capital grants	52,458	236,733
Total capital contributions	<u>859,223</u>	<u>809,011</u>
Other Financing Sources (Uses):		
Transfers from the former SLOCAT	75,758	
Total other financing sources (uses)	<u>75,758</u>	
Change in net position	<u>661,329</u>	<u>(779,765)</u>
Net position, beginning of fiscal year	5,940,351	6,732,866
Prior period adjustment	<u>(62,101)</u>	<u>(12,750)</u>
Net position, beginning of fiscal year, restated	<u>5,878,250</u>	<u>6,720,116</u>
Net position, end of fiscal year	<u>\$ 6,539,579</u>	<u>\$ 5,940,351</u>

The notes to basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 1,741,849	\$ 1,570,622
Payments to suppliers and wages	(5,957,694)	(4,571,172)
Net cash used by operating activities	<u>(4,215,845)</u>	<u>(3,000,550)</u>
 Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of property, plant, and equipment	(859,223)	(788,762)
Principal paid - loan payable	(308,262)	(308,262)
Interest expense	(167,257)	(188,664)
Proceeds from sale of capital assets		379,319
Capital grants received	859,223	731,811
Net cash (used) by capital and related financing activities	<u>(475,519)</u>	<u>(174,558)</u>
 Cash Flows from Noncapital Financing Activities:		
Grants received	6,694,109	4,399,837
Fees and reimbursements	37,136	629,967
Transfers from the former SLOCAT	75,758	
Net cash provided by noncapital financing activities	<u>6,807,003</u>	<u>5,029,804</u>
 Cash Flows From Investing Activities:		
Interest income	5,635	2,896
Net cash provided by investing activities	<u>5,635</u>	<u>2,896</u>
 Net increase in cash and cash equivalents cash and cash equivalents	2,121,274	1,857,592
Cash and cash equivalents, beginning of fiscal year	<u>2,738,955</u>	<u>881,363</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 4,860,229</u>	<u>\$ 2,738,955</u>

The notes to basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>2013</u>	<u>2012</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (6,949,449)	\$ (6,546,477)
Adjustments to reconcile operating income (loss) to net cash used by operating activities		
Depreciation expense	1,296,313	1,293,269
Change in operating assets and liabilities:		
Accounts receivable	182,791	
Prepaid items	(1,395)	(12,170)
Inventory	(7,503)	(37,997)
Accounts payable	(158)	(224,601)
Accrued payroll	(124,082)	75,065
Unearned revenue	1,389,458	2,435,402
Compensated absences	(1,820)	16,959
Net cash used by operating activities	<u>\$ (4,215,845)</u>	<u>\$ (3,000,550)</u>

The notes to basic financial statements are an integral part of this statement.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – REPORTING ENTITY

San Luis Obispo Regional Transit Authority (the Agency) is a Joint Powers Agency created by a joint powers agreement among the Cities of San Luis Obispo, Morro Bay, Atascadero, Arroyo Grande, El Paso de Robles, Grover Beach, Pismo Beach, and the County of San Luis Obispo.

The purpose of the Agency is to operate a fixed route public transportation system linking San Luis Obispo to the outlying communities of Morro Bay, Los Osos, Arroyo Grande, El Paso de Robles, Grover Beach, Pismo Beach, Atascadero, Cambria, San Simeon, Nipomo, Santa Maria, Templeton, Santa Margarita, and San Miguel, along with Cuesta College and California Men's Colony. The Agency also owns, operates, and administers a countywide public demand responsive transportation system that is fully accessible for disabled riders. On August 1, 2009, the Agency began in-house vehicle operations and maintenance. Prior to August 1, 2009, a private transportation company provided these services.

The Agency is governed by a Board of Directors comprised of twelve members representing each of the seven cities, in addition to the five members of the County Board of Supervisors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).
- B. Accounting Method - The Agency follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred regardless of the timing of related cash flows.
- C. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- D. Accounts Receivable – The Agency did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.
- E. Inventory – Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.
- F. Property, Plant, and Equipment – Capital assets purchased by the Agency are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Agency as assets with initial, individual costs of more than \$5,000 and estimated useful life in excess of two years.
- G. Depreciation – Capital assets purchased by the Agency are depreciated over their estimated useful lives (ranging from 5-15 years) under the straight-line method of depreciation.
- H. Compensated Absences – Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the Agency.
- I. Revenue Recognition - The Agency's primary source of revenues include passenger fares, State Transit Assistance funds, and Local Transportation Fund/Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Agency for its sole use. The San Luis Obispo Council of Governments administers the State Transit Assistance and Transportation Development Act funds, approves claims for such funds submitted by this Agency, and makes payments to the Agency based upon such claims.

Generally, amounts due from other governments are recorded as revenues when earned. However, when the expenditure of funds is the prime factor for determining eligibility for grants, revenue is accrued when the related expenditures have been made on an approved grant. The Agency recognizes as revenues the amounts allocated and approved to it by San Luis Obispo Council of Governments.

- J. Net Position - GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Use of Estimates -The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

L. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ended June 30, 2013, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of the GASB Statement No. 60, did not have an impact on the Agency's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 61 "The Financial Reporting Entity: Omnibus." This statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations. Implementation of the GASB Statement No. 61, did not have an impact on the Agency's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. Implementation of the GASB Statement No. 62, did not have an impact on the Agency's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the Statement and the impact of the Agency's financial statements are explained in Note 2 – J. Net Position.

M. Comparative Data/Totals Only – Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the Agency's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - CASH AND INVESTMENTS

On June 30, 2013 the Agency had the following cash and investments on hand:

Cash on hand and in banks	\$ 521,110
Investments	<u>4,339,119</u>
Total cash and investments	<u><u>\$ 4,860,229</u></u>

Cash and investments listed above are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net assets	<u><u>\$ 4,860,229</u></u>
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Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the Agency by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None

Investments Authorized by the California Government Code (Continued)

Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table, that shows the distribution of the Agency's investments by maturity:

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	\$ 4,339,119	\$ 4,339,119	\$ -	\$ -	\$ -
Total	\$ 4,339,119	\$ 4,339,119	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented on the following page is the minimum rating required by the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
San Luis Obispo County Investment Pool	\$ 4,339,119	N/A	\$ -	\$ -	\$ -	\$ 4,339,119
Total	\$ 4,339,119		\$ -	\$ -	\$ -	\$ 4,339,119

Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The Agency may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Capital assets, not being depreciated				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets, being depreciated				
Building and improvements	\$ 4,604,670	\$ -	\$ -	\$ 4,604,670
Vehicles and Equipment	9,911,236	859,223	253,775	10,516,684
Total capital assets, being depreciated	<u>14,515,906</u>	<u>859,223</u>	<u>253,775</u>	<u>15,121,354</u>
Less accumulated depreciation for:				
Building and improvements	6,456,147	1,296,313	252,775	7,499,685
Total accumulated depreciation	<u>6,456,147</u>	<u>1,296,313</u>	<u>252,775</u>	<u>7,499,685</u>
Total capital assets, being depreciated, net	<u>\$ 8,059,759</u>	<u>\$ (437,090)</u>	<u>\$ 1,000</u>	<u>\$ 7,621,669</u>
Governmental activities, capital assets, net	<u>\$ 8,059,759</u>	<u>\$ (437,090)</u>	<u>\$ 1,000</u>	<u>\$ 7,621,669</u>

Depreciation expense for the fiscal year ended June 30, 2013, was \$1,296,313. The depreciation expense for the fiscal year ended June 30, 2012, was \$1,293,269.

NOTE 5 – UNEARNED REVENUE

Unearned revenue at June 30, 2013 and 2012 consisted of the following:

	2013	2012
TDA Local Transportation Funds	\$ 2,008,775	\$ 614,830
The Agency received an advance from developers for construction of bus stops as a condition imposed by the County Board of Supervisors. These funds are deferred until the bus stops have been constructed	30,855	30,855
The Agency distributes Universal bus passes to Social Services and the general public as part of a "Welfare to Work Program." These funds are deferred revenue until they are tendered or redeemed.		29,547
Prop 1B funding	<u>2,339,386</u>	<u>2,252,225</u>
Total unearned revenues	<u>\$ 4,379,016</u>	<u>\$ 2,927,457</u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS

The County was allocated the following funds from the Local Transportation Funds (LTF) and State Transit Assistance the fiscal years ended June 30, 2013 and 2012:

<u>Allocation Assigned By/Claimant</u>	<u>Article/ Section</u>	<u>Amount</u>	
		<u>2013</u>	<u>2012</u>
Local Transportation Fund:			
City of Arroyo Grande	4 / 99260(a)	\$ 149,702	\$ 135,219
City of San Luis Obispo	4 / 99260(a)	504,700	452,612
County of San Luis Obispo	4 / 99260(a)	2,083,472	1,232,111
City of Grover Beach	4 / 99260(a)	114,175	102,796
City of Morro Bay	4 / 99260(a)	89,045	79,519
City of Atascadero	4 / 99260(a)	247,093	221,216
City of El Paso de Robles	4 / 99260(a)	258,817	232,778
City of Pismo Beach	4 / 99260(a)	66,450	58,259
Total LTF		3,513,454	2,514,510
State Transit Fund:			
Regional Transit Authority	6.5 / 99313	975,396	638,350
Regional Transit Authority	6.5 / 99314	87,634	50,522
Total STF		1,063,030	688,872
Add: Recognition of prior fiscal year unearned revenues (from SLOCAT)		951,494	
Less: Current fiscal year unearned revenues		(1,402,383)	
Total TDA Revenue		\$ 4,125,595	\$ 3,203,382

Transit system operating subsidies are earned by the County to the extent that it has incurred eligible operating expenses. Eligible expenses compared to the subsidies received and accrued were as followed:

	<u>2013</u>	<u>2012</u>
Operating and interest expenses	\$ 8,675,764	\$ 8,305,763
Add:		
Capital purchases with LTF and STF	60,286	
Less:		
Depreciation	(1,296,313)	(1,293,269)
Fare revenues	(1,375,807)	(1,386,691)
Special events and other revenues	(183,251)	(183,931)
Federal and state operating grants	(2,706,578)	(1,646,481)
Maximum total allocation amount	3,174,101	3,795,391
TDA allocations received and accrued	4,576,484	3,203,382
Change in TDA transit allocations in unearned revenues	(1,402,383)	
Allocation over/(under) maximum	\$ -	\$ (592,009)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 – FARE REVENUE RATIO

The Agency had fare revenue ratios for the fiscal year ended June 30, 2013 as computed as follows:

	<u>Fixed Route</u>	<u>Runabout</u>		
(a) Operating fare revenues	\$ 1,242,921	\$ 103,982		
(b) Operating expenses, net of depreciation	<u>4,032,935</u>	<u>2,577,977</u>		
(c) Fare revenue ratio [(a) / (b)]	30.82%	4.03%		
Minimum ratio required	<u>16.10%</u>	<u>N/A</u>		
Under minimum ratio requirement	<u>N/A</u>	<u>N/A</u>		
	<u>Nipomo</u>	<u>South Bay Dial a Ride/ Los Osos Flex Route 15 weekend Extended Service</u>	<u>Cambria Trolley</u>	<u>Avila Trolley</u>
(a) Operating fare revenues	\$ 19,114	\$ 581	\$ 4,663	\$ 4,147
(b) Operating expenses, net of depreciation	<u>330,022</u>	<u>12,393</u>	<u>44,030</u>	<u>65,616</u>
(c) Fare revenue ratio [(a) / (b)]	5.79%	4.69%	10.59%	6.32%
Minimum ratio required	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
Under minimum ratio requirement	<u>4.21%</u>	<u>5.31%</u>	<u>N/A</u>	<u>3.68%</u>

The Agency had fare revenue ratios for the fiscal year ended June 30, 2012 as computed as follows:

	<u>Fixed Route</u>	<u>Runabout</u>
(a) Operating fare revenues	\$ 1,160,880	\$ 97,795
(b) Operating expenses, net of depreciation	<u>4,028,914</u>	<u>2,328,598</u>
(c) Fare revenue ratio [(a) / (b)]	28.81%	4.20%
Minimum ratio required	<u>15.74%</u>	<u>N/A</u>
Under minimum ratio requirement	<u>N/A</u>	<u>N/A</u>

The County had fare revenue ratios for the fiscal year ended June 30, 2012, computed as follows:

	<u>Nipomo</u>	<u>South Bay Dial a Ride/ Los Osos Flex Route 15 weekend Extended Service</u>	<u>Cambria Trolley</u>	<u>Avila Trolley</u>
(a) Operating fare revenues	\$ 15,356	\$ 32,396	\$ 2,621	\$ 7,659
(b) Operating expenses, net of depreciation	<u>303,841</u>	<u>232,358</u>	<u>18,284</u>	<u>69,635</u>
(c) Fare revenue ratio [(a) / (b)]	5.05%	13.94%	14.33%	11.00%
Minimum ratio required	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
Under minimum ratio requirement	<u>4.95%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7 – FARE REVENUE RATIO (Continued)

The Agency was in compliance with applicable TDA regulations pertaining to acceptable fare revenue ratios for routes encompassing both urbanized and non-urbanized areas which require a minimum ratio of 16.10% blended rate as approved by San Luis Obispo Council of Governments. When the fare revenue ratio is under the minimum requirement for two consecutive years, there is a potential for a reduction in future TDA eligibility for the difference between the required minimum and actual fares in accordance with Public Utilities Code Section 99268.9 and CCR Section 6633.9, unless waived by the San Luis Obispo Council of Governments.

NOTE 8 – LONG TERM DEBT

	Balance			Balance at June 30, 2013		
	July 1, 2012	Increases	Decreases	Total	Current	Long Term
Vacation	\$ 102,482	\$ 117,153	\$ 124,609	\$ 95,026	\$ -	\$ 95,026
Sick leave	23,419	35,690	30,054	29,055		29,055
Loan payable	2,774,359		308,262	2,466,097	308,262	2,157,835
Total	\$ 2,900,260	\$ 152,843	\$ 462,925	\$ 2,590,178	\$ 308,262	\$ 2,281,916

NOTE 9 – LOAN PAYABLE

The Agency entered into loan with Rabobank on June 1, 2011. The original balance of the loan was \$3,082,621. The loan has a fixed interest rate of 6.25% until July 1, 2016, when the interest rate becomes variable based on the Rabobank Prime Rate (Index) plus 3.0 percentage points. Payment on the loan is due in variable monthly interest payments beginning on July 1, 2011 and semi-annual principal payments of \$154,131 beginning October 31, 2011, with all outstanding principal plus accrued unpaid interest due on April 30, 2021. The outstanding principal balance at June 30, 2013, was \$2,466,097.

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

As of June 30, 2013, the Agency does not offer any significant post-employment benefits.

NOTE 11 – INSURANCE

The Agency is exposed to various risks of loss related to torts, theft, damage to, or destruction of an asset and errors or omissions. The Agency maintains comprehensive general liability including automobile insurance of \$20 million for buses, vans, equipment, and facilities. The Agency also purchases commercial Special Liability Insurance and Special Agency Property Insurance with limits of \$20 million per occurrence and \$100 million annual aggregate.

NOTE 12 - EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN (FULL TIME EMPLOYEES)

California Public Employees’ Retirement System (CalPERS)

Plan Description

The Agency contributes to the California Public Employees’ Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the Agency makes the required contributions for all employees. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2012-2013, was 14.466% for miscellaneous employees annual payroll. The contribution requirements of Plan members are established by State statutes. The Agency’s contributions to CalPERS for the fiscal years ending June 30, 2013, 2012, and 2011, were \$48,498, \$40,618, and \$59,146, respectively, and equal 100% of the required contributions for each fiscal year.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13 – OPERATING LEASE

The Agency has entered into an operating lease for office facilities and bus yard with lease terms in excess of one year. Future minimum lease payments under this agreement are as follows:

<u>Year Ended June 30</u>	
2014	\$ 360,826
2015	369,846
2016	379,093
2017	<u>192,282</u>
	<u>\$ 1,302,047</u>

NOTE 14 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in November 2006, included a program of funding in the amount of \$4 billion to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Of this amount, \$3.6 billion in the PTMISEA was made available to project sponsors in California for allocation to eligible public transportation projects for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or rolling stock procurement, rehabilitation, expansion, or replacement. PTMISEA eligibility is based on STA allocations to each project sponsor during the fiscal years 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11, and were made available during these 2011-12 fiscal years. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

Interest earned on funds to date is \$10,907. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$982,626, of which \$803,719 was used to reimburse local funds used in prior years and the remaining amount is included in state capital grants in the accompanying financial statements.

NOTE 15 – TRANSFER FROM SLOCAT

As of July 1, 2012 SLORTA assumed full operation and administration of county transit services, with SLORTA acting as the direct TDA recipient. Fund balance transferred to SLORTA were \$75,758. Cash and investments of \$1,226,316, accounts payable of \$198,609, and Unearned revenue of \$951,949 were also transferred.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of (\$62,101) was made to the financial statements. The prior period adjustment represents Proposition 1B funding that was improperly recorded as revenue in the previous fiscal year instead of classification as unearned revenue.

SUPPLEMENTARY INFORMATION SECTION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Adopted Budget	Actual	County Services Actual	Variance with Budget
Administration:				
Labor	\$ 736,692	\$ 654,090	\$ 21,911	\$ 82,602
Labor - Administration Workers Comp	33,081	29,835	-	3,246
Office Space Rental	401,278	402,332	-	(1,054)
Property Insurance	13,000	15,255	-	(2,255)
Professional Technical Services	127,520	59,108	-	68,412
Professional Development	10,000	11,162	-	(1,162)
Operating Expense	190,685	180,340	-	10,345
Marketing and Reproduction	80,000	84,875	458	(4,875)
County Management Contract	(175,000)	(175,000)	175,000	-
SCAT Management Contract	(77,500)	(77,500)	-	-
Total Administration	1,339,756	1,184,497	197,369	155,259
Service Delivery:				
Labor - Operations	2,606,717	2,537,706	154,865	69,011
Labor - Operations Worker Comp	185,537	167,417	10,302	18,120
Labor - Maintenance	654,862	669,076	40,624	(14,214)
Labor - Maintenance Workers Comp	58,336	52,612	3,237	5,724
Fuel	1,434,884	1,263,454	33,086	171,430
Insurance	276,335	264,641	8,972	11,694
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	79,925	75,950	75,513	3,975
Avila Trolley	66,100	46,444	48,018	19,656
Senior Shuttle	80,000	73,633	-	6,367
Maintenance (parts, supplies, materials)	486,355	494,176	13,764	(7,821)
Maintenance Contract Costs	124,283	130,088	3,683	(5,805)
Total Operations	6,053,334	5,775,197	392,064	278,137
Capital/Studies:				
Computer System Maintenance/Upgrades	6,678	13,493	-	(6,815)
Miscellaneous Capital	-	-	-	-
Automatic Ticket Machine	69,000	-	-	69,000
Transmission Jack	7,480	7,021	-	459
Wheel Alignment Tool	1,430	-	-	1,430
Opacity Tester	6,820	5,896	-	924
Coolant Flush	4,290	7,203	-	(2,913)
Camera System	61,787	-	-	61,787
Bus Rehabilitation	100,000	24,824	-	75,176
Vehicles	3,645,510	800,786	88,255	2,844,724
Total Capital Outlay	3,902,995	859,223	88,255	3,043,772
Contingency	100,000	-	-	100,000
Interest Expense	168,585	167,257	-	1,328
Loan Paydown	308,262	308,262	-	-
Management Contracts	252,500	252,500	-	-
TOTAL FUNDING USES	\$ 12,125,432	\$ 8,546,936	\$ 677,688	\$ 3,578,496
TOTAL EXPENSES, BUDGETARY BASIS		\$ 8,546,936		
ADD:				
DEPRECIATION		1,296,313		
LESS:				
CAPITALIZED EXPENSES		(859,223)		
LOAN PRINCIPAL PAYMENTS		(308,262)		
NON-OPERATING EXPENSES		(167,257)		
TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS		\$ 8,508,507		

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 6, 2013

STAFF REPORT

AGENDA ITEM: A-2

TOPIC: Planning and Programming of FTA-Funded Projects

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Receive as Information

BACKGROUND/DISCUSSION:

SLOCOG staff assists the three urbanized areas in the County in planning and programming Federal Transit Administration funds on an annual basis. On September 17, 2013 SLOCOG distributed a letter to all transit operators in the urbanized portions of the county (RTA/SCT, SLO Transit, Paso Express and Atascadero Transit) that detailed the process that would be used this year, with the goal of bringing a recommended final Program of Projects to the SLOCOG Board at its December 4, 2013 meeting. Of particular interest is a longer planning horizon that would be used this year; each transit agency was required to propose projects in the next five years.

It should be noted that the current two-year federal transportation bill (known as *Moving Ahead for Progress in the 21st Century*, or MAP-21) no longer includes discretionary funds for transit capital projects that the region has traditionally used to fund costly bus replacement and/or facility projects. As an example, RTA was successful in recent years in attaining over \$4 million in FTA State of Good Repair funds to replace eleven full-size buses. Instead, MAP-21 provides increased formula funds that small urbanized areas can use for capital projects. As mentioned in earlier RTA and SLOCOG meetings, it is clear that the total amount of FTA funds available to the region has been drastically reduced in comparison to previous years.

RTA used this opportunity to develop a long-range vehicle replacement plan that would identify needs for at least two replacements of each bus, based on the planned life for each vehicle type and an assumption of status quo service (i.e., no growth over the next 25 years) in the future. While this is not a realistic assumption – certainly RTA services will need to increase over time to meet increasing transit demand – staff wanted to help define the problem using baseline assumptions. In total, RTA identified the need for 62 fixed route / trolley bus replacements and 88 Runabout/Dial-A-Ride minibus replacements through 2036. Assuming 5% annual inflation in the cost of vehicles, this equates to over \$48 million for RTA alone. Other potential projects include federally-assisted operating costs, planning projects, bus stop improvements, facility and equipment purchases/upgrades, and support vehicle purchases.

SLOCOG conducted meetings in each of the three urbanized areas in late-September and October to review proposed projects, and to determine if unanimity could be achieved, despite the scarcity of FTA funds and needs in the region that far outstrip anticipated revenues. All participants agreed that maximizing FTA funds for operating/planning needs is the highest priority, followed by bus replacement / bus rehabilitation projects. RTA staff's next highest priority is solving our long-term operations/maintenance facility needs, followed by a consolidated downtown SLO transit center. The lowest-priority projects – while still important – include bus stop improvement projects, and support vehicles. Since SLOCOG is still working with urbanized transit operators to finalize the financially constrained list of projects in each urbanized area, RTA staff will provide an updated table at the RTA Board meeting on November 6th.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 6, 2013

STAFF REPORT

AGENDA ITEM: A-3

TOPIC: North County Transit Consolidation Update

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Receive as Information

BACKGROUND/DISCUSSION:

This report is intended to provide a summary of recent developments in efforts to reduce essentially duplicate transit service in the North County area by consolidating some locally-provided services into RTA. SLOCOG and RTA are working with staff and elected officials at the Cities of Atascadero and Paso Robles to build upon the Term Sheet ratified by RTA, SLOCOG and the two Cities in May 2013, with the hope of bringing an Agreement to the SLOCOG Board at its December meeting.

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 service recommendations are:

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. Eliminate the El Camino Shuttle (Twin Cities-downtown Atascadero-Paloma Park) and related Saturday Traveler Shuttle as a municipal service, and replace it with an extended RTA Route 9 in north Atascadero.
3. Maintain the Atascadero Dial-A-Ride solely within the City of Atascadero control.
4. Resume some transit service in downtown Templeton (County request), as well as RTA Route 9 service to the Twin Cities Hospital.
5. Increase weekday express service frequencies along RTA Route 9.

The direct benefits of North County Transit Consolidation as recommended by the 2012 North County Transit Plan are:

1. Savings in Local Transportation Funds (LTF) (state monies eligible for transit, bicycle projects, streets and roads), and

2. Reduced demands by municipal systems on Federal Transit Administration Section 5307 program funds.

Between September 2012 and early 2013, SLOCOG retained the North County Transit Plan consultant team to review several items needing more analysis. Those items included:

1. An outline for a recommended Memorandum of Understanding for the two Cities, SLOCOG and RTA.
2. A range of options to distribute projected operating savings between the two Cities.
3. A more detailed implementation plan and schedule.
4. Updated operating and maintenance cost models, as the ones used by the Plan dated back to FY10-11.

In May 2013, RTA adopted a two-year budget that included “North County Transit” as an off-JPA program. The FY13-14 budget included costs and revenues only for the months of May and June 2014, while the second year (FY14-15) included the costs and revenues for the entire fiscal year.

A missing piece from the original North County Transit Plan was how the LTF and FTA revenues would be treated. In short, the original Plan focused only on expenses at the local level and not how revenues should be budgeted by each City. As a result, the decision was made to proceed using in-house SLOCOG and RTA staff resources to develop itemized financial tables for each City that included new assumptions on cost inflation rates by mode and growth factors by revenue source.

This effort began in mid-summer 2013, and included several meetings held in August and September with staff from each City, including Transit and Finance Managers. Several iterations of tables were developed that projected the net savings in local LTF and FTA Section 5307 funds over a five-year period. The team also projected Transportation Development Act (TDA) penalties levied by SLOCOG for not meeting State-mandated farebox recovery ratios (FRRs) over the five-year Plan period. While the projections suggest neither City can reach the mandated FRR for their local Dial-A-Ride programs, the financial impact to each City would be lower under the Consolidation scenario. Compliance with FRRs under the No-Consolidation scenario was found to be much more problematic, leading to large penalties as the Dial-A-Ride FRR would be 20% under No-Consolidation instead of 15% under Consolidation. RTA staff also developed a Milestone Schedule with input from SLOCOG, Atascadero and Paso Robles officials to help guide important action items necessary to consolidate services.

RTA and SLOCOG staff updated the financial estimates in September 2013 following additional input from City staff. In FY14-15, the first full year savings in the North County will be roughly \$292,700 – equating to more than 25% of the recent transit LTF claims of both Cities combined. Specifically, it is estimated that Paso Robles would save approximately \$202,400 and Atascadero would save \$90,300 under the Consolidation scenario in the first full year. Over the five-year Plan period, total LTF savings – which include TDA penalties for failure to achieve mandated FRRs – equate to almost \$1.8 million. Furthermore, the Consolidation scenario will save approximately \$520,500 in Federal Transit Administration funds that could be used elsewhere in the County over the five-year Plan period.

It should be noted that the original 2012 North County Transit Plan suggested some of the net LTF savings could be used to implement additional RTA Route 9 Express runs. However, at this time, there does not appear to be support from City officials to pursue using local LTF cost-savings realized under Consolidation to pay for increased Route 9 Express runs, as they have stated those regional need costs should be the responsibility of the entire region as identified in the RTA JPA.

RTA staff is currently working closely with City of Paso Robles officials to consolidate Paso Express fixed route and Paso Dial-A-Ride services into RTA before June 1, 2014. A draft operating agreement – modeled closely on the one between RTA and SLO County – has been circulated for comments. If the RTA Board is amenable and sufficient progress is made in negotiations with the City of Paso Robles, staff proposes to bring the final agreement to a special RTA Board meeting on December 4, 2013, directly following the normally-scheduled SLOCOG Board meeting, for consideration of the operating agreement.

RTA and SLOCOG staff also continue to work with Atascadero officials to determine if the Atascadero El Camino Shuttle services should be consolidated into RTA as identified in the North County Transit Plan. However, there currently appears to be areas of discomfort. RTA staff has indicated to City officials a need to finalize a decision on whether to consolidate or not by the end of November 2013 (originally October 2013) in order to ensure a smooth transition for the proposed consolidation prior to June 2014. A new issue that has arisen in the past few weeks is if Paso Robles moves forward with Consolidation without Atascadero joining in, it is likely that Atascadero might face difficulties attracting a third-party contractor interested in managing the relatively small, stand-alone Dial-A-Ride / El Camino Shuttle program at an economical price, which would impact the cost-savings estimated in the September 2013 projections. Staff will continue to work with Atascadero officials to determine the likely impact.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
November 6, 2013
STAFF REPORT

AGENDA ITEM: **B-1**

TOPIC: **Analysis of Summer Special Services**

ACTION: **Adopt Staff’s recommendation that Summer Youth Ride Free Program be provided in Summer 2014, and that the Summer Beach Shuttle Program not be operated in Summer 2014**

PRESENTED BY: **Geoff Straw**

BACKGROUND/DISCUSSION:

This report will provide a summary of the successes and challenges of RTA’s participation in two special programs operated during the summer months in 2013:

1. The countywide summer Youth Ride Free program.
2. The Summer Beach Shuttle.

In summary, RTA is recommending that RTA should fully participate in the Summer Youth Ride Free program again next year, but that the Summer Beach Shuttle service should be eliminated due to lack of ridership support.

Summer Youth Ride Free

RTA participated in the countywide Summer Youth Ride Free program for the second straight year. Under this program, K-12 students can board without having to purchase a pass or pay a cash fare – the youth rider merely needed to provide proof (school identification card or other identification) that he or she is eligible for the program. The 2013 Summer Youth Ride Free program was operated from June 1 through August 31.

Youth boardings on RTA routes increased dramatically from 30,820 in 2012 to 39,058 in 2013 – representing a 26.7% annual increase. Overall ridership on RTA routes (including youth riders) increased from 170,794 in summer 2012 to 184,066 in summer 2013, a 7.8% increase. RTA’s overall fare revenues increased from \$301,770 in summer 2012 to \$396,625 in summer 2013, an increase of 31.4%. The overall average fare per passenger-trip (including all riders, whether fare-paying or not) increased slightly from \$1.77 in summer 2012 to \$2.15 in summer 2013 – representing a 21.5% overall increase. The proportion of youth riders to all riders on RTA services increased from 18.0% in summer 2012 to 21.2% in summer 2013. While RTA Bus Operators and Supervisors had to occasionally cope with overcrowding on some bus trips in summer

2013, increased outreach by RTA staff to the YMCA and other youth group agencies seems to have stemmed the majority of the behavior and overcrowding issues that were experienced in summer 2012. In addition, staff received positive feedback from many riders and their parents via telephone and written messages supporting the Youth Ride Free program throughout the county. For these reasons, staff is recommending that the Summer Youth Ride Free program be considered again in summer 2014.

Summer Beach Shuttle

Based on public input that a connector service between the North County and North Coast communities should be operated, RTA worked with SLOCOG to set aside \$40,000 in discretionary STA funds to operate an experimental service during summer 2013. At the March 6, 2013 RTA Board meeting, two performance standards (discussed below) were proposed by staff against which operating and financial statistics could be compared to help evaluate the success of the Summer Beach Shuttle.

Following input from RTAC, local officials and interested members of the public, RTA developed the final Highway 41 Summer Beach Shuttle service plan. This experimental service operated three daily roundtrips Tuesday through Saturday, connecting the communities of Paso Robles and Atascadero with Morro Bay and Cayucos. It operated from Friday, June 7, 2013, through Saturday, August 24, 2013. The service was originally operated using a 40-foot bus, but a smaller cutaway minibus was instead operated after it became clear the additional capacity of a full-size bus was not necessary (and to save fuel costs).

Unfortunately, ridership and farebox revenues results did not approach the levels identified in the standards adopted by the RTA Board at its March 2013 meeting. Specifically, two standards were adopted:

1. Ridership Standard – 9.5 passengers per service hour / 60 passengers per day, which equates to 3,450 trips for the summer 2013 season.
2. Farebox Revenues Standard – a total of \$2,588 in revenue (equating to ~6% in farebox recovery ratio) for the first summer of service.

Ridership on the Beach Shuttle totaled only 2,085 (or 60% of the standard), equating to a productivity of only 6.2 passenger-boardings per hour of service. Farebox receipts only totaled \$562 (21.7% of the standard), equating to a farebox recovery ratio of approximately 1%. It should be noted that almost 80% of riders were youth that did not pay a cash fare. While this fare-free program surely helped the ridership number approach the standard, it was not enough to ensure the program's success. On the positive side, we received some positive input from riders – particularly about the friendliness of the Bus Operator who drove this shift throughout the summer – and well over 10% of Beach Shuttle riders used the bus bike rack.

Based on the poor performance of the Beach Shuttle, staff is recommending that the Beach Shuttle program not be re-implemented next summer.

STAFF RECOMMENDATION:

Adopt Staff's Recommendation that Summer Youth Ride Free be Provided in Summer 2014, and that the Summer Beach Shuttle Program Not be Operated in Summer 2014



San Luis Obispo Regional Transit Authority
Executive Committee Meeting
Minutes 8/7/2013
C-1

Members Present: Frank Mecham, President
Shelly Higginbotham, Vice President
Fred Strong, Past President

Members Absent: None

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

Also Present: Ron DeCarli, SLOCOG
Pete Rodgers, SLOCOG

1. Call to Order and Roll Call:

President Frank Mecham called the meeting to order at 1:26 p.m. Silent Roll Call was taken and a quorum was present.

2. Public Comments:

None

3. Information Items

A. Information Items:

A-1 Executive Director's Report

Mr. Straw said all six of the remaining seven RTA and South County Transit replacement buses are currently on the Gillig production line. He presented a picture that was provided by the online inspection contractor who is helping to manage the process. RTA/SCT has taken possession of three out of the 10 total and expects to receive the fourth bus of the 10 total today. Staff is planning a September 4th ribbon cutting ceremony beginning at 8 a.m., just before the RTA Board meeting.

Staff continues to monitor and plan for Route 9 service disruptions at Highway 58/101. **Mr. Straw** announced the new Employee of the Quarter, **Mr. Rey Gonzalez**, who will attend the September 4 Board meeting.

The Regional Transportation Advisory Committee of July 17 was cancelled due to a lack of pending issues.

Maintenance has been sending all technicians, two at a time, to the Gillig factory in Hayward. Here, they see how the buses are assembled and have the ability to ask questions of the engineers and assembly line employees to better understand how and why certain components are assembled the way they are.

The North County Transit Plan is progressing. Staff intends to bring back to the Board a Memorandum of Understanding at the November meeting. **Past President Fred Strong** questioned why the ratio was changing again. **Mr. Straw** said it must. The consultants looked solely on cost. When revenue was factored in, it was clear the City of Paso Robles will realize substantially more savings than the City of Atascadero. **Mr. Ron DeCarli**, San Luis Obispo Council of Governments, said this is a real sticking point. It's better for Paso Robles. The key issue is that the savings under the current agreement are likely not substantial enough for Atascadero compared with Paso Robles. **Past President Strong** said the City of Paso Robles City Council members think their shares are going down. First Transit is making a pitch to continue service. **Mr. DeCarli** said there is a potential that Atascadero may not continue with the consolidation. If this happens, Atascadero will very likely see significant farebox recovery ratio problems in 1-2 years. The savings are substantial enough that Paso Robles will likely proceed.

The North County Summer Beach Shuttle ridership is improving a bit, but it is not meeting the goal. We carry many bikes, disabled and age 80+ VIP riders.

RTA set a new ridership record last year with more than 700,000 fixed route passenger boardings. We celebrated our four-year anniversary of bringing operations and maintenance in-house on August 1. To celebrate, staff members launched a safety program that is based upon bus operators having no preventable vehicle collisions or workers comp injuries. This program began at 4:30 a.m. and continued well into the afternoon and included staff

members going out to meet bus drivers while in-route. They announced to riders the safety awards achieved by their driver. They also provided the drivers with lunch, a certificate, safety pin and gift certificate.

Mr. Straw concluded the Executive Directors report.

4. Action Items

None

5. Consent Agenda Items

C-1 Executive Committee Meeting Minutes of June 12, 2013

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

6. Agenda Review:

Mr. Straw reviewed the Board agenda, stating staff will probably add two Action Items – the MOU that was just approved at the SLOCOG Board meeting, as well as support for the Congestion Mitigation Air Quality facility project grant application. **Mr. DeCarli** suggested moving the MOU under Consent.

7. Closed Session Items:

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

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

D-1-2 **CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code Sec. 54956.8):**

Agency Negotiators: Geoff Straw (RTA), Ronald De Carli (SLOCOG), Peter Rodgers (SLOCOG)

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

The committee went to closed session at 1:38 p.m. and returned to open session at 2:15 p.m.

8. **Open Session:** Mr. McNulty reported out of closed session. No final action was taken and therefore, nothing to report.

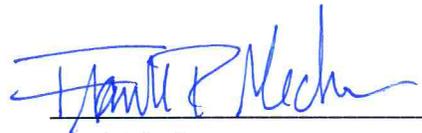
9. **Adjournment:** President Mecham adjourned the meeting at 2:16 p.m.

Respectfully Submitted,

Acknowledged by,



Anna Mafort-Lacy
Administrative Assistant



Frank Mecham
RTA President

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MINUTES OF SEPTEMBER 4, 2013**

C-2

BOARD MEMBERS PRESENT:

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO
TONY FERRARA, CITY OF ARROYO GRANDE
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
JOHN ASHBAUGH, CITY OF SAN LUIS OBISPO
FRANK MECHAM, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (*President*)
TOM O'MALLEY, CITY OF ATASCADERO
DEBBIE PETERSON, CITY OF GROVER BEACH
FRED STRONG, CITY OF PASO ROBLES (*Past President*)

BOARD MEMBERS ABSENT:

NONE (*Vacant* – FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO)

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, CFO DIRECTOR OF ADMINISTRATION
PHIL MOORES, OPERATIONS MANAGER
TIM MCNULTY, SAN LUIS OBISPO COUNTY COUNSEL
REY GONZALEZ, RTA BUS OPERATOR

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, said it was nice to see the new buses and honor the operators with the green shirts. They are definitely the cream of the cream of the crop. I appreciate the nice things that were said about them at this morning's ribbon-cutting ceremony as we go into labor negotiations. I am particularly happy about one component of the new buses—the swift wheelchair loading. The older buses take quite a bit of time, and I know it is actually a cause of emotional distress for people in the chairs when the mechanics for

their loading and unloading holds everyone up. The safe, swift wheelchair loading is liberating and something to look forward to with future buses as well. The buses are becoming a little more crowded thanks to Cuesta. Cal Poly is also about to begin and will add more passengers. Our heroic drivers have done very well in managing the crowds. Sometimes there are standees and I am amazed at how many polite young people we have on the buses. There is a community on the bus. I encourage everyone who doesn't use the bus to get in the habit of using it. On the bus, you are face-to-face with people you would not otherwise meet. You hear stories you would not otherwise hear. I appreciate the RTA not only for the practical purpose of getting where we need to go, but for being such a wonderful and convivial way to getting there. The drivers and the people on the bus are a community worth knowing.

A. INFORMATION AGENDA:

A-1 Mr. Straw said all 10 new buses are in service—seven for RTA and three for South County Transit (SCT). The Highway 58 ramp closures went off pretty well. Operators Supervisor **Mr. James Shaffer** did a great job of getting the word out.

The new Employee of Quarter is **Mr. Rey Gonzalez**. He was selected by his peers and Route 10 riders. He has been with us four years and epitomizes what it is to be an RTA team member.

Mr. Phil Moores, Operations Manager, announced Mr. Gonzalez was accident-free during his tenure with RTA. He comes to work every day and does a great job. He's been married 35 years. We are honored to have him with us.

Mr. Gonzalez thanked the Board. I am happy to serve RTA and the public. Sometimes people have good moods and bad. I try to smile at everyone and say, "good morning" or "good afternoon", and it helps brighten their day. I love to serve the public and am happy with what RTA does for me and the community.

Mr. Straw announced the July Regional Transportation Advisory Committee (RTAC) was cancelled due to a lack of pending items so there was nothing to report to the Board. The next meeting will be in October. The RTA maintenance team went up to visit Gillig in Hayward for training and to see the buses on the assembly line. We will also host on-site training from the subcomponent manufacturers in the coming months. Staff contracted with Easy Fuel to provide on-site fueling and Diesel Exhaust Fluid (DEF). DEF reduces emissions on our 2011 and newer buses, but is toxic to handle without extensive training and expensive equipment. Easy Fuel is now also fueling buses at the Paso Robles satellite lot and at South County Transit.

RTA participated in a consortium of 22 agencies for buying buses. It was led by the Central Contra Costa Transit Agency and helps us negotiate much better prices. Gillig was the

successful bidder on this project. Staff is moving forward with the purchase of nine (9) additional vehicles per previous Board approval.

We are moving forward with the planned North County consolidation and plan on bringing to the Board a draft agreement at the November meeting.

RTA wrapped up three seasonal services—The Cambria Trolley, Summer Beach Shuttle and Youth Ride Free. We will present performance results to the Board at the next meeting.

Staff was unsuccessful in getting the grant for the joint Short Range Transit Plan. We did a teleconference with CalTrans to determine areas for improvement and received some good input for next year. However, we were selected to receive a \$17,000 Marketing and Service Planning Internship grant. Staff is working with County Public Works to conduct bus stop assessments. We are ramping up to do several customer perception surveys, which will be in full swing in October.

Mr. Straw reviewed ridership for fiscal year 2012-13 by route. He noted RTA achieved all measurable performance standards except workers compensation. Staff will bring back to the Board some ideas on how to approach this at a future meeting.

July was the highest month ever for both fixed route and Runabout. He discussed Page A-1-11, weekend and total productivity, paying close attention to riders per hour (productivity). Fixed route productivity was 21.36 and Runabout was at 1.42. Farebox recovery ratio is 53.8% for July due to large purchases by various agencies for the new fiscal year. This number will go down as the year progresses. He next discussed the subsidy per passenger trip—the public's investment after the fare is deducted—and current trends.

Staff just completed our benefits open enrollment process. The next Employee of the Quarter BBQ will be on Saturday, October 19 (this date was subsequently changed to October 31; Mr. Straw sent an email on the afternoon of September 4th to each Board member explaining the change).

Mr. Straw concluded his Executive Director's report.

President Mecham opened to Board comment.

Board Member Tony Ferrara inquired about the bus stop enhancements and wondered if there will be coordination in regards to park and ride locations around the county. Mr. Straw said the first step is to perform assessments and identify and rank deficiencies. There will be coordination with each jurisdiction throughout this process.

Board Member Fred Strong asked if the old buses RTA keeps as spares will have any impact on the axle requirements. Mr. Straw said the requirement was only relevant to vehicles ordered after January 1 and the older buses are grandfathered in.

Vice President Shelly Higginbotham appreciated the change in fueling the buses but wondered if using Easy Fuel at all locations will incur an additional cost. Mr. Straw answered that RTA buys fuel in bulk through them and therefore the additional cost is pennies. When looking just at labor costs to have drivers fuel the buses, the long-term expense is lower to have Easy Fuel do it.

Board Member Debbie Arnold expressed concerns about the \$60 per passenger trip subsidy for Runabout and thanked Mr. Straw for working to raise awareness of this expense and trying to get people over to fixed route.

President Mecham pointed out that in the next 15 years, the population aged 65 and over will be 60%. That translates to more seniors looking for more efficient ways to travel. This is something to consider when looking at bus stops and strategic transit plans.

President Mecham opened public comment.

President Mecham closed public comment.

President Mecham closed Board comment.

B. ACTION AGENDA:

B-1 Appoint New Facility Committee Member: **Mr. Straw** reminded the Board that RTA established a subcommittee to review the current and possible new facilities. The committee is comprised of **Board Members Jan Marx, Fred Strong**, and the late **Paul Teixeira**. It is his understanding the committee was created this way so that all regions of the county had representation. We now have a vacancy and are asking the Board to either appoint a new committee member, agree to keep the two current members or seek three new members.

Mr. Straw concluded his Report.

President Mecham asked Ms. Marx and Mr. Strong if they would like to continue serving on this committee. Both agreed to do so. He opened Board comment.

Board Member Marx asked if the Board would like to have a mix of County Supervisors and city representatives. **President Mecham** said it was not necessary as long as all regions were represented.

President Mecham closed public comment.

President Mecham closed Board comment.

Board Member Ferrara moved to nominate Vice President Higginbotham to the Facility Committee. Board Member Jamie Irons seconded, and the motion carried on a voice vote.

B-2 Authorize RTA Facility Project CMAQ Application: **Mr. Straw** distributed a copy of the original staff report. Staff received a call for projects on August 18 and had to get a packet out in 13 days. This did not give us enough time to properly vet the Congestion Mitigation Air Quality (CMAQ) grant. About \$9.2 million will be available for fiscal years 2013-14 through 2015-16.

We originally thought this would be a great opportunity to address long term facility needs. However, we since learned that project would not be eligible for this funding. We are broadening the application process to find projects that will work. For example, adding more express service to ease bus overcrowding, access improvements or bus stop improvements.

He asked the Board to direct staff to submit a CMAQ application or applications totaling up to \$5 million to meet RTA's needs. He estimated RTA would actually need about \$1.5 million.

Mr. Straw concluded his report.

President Mecham opened Board comment.

Board Member Strong asked if new or additional equipment would qualify. If we are looking at congestion reduction that requires smaller buses to assist with the aging population, is this a possible alternative. Mr. Straw said it was.

Board Member Marx suggested staff look at improving the downtown bus stop. When it's hot, people are looking for shade. When it rains, everyone is crowding into the shelter to stay dry. The long term goal is to have a transit center in San Luis Obispo, but in the interim, I hope that hub can be improved for riders.

President Mecham opened public comment.

Mr. Greening suggested looking at the possibility of using CMAQ funds to help increase labor wages. It appears we are now moving toward bus stop amenities and service improvements. I agree with Mayor Marx that improving the existing downtown bus stop is a worthwhile use of funds. In terms of service, I am often surrounded by standees and sometimes am one of them and see the virtues of added service. We should not expect to come out of labor negotiations with our starting position. Negotiating requires give and take and we must be ready to give some. We need to identify some source of funding besides service cuts, which would pit passengers against drivers and drivers against drivers, since it means driver layoffs.

If we lose service due to labor negotiations, could we identify and start new service that is similar to the service being cut and get it on the road immediately? Can JARC money be identified as a possible operating funding source that can be used to pay drivers what they are worth?

Mr. Ron DeCarli, SLOCOG, voiced his support of the amended staff report and recommendation. It's important to have that flexibility. We had some concerns after meeting with area system operators and cities, including RTA, about various CMAQ projects. We had some eligibility concerns and have been meeting consistently and checking with the state. As a result, SLOCOG supports the modification of the staff report as identified. We expect the total cost of RTA projects to be around \$1.5 to \$1.7 million in terms of purchasing buses, implementing services and bus stop improvements. These are all viable and very competitive. SLOCOG staff would look at these applications compared with all other proposed projects that are submitted.

President Mecham closed public comment.

President Mecham closed Board comment.

Board Member Ferrara moved to approve Resolution to RTA Board of Directors to authorize staff for submittal of the grant application to SLOCOG for CMAQ funds. **Board Member Strong** seconded, and the motion carried on a roll call vote.

C. CONSENT AGENDA:

- C-1 Memorandum of Understanding for 40 Prado (Approve)
- C-2 RTA Board Meeting Minutes of July 10, 2013 (Approve)
- C-3 RTA Executive Committee Minutes of June 12, 2013 (Approve)

President Mecham opened public comment.

President Mecham opened Board comment.

Board Member Arnold

Past President Strong closed public comment.

Past President Strong closed Board comment.

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

D. CLOSED SESSION:

PUBLIC COMMENTS: Mr. Greening said we need to be prepared to budget for something other than our starting position during negotiations so we do not insult drivers by offering them too little for being public safety professionals. They have our lives in their hands. I would urge the Board to enter negotiations in good faith. Do not enter them with the expectation of coming out with the starting position.

JOINT RTA AND SLOCOG 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:
(SLOCOG),

Geoff Straw (RTA), Ronald De Carli
Peter Rodgers (SLOCOG)

Under Negotiation/Discussion:

Price and Terms of Payment

Properties:

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

RTA and SLOCOG went into *Closed Session* at 9:11 a.m. and returned to *Open Session* at 9:32 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 **9:33 a.m.**

Respectfully Submitted,

Anna Mafort-Lacy
RTA, Administrative Assistant

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 6, 2013

STAFF REPORT

AGENDA ITEM: C-3

TOPIC: Amend CBA with Teamsters Local 986 to Recognize “Part-Time/Health-Benefited” Employees

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Authorize the RTA Executive Director to Execute the CBA Amendment

BACKGROUND/DISCUSSION:

The Patient Protection and Affordable Care Act (ACA) was signed into law on March 23, 2010. The ACA is aimed at increasing the affordability and rate of health insurance coverage for Americans, and reducing the overall costs of health care (for individuals and the government). It provides a number of mechanisms – including mandates, subsidies, and tax credits – to employers and individuals to increase the coverage rate and health insurance affordability.

Following preliminary negotiations with Teamsters Local 986 officials, RTA staff presented a recommendation to the RTA Board at its July 10, 2013 meeting to move forward with health benefits for employees who regularly work greater than 30 hours per week, effective September 1, 2013. After finalizing good faith negotiations with Teamsters officials over the past two months, the attached Resolution and accompanying Collective Bargaining Agreement (CBA) amendment letter will serve as formal adoption of the recommended changes.

Staff Recommendation

Adopt the Resolution authorizing the RTA Executive Director to execute the CBA amendment.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. _____**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY BOARD OF DIRECTORS, AUTHORIZING THE AMENDMENT TO
THE COLLECTIVE BARGAINING AGREEMENT BETWEEN RTA AND
TEAMSTERS LOCAL 986**

WHEREAS, the San Luis Obispo Regional Transit Authority (RTA) entered into a Collective Bargaining Agreement (CBA) with Teamsters Local 986 on October 10, 2010; and,

WHEREAS, the CBA with Teamsters Local 986 (formerly Local 381) covers Bus Operators and Mechanics; and

WHEREAS, the current CBA expires on January 31, 2014; and

WHEREAS, the Patient Protection and Affordable Care Act (ACA) was signed into law on March 23, 2010; and

WHEREAS, large companies would have to pay the Internal Revenue Service \$2,000 for each full-time employee who regularly works more than 30 hours per week and is not provided mandatory health benefits; and

WHEREAS, RTA negotiated in good faith with Teamsters Local 986 to designate a new category of employees as "Part-Time/Health-Benefited" and provide those employees with health benefits as required under the ACA; and

WHEREAS, the RTA Board elected at its July 10, 2013 meeting to provide health benefits to Part-Time/Health-Benefited employees effective September 1, 2013.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the RTA Board of Directors authorizes the Executive Director or his designee to execute an amendment to the CBA to recognize Part-Time/Health-Benefited employees and other related matters.

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 6th day of November 2013.

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:

By: _____
Tim McNulty, Counsel
San Luis Obispo Regional Transit Authority

Date: _____



November 6, 2013

David Latimer
President / Business Agent
Teamsters Local 986
115 West Bunny Avenue
Santa Maria, CA 93458

Re: **CBA Amendment to Recognize “Part-Time/Health-Benefited Employee” Designation**

Dear Mr. Latimer:

Please let this letter serve as an understanding that RTA will partially cover the health-related benefits for Part-Time/Health-Benefited employees covered by the CBA. Based on our previous conversations, this change took effect on September 1, 2013. Specifically, RTA will pay up to \$390.70 toward providing health benefits for employees that work greater than 30 hours per week, but do not quite work enough hours per week to be considered a full-time employee as identified in Articles 24, 30 and 32 of the CBA with Teamsters Local 986. This will affect the following Articles of the existing CBA:

1. **Correct** Article 24 Health, Dental, Vision and Life Insurance, Section 2 Premiums, Subsection A – at the end of the last sentence in this subsection, change “~~...Article 31, Section 1.~~” to “...Article 30, Section 1.”
2. **Add** Article 24 Health, Dental, Vision and Life Insurance, Section 2 Premiums – add Subsection E, which states:

“E. As identified in the Affordable Care Act, RTA agrees to pay for a portion of the provision of health insurance for Part-Time/Health-Benefited employees beginning on September 1,

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2013 and continuing through the last effective date of this Agreement. RTA shall pay up to \$390.70 per month toward the employee's monthly premium for health insurance for each Part-Time/Health-Benefited employee as defined in Article 30, Section 1 (as amended) beginning on September 1, 2013 through January 31, 2014. Thereafter, should the cost of the health insurance premium rise, RTA shall pay \$390.70 per month plus 50% of the marginal increase in the premium. The employee shall be responsible for the balance of said increase and this amount shall be deducted on a bi-weekly payroll basis."

3. **Amend** Article 30 Bus Operations and Operators, Section 1, as follows:

"Full Time Bus Operator: The Company shall have Full-Time, Part-Time/Health-Benefited, and Part-Time Positions as established upon ratification of the collective bargaining Agreement and as amended effective September 1, 2013. Positions shall be determined annually through the operating program (budget) adopted by the RTA Board. Full-Time Bus Operators shall be any employee who operates a fixed route bus, Runabout, Dial-A-Ride or Trolley who bids a scheduled run that regularly works thirty-five (35) hours per week or more. Part-Time/Health-Benefited Bus Operators shall be any employee who regularly works more than thirty (30) hours per week but less than thirty-five (35) hours per week.

When a Full-Time Bus Operator vacancy occurs, the Company shall post the position for ten (10) calendar days. The position shall be opened for application during this ten (10) day period only. Part-Time/Health-Benefited and Part-Time operators may apply for the position by completing an RTA Application for Promotion to Full-Time form and submit the application to the Company. Once the job posting is taken down, the position application process shall be considered closed. The RTA shall review all applications and notify all applicants of their status within fourteen (14) days of the closing process."

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4. **Amend** Article 32 Extra Board Operators and Part-Time Operators, Section 2 Part-Time Operators, as follows:

“SECTION 2. Part-Time and Part-Time/Health-Benefited Operators

- A. Part-Time Operators will be those operators that either regularly work a biddable part-time run, or who are casual Part-Time or Part-Time/Health-Benefited operators who work open assignments on an as needed basis. Part-Time and Part-Time/Health-Benefited Operators shall not regularly work more than thirty-four (34) hours per week.
- B. Part-Time and Part-Time/Health-Benefited Operators shall be eligible for any full-time operator position that may become available. Should a full time position become available and the Company is able to fill that position, it shall be filled by the most senior Part-Time or Part-Time/Health-Benefited operator.”

By signing below, RTA and Teamsters Local 986 agree to the language changes presented above, and the changes will be incorporated into the CBA dated October 10, 2010.

Geoff Straw, RTA Executive Director

Date

Tim McNulty, RTA Counsel

Date

David Latimer, Teamsters Local 986 Business Agent

Date

Debra Goldberg, Teamsters Local 986 Counsel

Date

The Regional Transit Authority is a Joint Powers Agency serving residents and visitors of:

Arroyo Grande Atascadero Grover Beach Morro Bay Paso Robles Pismo Beach San Luis Obispo and The County of San Luis Obispo

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

November 6, 2013

STAFF REPORT

AGENDA ITEM: C-4

TOPIC: Vehicle Procurement

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Authorize Executive Director to Conduct a Multi-Year Joint Procurement for Paratransit Vehicles

BACKGROUND/DISCUSSION:

As presented at the May 1, 2013 Board meeting, RTA secured \$324,000 in FTA Section 5307 funds to purchase four wheelchair-accessible Runabout cutaway vehicles. These FTA funds will be matched with \$36,000 in STA funds, equating to a total project budget of \$360,000. The Board authorized staff at that May 1 meeting to purchase these four vehicles through the CalACT joint procurement program previously approved by FTA and Caltrans. However, FTA recently determined that joint procurement program to be invalid.

As such, RTA is seeking Board approval to conduct a multi-year cutaway vehicle procurement to meet our current need for four vehicles, as well as other potential paratransit vehicles (cutaways, minivans and minibuses) in the future. In essence, the first year of the multi-year procurement will identify vehicles currently funded, while the remaining four years will identify optional purchases depending upon funding availability and Board approval for each subsequent vehicle order.

Officials from the Santa Maria Area Transit program have expressed an interest in participating in a joint procurement, as long as the procurement will meet the new and more stringent FTA joint procurement requirements. Staff will reach out to other transit providers in the region to determine if those agencies wish to join in the procurement, which will take approximately two to three months to finalize the procurement documents, award the contract, and place an order. Once a purchase order is issued by RTA for its vehicles, it will take approximately 4-6 months for delivery. It should be noted that under a joint procurement process, each agency identified in the procurement documents must issue purchase orders directly to the winning bidder; RTA would not be required to issue purchase orders on behalf of those other agencies.

Staff Recommendation

Staff requests the Board's concurrence to authorize the Executive Director to issue a Request for Proposal to purchase paratransit vehicles over a five-year period. No additional funds are being requested.