

REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

Wednesday April 20, 2016

10:00 a.m. – 11:30 a.m.

SLOCOG Conference Room

1114 Marsh Street

San Luis Obispo, California

This agenda is available/posted at: <http://www.slorta.org/board/rta-board-meetings>

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 (including Limited English Proficiency) by contacting the RTA offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

1. **Call Meeting to Order, Roll Call**
2. **Public Comment:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
3. **Information Items**
 - A-1 Executive Director's Report (Receive)
4. **Action Items**
 - B-1 Fiscal Year 2016-17 Operating and Capital Budget (Action)
5. **Consent Items**
 - C-1 Executive Committee Meeting Minutes of December 17, 2015 (Action)

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

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

6. **May 4, 2016 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

- A-1 Executive Director's Report (Receive)
- A-2 Present Strategic Business Plan Performance Measures (Receive)
- A-3 Short Range Transit Plan (SRTP); Presentation on the Final Service Recommendations by LSC Consulting (Review and Comment)

Action Items

- B-1 Fiscal Year 2016-17 Operating and Capital Budget (Action)

Consent Items

- C-1 Executive Committee Meeting Minutes of December 17, 2015 (Approve)
- C-2 RTA Board Meeting Minutes of March 2, 2016 (Approve)
- C-3 Draft RTAC Minutes of April 21, 2016 (Information)
- C-4 Contract with AGP Video Production of Board Meetings (Approve)
- C-5 Youth Ride Free Summer Promotion (Approve)
- C-6 Amended Contract with Executive Director (Approve)
- C-7 Pacific Surfliner Transit Transfer Agreement (Approve)
- C-8 Resolution Authorizing Executive Director to Apply for FTA funds (Approve)
- C-9 Title VI Plan Updates (Approve)
- C-10 Prop 1B Safety and Security: Transit System Safety, Security and Disaster Response Account Program, and Authorized Agent Signature Authority (Approve)
- C-11 Vehicle Procurements: Runabout Vehicles and Fixed Route Vehicles (Approve)

Closed Session Items

None

7. **Closed Session**

None

8. **Adjournment**

Next RTA Executive Committee Meeting: **June 15, 2016**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

April 20, 2016

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Tania Arnold, CFO/Director of Admin.

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

RTA will conduct its next Employee of the Quarter barbecue lunch on April 29th from 11:30AM until 1:00PM at the RTA Operating facility. Please add that event to your calendars.

The Regional Transportation Advisory Committee will meet on April 20th to provide recommendations on the FY16-17 budget. The committee will also review and provide comments on the Draft Short-Range Transit Plan (SRTTP) for RTA; this report is also available on the RTA website. This Caltrans-funded study will be presented at the May 2016 RTA Board meeting as an information item, and at a subsequent public workshop to be scheduled. The final draft report will be considered for adoption by the RTA Board at its July 2016 meeting.

RTA is currently recruiting Bus Operator candidates to begin a new training class on May 23rd. The new employees should be ready for revenue service in early July.

RTA contracted with Rincon Associates to assist with environmental planning services for a long-term operations, administration and maintenance facility. This study is funded partially with FTA Section 5307 funds, and will require approximately 16 months to complete.

Staff implemented MCI over-the-road coaches on Routes 9 and 10 express services during morning and afternoon peak travel periods in mid-March. Initial responses from riders and Bus Operators have been positive, although the dwell time at bus stops is increased slightly due to the steep/narrow single entrance. Regardless, staff expects this to abate over time as our riders and employees become more familiar with these new-to-us buses. Staff will continue to monitor on-time performance and analyze feedback over the next few months before providing a recommendation to the Board on whether or not to exercise an option to purchase two new over-the-road coaches at the Board's September 2016 meeting.

Service Planning & Marketing:

RTA staff continues to participate in a Travel Management Coordination Center study funded partially with an FTA Mobility Services for All Americans grant. The TMCC study seeks to evaluate technology solutions to help improve access to specialized transportation services (including Runabout) throughout the county.

In order to address the addition of a ticket vending machine at the Government Center, as well as ITS informational signs and new shelters, staff is currently waiting on bid for facility design services. Proposals are due April 25, 2016.

Staff is still awaiting a response from FTA regarding RTA's request to issue a Categorical Exclusion for RTA's partial use of the County Corp Yard in Paso Robles.

Finance and Administration:

Based on the Budget Assumptions adopted by the RTA Board at its March 2nd meeting, as well as the preliminary financial and operating data through February 28th, staff has developed a financially-constrained FY16-17 operating and capital budget.

- The preliminary financial data shows that we have expended 57.3% of our non-capital budget through February 28th, which represents 66.7% of the fiscal year. Of the items that show the greatest proportional variance, Property Insurance and the three Worker's Compensation line-items are paid annually and at the start of each quarter, respectively, so those figures are not alarming in this context. Other areas of variance include Fuel (36.7%) and Marketing (34.2%). Overall, expenses are appropriately managed and are within normal budgetary constraints.
- Fixed route services achieved an overall unaudited 26.6% farebox recovery ratio, while Runabout achieved an FRR of 4.0%. These figures are essentially the same as the measures recorded for the same period last year.

Preliminary RTA core fixed route ridership totaled 476,831 one-way passenger-trips, which is down 7.0% in comparison to the same period last year (512,722). Although ridership continues to be down, it is not as far down as it was in previous months.

- Runabout ridership declined slightly: 28,953 in the first eight months of FY15-16 vs. 29,376 the previous year, which is a decrease just over one percent. This is welcome relief from the double digit increases experienced over the previous two fiscal years – despite the record month in October 2015.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY VISION STATEMENT, VISION ELEMENTS, MISSION STATEMENT AND STRATEGIC DIRECTION

VISION

The RTA of the future is an integral part of the “SLO lifestyle.” From the vineyards in North County, to the secluded beach towns on the North Coast, to multi-faceted communities in the South County, residents and visitors use public transportation rather than relying on their cars.

Vision Elements

- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

MISSION

The Mission of RTA is to provide safe, reliable and efficient transportation services that improve and enhance the quality of life for the citizens and visitors of San Luis Obispo County.

STRATEGIC DIRECTION

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce Vehicle Miles Traveled.
- Embrace technological improvements that will positively impact efficiency and quality of service.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY VALUES

Commitment to Serve

Provide valuable services to the public and direct our energies in strengthening our relationships with our customers and the community while maintaining responsible ethical fiscal management.

Leadership

Be trustworthy, credible, confident, progressive and influential in all we do.

Teamwork

Work together with trust, support and mutual cooperation and respect. Provide an environment that fosters frank and open communication. Have Fun in our daily activities and keep issues in perspective. Have pride in our accomplishments while taking on our challenges with spirit and vigor.

Integrity

Promote honesty, loyalty, dignity, respect, decency, fairness, courtesy, responsibility, and character.

Human Development

Provide the appropriate resources and environment for employees to be successful, motivate individuals to take initiative and to be creative in all of our efforts.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

April 20, 2016

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2016-17 and 2017-18 Operating Budget, and Fiscal Year 2016-17 through 2020-21 Capital Budget

PRESENTED BY: Tania Arnold

STAFF RECOMMENDATION: Adopt Fiscal Year 2016-17 Budget as presented

RTAC RECOMMENDATION:

BACKGROUND/DISCUSSION:

We are pleased to present a fiscally-constrained fiscal year 2016-17 operating budget, and an advisory fiscal year 2017-18 operating budget. In addition, we are presenting a five-year capital program.

We appreciate the Board's support and leadership in these financially constrained times. This year presented staff with a continued challenge due to declines or stagnation in the various local revenue sources used to operate core RTA services.

The budget presentation assumes essentially the same core levels of service miles and hours for fixed route services that are currently being operated. It also assumes the same hours and miles for Runabout service, which is a welcome relief in comparison to recent years when Runabout demand burgeoned. Staff will continue to monitor the Runabout service and should service demands change to beyond the scope of the budget present, a budget amendment will be presented to the Board for consideration. It should be noted that RTA is recommending the elimination of the North Cuesta College Evening Shuttle. The ridership is essentially non-existent, despite significant outreach efforts by both RTA and Cuesta College.

Route 14 service will continue to operate during peak academic year travel times between downtown San Luis Obispo and the main Cuesta College campus, our highest trip generators in the regional system. The North Coast Connector service will continue to operate as a deviated fixed route service; although it is not a significant cost savings in the fixed route service plan, it reduces Runabout service costs.

In May of 2014 RTA adopted a reserve policy – one for cash flow purposes and one for capital projects. During FY13-14 and FY14-15 RTA came in under the adopted budget, fare revenue was higher than projected, and the fund balance increased more than

original budget projections. In addition, during FY13-14 and FY14-15, RTA has replaced the vast majority of the fleet, which has resulted in a reduction in the amount of capital projects reserves needed in the ensuing years. The result of the savings, as well as a decrease in fuel prices, has resulted in staff is projecting a strong fund balance at the beginning of FY16-17.

No Local Transit Fund (LTF) is required for local match for any of the proposed capital projects. The FY16-17 RTA operating budget is proposed at \$8,576,950 and the capital budget is proposed at \$2,379,360.

It should be noted that staff continues to present separate columns in the revenue and expense tables that depicts the consolidation of Paso Robles Express fixed route and dial-a-ride services into RTA on June 1, 2014, as well as the County transit services (SLOCAT) in a separate column. This separation is presented so that readers can easily distinguish between core RTA services and those operated under contract for partner agencies.

In summary, RTA staff has done a tremendous job of holding the line on expenses. The major increases in this year's operating budget are costs for vehicle liability insurance, workers compensation insurance, the wage adjustments programmed in the Collective Bargaining Agreement for covered employees, and costs associated with our health plan. The downturn in fuel costs has resulted in welcome relief, although we do not expect fuel costs to remain static into the future.

The budget packet contains the following items:

- Our Vision and Mission statements
- Budget Assumptions adopted by the Board at its March 2, 2016 meeting
- Fiscally-constrained FY16-17 operating and capital budgets
- Fiscally-unconstrained FY17-18 operating budget
- Fiscally-unconstrained FY17-18 through FY20-21 capital budgets

Lastly, we have broken each fixed route service into weekday, Saturday and Sunday sections to better understand the financial commitment necessary to operate these distinct services should service reductions become necessary due to funding or other constraints.

Revised Revenue Assumptions

LTF funds are derived from the statewide $\frac{1}{4}$ percent sales tax, while STA is derived from the sales tax on diesel fuel. Countywide LTF is projected by SLOCOG to be unchanged FY16-17 in comparison to final FY15-16 amounts. However, STA funding for FY15-16 roughly 13% lower for RTA than originally projected and staff is projecting continuing with this lower estimate in FY16-17.

We are predicating the revenue stream for the FY16-17 budget on the latest information that we have available on LTF and STA funding for the region. The LTF program continues to be volatile and staff is unsure of what the projection for this revenue stream

should be for the coming years. Staff concurs and applauds the principles laid out in the SLOCOG staff report that any future funding formulas include incentive funding for Vehicle Miles Traveled (VMT) and regional integration of the jurisdictional operations with the regional system as part of the regional funding formula. This budget assumes no fare increases for either FY16-17 or FY17-18, although staff is evaluating fare increase options for pending LTF revenue projections for FY17-18.

Administration and Operations Expenses

The overall Administration Expense for RTA core services is relatively flat compared to last fiscal year. Increases to workers compensation and professional development are offset by the proposed increase in reimbursements as part of the SCT Management Contract.

On the operating side, we have maintained current service levels. The proposed service delivery cost for RTA core services is up by roughly 2% from what was identified in the FY15-16 budget.

As included in the budget assumptions that your Board accepted in March 2016, based on the current projected funding, an annual merit adjustment will be budgeted for non-union employees; the Collective Bargaining Agreement (CBA) identifies annual increases based upon longevity for Bus Operators, Mechanics and Utility Workers. It should be noted that RTA ratified a new CBA in February 2014, which runs through January 31, 2018. Non-CBA employees within the salary range for their position will also be eligible for a step merit increase subject to performance assessments. It should be noted that staff is evaluating the potential impacts of the California Legislature's recent minimum wage hike to \$15.00 per hour by 2021; RTA's current average hourly wage is \$16.30 per hour.

Staff was notified in November of a likely increase to the primary workers compensation insurance program for the FY16-17, after a significant increase in FY15-16. Staff notified the RTA Executive Committee and Board during meetings earlier this year that options for coverage were being reviewed. Since that time, staff received revised estimates, which are slightly lower than the November projections. Additional information was provided by the underwriter, including the fact that rates are calculated based on losses over the last seven years, and then an experience modification factor for the last three years is applied. Staff also received information regarding the effective rates for the primary workers compensation insurance. RTA is now rated on an actuarial basis, has seven prior years of losses, and has a \$0 self insured retention (SIR) level. Staff is getting quotes and analyzing options for FY16-17 to determine if an increase in the SIR or if contracting with another carrier would be more cost efficient. Although the final numbers will not be available prior to adoption of the budget, staff has included a "worst case scenario" cost estimate in the attached budget proposal.

Finally, due to the unrest in North Africa and the Middle East, fuel prices have continued to swing wildly over the past few years. Staff has tried to budget fuel somewhat conservatively, but we may need to adjust it if fuel prices rise significantly during the

fiscal year. Due to our limited infrastructure, we are unable to purchase fuel in bulk to realize economies of scale.

Ridership Patterns, Overcrowding Mitigation

This past year we saw Runabout ridership up nearly 1.5%, while fixed route ridership was down nearly 7%, for the first eight months of FY15-16.

Pursuant to the language in the SLOCOG Regional Transportation Plan under Transit Policies, we have the ability to periodically adjust transit service parameters with the objective to maximize transit system efficiency, effectiveness and economic feasibility. Under this section there is a provision to review the need to add trips or tandems when the peak load factor consistently exceeds 90 percent of a seated bus load. In the case of all our peak period commute trips on Routes 9, 10 and 12, the load factors consistently range from 100 – 130% of the seated load.

The draft Short Range Transit Plan includes a number of service improvements to meet current and projected future demand for regional transit services. In particular, new mid-day express runs on Routes 9 and 10, as well as later evening services, are recommended beginning in FY17-18. However, those improvements cannot be implemented without significant new funding and will remain financially-unconstrained until or unless new operating funds can be secured.

Runabout Ridership Leveling Off and New Runabout Eligibility Procedure

Pursuant to the monthly ridership reports, Runabout ridership is now holding steady. Staff is in the process of implementing a functional assessment as part of the eligibility process to ensure that the service is being provided to those who truly need it. Staff will also be doing fixed route travel training with those Runabout applicants that might be capable of using fixed route services when feasible.

Capital Program

The focus of our financially constrained FY16-17 capital program will be funding the improvements for a long-term Paso Robles yard, continued planning for the Elks Lane yard, and replacing Runabout vehicles that have reached the end of their economically useful life. We have also programmed the following minor capital projects:

- \$33,500 for shop tools for our maintenance department to improve efficiencies;
- On-board camera system for the Runabout and Dial A Ride vehicles;
- Bus stop improvements, including solar lighting; and
- Miscellaneous computer equipment, including a server replacement.

It should be noted that a portion of the FY15-16 capital funds for fully funded projects, such as the ITS improvements and Over the Road Coaches will need to be carried over to FY16-17 but, due to the timing of the projects and in order to provide a clear picture of what is new and what has been previously programmed, staff is recommending a budget amendment in September to address carryover items. The carryover will have no financial impact to local jurisdictions.

Also included is a projected five-year capital improvement program as part of the budget plan. While only the first year is financially constrained, the projects identified in the ensuing four years provide a snapshot of future capital needs and potential cost levels. It should be noted that staff has only identified replacement projects and easily identifiable on-going projects (i.e., computer needs and bus stop improvements) in the capital improvement program. No expansion vehicles are included. As the Board provides direction to staff regarding possible expansion vehicles and/or facilities the capital improvement program will be updated.

Staff has adjusted the pay-down schedule for the existing loan for the 179 Cross Street building improvements project that began in 2006. Given the recent LTF financial constraints presented above and the revised lease agreement through 2022, staff has extended principal payments out to FY18-19. The loan would still be paid off prior to the extended lease termination date, but provided more funding for operations during these tight financial times.

Conclusion and Staff Recommendation

Fiscal Year 2016-17 will be another challenging year, including financial barriers and the need to implement long-planned facility related capital projects. We look forward to working with our customers, the Board and other stakeholders in providing the highest quality of transportation services to residents of and visitors to our community. We believe that this budget reflects the path set by your Board in previous years and, although we would like to do more, we believe that this budget provides the optimum levels of service within the confines of existing limited resources.

The Staff recommends that the Board adopt the FY16-17 budget as presented.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

**March 2, 2016
STAFF REPORT**

AGENDA ITEM: B-1

TOPIC: Fiscal Years 2016-17 and 2017-18 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Approve Budget Assumptions to enable staff to begin development of FY16-17 & FY17-18 Operating Budget

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for RTA's Fiscal Year 2016-17 and 2017-18 Operating Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 13th meeting prior to the final draft budget presentation to the Board in May.

Mission Statement

The Mission of RTA is to provide safe, reliable and efficient transportation services that improve and enhance the quality of life for the citizens of and visitors to San Luis Obispo County.

Objectives and Revenue Impacts

1. Maintain service levels and hours of service that meet the demand of our customers and communities through the effective and efficient delivery of RTA Fixed Route and Runabout core services.
 - o SLOCOG is working on State Transit Assistance (STA) funding projections for FY16-17.
 - o Staff is not recommending a fare program change for FY16-17, although we may have to consider changes if TDA or other funding shortfalls emerge. Fare revenue is projected to be \$1,330,000 (farebox and advertising revenue).

- FY15-16 LTF revenue was budgeted at \$3,740,499. Once the FY16-17 targets are further refined by the County Auditor and SLOCOG, RTA will present a proportional increase/decrease in overall LTF funding in our FY16-17 budget and a similar increase/decrease in the FY16-17 budget. Should staff be unable to secure adequate funding to operate core Fixed Route and Runabout service levels, a potential increase in LTF funding would be requested for the Board's consideration and/or a reduction of service would be proposed. If a budget shortfall due to the loss of funding in either fiscal year, staff would evaluate and make appropriate recommendations on a potential budget amendment or use of reserve funds.
 - Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding for FY16-17, and capital funding for FY16-17 and FY17-18 will be presented as previously presented, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for federal transportation programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly.
 - FTA Section 5307 operating funding from the City of Santa Maria for Route 10 will be budgeted based on previous commitments with SBCAG and the City of Santa Maria. Staff is confident in continued funding for Route 10 operations.
 - Detailed miles/hours and span of service for each RTA core fixed route and Runabout will be provided with the draft budget. In addition, detailed budgets based on miles/hours and span of service will be provided separately for SLO County Services and North County Local Services.
2. Continue to monitor reserves using the adopted policy from May 2014.
- RTA was awarded a total of \$800,000 in FTA Section 5316 JARC funding for FY14-15 to support Route 10 operations and North Coast services (RTA Route 15 and related Runabout). However, it was the last award of discretionary JARC funds, which have been eliminated. Route 15 was revamped in September 2015 to a deviated fixed route service, reducing Runabout services between Morro Bay and Cambria. Staff has been successful in obtaining FTA Section 5307 operating funding from the South County to offset the impact on the Route 10.
3. Continue to work with the SLOCOG efficiencies committee in evaluating region-wide service efficiencies.
- Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel. RTA will continue to monitor this experience

to determine if it emerges as a long-term trend. Either way, RTA is not recommending any Fixed Route service increases in FY16-17.

- Add a review of the tasks and financial impacts included in the South County Transit contract for administrative, financial, maintenance and dispatch services, and evaluate efficiencies with RTA.
 - Staff will continue to explore new revenue resources at the Federal, State, and local levels.
 - RTA will work with SLOCOG staff and members of the Regional Efficiencies Committees to evaluate efficiencies in the provision of service throughout the county.
 - Staff will use the 2015-17 RTA Strategic Business Plan, the 2010 Fixed Route Performance Standards, as well as the draft findings from the Short Range Transit Plan, to evaluate potential efficiencies and with Board concurrence implement efficiencies.
4. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 5. Address overcrowding on Fixed Route runs during peak travel periods.
 - Additional express trips on the Routes 9 began in September 2015 as well as Route 10X with service to the SLO Airport. In the latter part of FY15-16 express trips will have begun using the used over the road coaches RTA received to evaluate the feasibility prior to purchasing new coaches. Service levels, the total number of revenue service hours, miles and span of service for RTA Fixed Route services will be budgeted at annualized levels assumed in FY15-16. If any additional service becomes necessary, staff would seek a budget amendment to address those service demands during the fiscal year.
 6. Address a projected slight increase in demand for Runabout service.
 - Runabout service hours and miles are projected to require a minimal increase based on recent demand trends. This reflects a change from prior years, which required significant Runabout service level increases due to burgeoning demand.
 - To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, a part-time staff position to conduct functional assessments as part of the Runabout application process will be added in early 2016. This person or persons will also provide mobility training for disabled persons who are able to use Fixed Route services for some or all of their travel needs.

- At this time staff does not foresee moving forward with using taxi cab services but should service expansions occur staff will revisit this option.
7. Implement RTA's strategy to develop a long-term administrative, operations and maintenance facility.

Expenses Impacts

1. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.50 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed Route vehicles.
2. Insurance Expenses:
 - California Transit Indemnity Pool (CalTIP) liability premiums are projected to increase 10% annually due to the loss development trends the pool is experiencing.
 - CalTIP vehicle physical damage will increase by approximately 5% due to the addition of new vehicles in the fleet
 - Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase 50%, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. Staff will be working with our broker to obtain open market quotes to ensure our current carrier is providing the best value as well as reviewing options for increasing our self insured retention (currently at zero). Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims.
 - Property insurance will increase minimally.
 - Staff is still closely monitoring the anticipated impacts of the Affordable Care Act on both the number of employees and the costs of per-employee healthcare costs. For budget-making purposes, staff is assuming an 6% annual increase for healthcare costs for each of the next two fiscal years
3. Staffing Expenses:
 - For FY16-17 core RTA services, the number of budgeted positions will remain essentially the same as FY15-16.

- For FY16-17, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- Based on the current projected funding, a 2.5% annual inflationary adjustment will be budgeted for non-union employees; the 2014-2018 Collective Bargaining Agreement has already identified annual increases based upon longevity for Bus Operators and Mechanics. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

Proposed Budget Calendar

- February 10 Detailed budget assumptions and revenue forecast to Executive Committee
- March 2 Obtain Board concurrence on proposed draft budget assumptions
- March 2 Provide mid-year FY15-16 Budget data to Board (no additional budget amendments are being requested)
- March 31 Based on feedback from Executive Committee draft FY16-17 Budget Draft complete.
- April 13 Draft FY16-17 Budget presentation to Executive Committee
- April 21 Formal FY16-17 Budget presentation to RTAC
- May 4 Final Board Budget presentation; Board adoption of FY16-17 Budget

Staff Recommendation

Approve the budget assumptions and budget calendar so that a detailed work plan and budget may be developed.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED OPERATING REVENUE BUDGET FOR 2016/2017**

	2014/2015 COMBINED ACTUAL	2015/2016 ADOPTED OPERATING BUDGET	2015/2016 ADOPTED SLOCAT BUDGET	2015/2016 ADOPTED N. COUNTY BUDGET	2016/2017 PROPOSED OPERATING BUDGET	2016/2017 PROPOSED SLOCAT BUDGET	2016/2017 PROPOSED N. COUNTY BUDGET	2017/2018 PROJECTED OPERATING BUDGET	2017/2018 PROJECTED SLOCAT BUDGET	2017/2018 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
GENERAL RESERVES	2,483,543	2,357,594	1,118,930	184,523	2,253,090	699,820	200,390	1,384,070	275,330	180,800
1. ESTIMATED FUND BALANCE	2,483,543	2,357,594	1,118,930	184,523	2,253,090	699,820	200,390	1,384,070	275,330	180,800
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA	1,323,037	1,345,803	719,410	200,388	1,384,070	276,470	180,800	1,535,850	107,670	201,410
OFFSET RESERVE FOR JARC (SECTION 5316) LOSS	460,000	-	-	-	-	-	-	-	-	-
TOTAL	1,783,037	1,345,803	719,410	200,388	1,384,070	276,470	180,800	1,535,850	107,670	201,410
3. FUND BALANCE AVAILABLE	700,506	1,011,792	399,520	(15,865)	869,020	423,350	19,590	(151,780)	167,660	(20,610)
NON TDA SOURCES										
FARES	1,436,252	1,175,000	26,600	92,660	1,190,290	37,610	102,100	1,190,290	37,610	102,100
SCT MANAGEMENT CONTRACT	78,760	79,830	-	-	114,900	-	-	118,630	-	-
COUNTY MANAGEMENT CONTRACT	80,500	80,500	-	-	82,110	-	-	84,780	-	-
NORTH COUNTY MANAGEMENT CONTRACT	39,720	39,720	-	-	40,320	-	-	41,630	-	-
INTEREST	6,277	3,000	1,000	-	8,330	1,180	-	8,920	590	-
STATE TRANSIT ASSISTANCE (STA)	361,812	-	104,750	85,920	-	89,490	36,190	-	89,490	36,190
RURAL TRANSIT FUND (Administration)	25,000	30,000	-	-	30,000	-	-	30,000	-	-
RURAL TRANSIT FUND (Operating Funds)	197,139	200,000	-	-	300,000	-	-	401,580	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	472,500	496,130	-	-	520,940	-	-	546,990	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	612,879	626,740	-	-	524,930	-	-	498,210	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5316) - JARC	-	-	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operatin	911,820	765,600	-	215,565	801,380	-	226,340	838,950	-	237,660
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	226,960	317,160	-	-	332,850	-	-	349,490	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operatin	425,000	420,000	-	-	491,000	-	-	513,050	-	-
CUESTA CONTRIBUTION ROUTE 12	53,855	54,370	-	-	60,120	-	-	63,390	-	-
CUESTA CONTRIBUTION NORTH COUNTY	40,580	-	-	40,580	-	-	40,580	-	-	40,580
CMAQ OPERATING FUNDS	-	-	-	-	-	-	-	-	-	-
SPECIAL EVENTS REVENUE/OTHER	38,724	-	-	42,170	-	-	-	-	-	-
4. SUB TOTAL	5,007,778	4,288,050	132,350	476,895	4,497,170	128,280	405,210	4,685,910	127,690	416,530
5. TOTAL FUND BALANCE & NON TDA FUNDING	5,708,283	5,299,842	531,870	461,031	5,366,190	551,630	424,800	4,534,130	295,350	395,920

FUNDING SOURCES:

TDA REQUIRED

CITY OF ARROYO GRANDE	Population Based
CITY OF ATASCADERO	
CITY OF GROVER BEACH	
CITY OF MORRO BAY	
CITY OF PASO ROBLES	
CITY OF PISMO BEACH	
CITY OF SAN LUIS OBISPO	
COUNTY OF SAN LUIS OBISPO	
	18%
	49%

	2014/2015 COMBINED ACTUAL	2015/2016 ADOPTED OPERATING BUDGET	2015/2016 ADOPTED SLOCAT BUDGET	2015/2016 ADOPTED N. COUNTY BUDGET	2016/2017 PROPOSED OPERATING BUDGET	2016/2017 PROPOSED SLOCAT BUDGET	2016/2017 PROPOSED N. COUNTY BUDGET	2017/2018 PROJECTED OPERATING BUDGET	2017/2018 PROJECTED SLOCAT BUDGET	2017/2018 PROJECTED N. COUNTY BUDGET
CITY OF ARROYO GRANDE	220,709	198,830	-	-	198,460	-	-	275,989	-	-
CITY OF ATASCADERO	363,983	328,917	-	-	332,159	-	-	461,918	-	-
CITY OF GROVER BEACH	167,622	150,872	-	-	149,676	-	-	208,148	-	-
CITY OF MORRO BAY	130,903	117,871	-	-	117,108	-	-	162,857	-	-
CITY OF PASO ROBLES	1,117,064	349,495	-	603,120	347,566	-	573,630	483,344	-	674,700
CITY OF PISMO BEACH	97,914	88,380	-	-	87,808	-	-	122,111	-	-
CITY OF SAN LUIS OBISPO	746,273	673,290	-	-	672,424	-	-	935,109	-	-
COUNTY OF SAN LUIS OBISPO	2,031,521	1,832,844	-	-	1,830,488	-	-	2,545,575	291,130	-
TDA REQUIREMENTS BEFORE 5311 EXCHANGE	4,875,988	3,740,499	-	603,120	3,735,690	-	573,630	5,195,050	291,130	674,700
LESS: RURAL TRANSIT FUND/5311 EXCHANGE	(612,879)	(626,740)	-	-	(524,930)	-	-	(498,210)	-	-
6. NET TDA REQUIREMENTS	4,263,109	3,113,759	-	603,120	3,210,760	-	573,630	4,696,840	291,130	674,700
7. TOTAL FUNDING SOURCES	9,971,392	8,413,600	531,870	1,064,150	8,576,950	551,630	998,430	9,230,970	586,480	1,070,620
8. FUNDING USES:										
ADMINISTRATION	1,396,923	1,542,900	10,000	114,450	1,550,260	10,000	77,860	1,595,410	10,000	64,680
INTEREST EXPENSE	65,771	64,500	-	-	44,590	-	-	33,440	-	-
MANAGEMENT CONTRACTS	198,980	119,550	80,500	-	114,900	82,110	40,320	118,630	84,780	41,630
SERVICE DELIVERY	6,861,559	6,612,580	420,350	934,790	6,786,700	437,640	865,890	7,397,080	468,290	948,320
CONTINGENCY	5,558	74,070	21,020	14,910	80,500	21,880	14,360	86,410	23,410	15,990
9. TOTAL FUNDING USES	8,528,791	8,413,600	531,870	1,064,150	8,576,950	551,630	998,430	9,230,970	586,480	1,070,620

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
PROPOSED CAPITAL REVENUE BUDGET FOR 2016/2017**

	2014/2015 COMBINED ACTUAL	2015/2016 AMENDED CAPITAL BUDGET	2015/2016 AMENDED SLOCAT BUDGET	2015/2016 ADOPTED N. COUNTY BUDGET	2016/2017 PROPOSED CAPITAL BUDGET	2016/2017 PROPOSED SLOCAT BUDGET	2016/2017 PROPOSED N. COUNTY BUDGET	2017/2018 PROJECTED CAPITAL BUDGET	2017/2018 PROJECTED SLOCAT BUDGET	2017/2018 PROJECTED N. COUNTY BUDGET	
FUNDING SOURCES:											
	CAPITAL PROJECTS RESERVE	699,560	1,356,544	182,076	29,172	380,650	48,690	4,170	346,790	9,830	40,330
1.	ESTIMATED FUND BALANCE	699,560	1,356,544	182,076	29,172	380,650	48,690	4,170	346,790	9,830	40,330
2.	LESS REQUIRED RESERVES FOR FISCAL YEAR										
	CAPITAL PROJECTS RESERVE	418,820	227,228	3,476	4,172	346,790	8,690	40,330	597,220	9,830	40,330
	TOTAL	418,820	227,228	3,476	4,172	346,790	8,690	40,330	597,220	9,830	40,330
3.	FUND BALANCE AVAILABLE	280,740	1,129,316	178,600	25,000	33,860	40,000	(36,160)	(250,430)	-	-
NON TDA SOURCES											
	STATE TRANSIT ASSISTANCE (STA)	468,410	561,504	-	-	486,530	-	36,160	486,530	-	-
	LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)	-	-	-	-	291,300	-	-	-	-	-
	PROPOSITION 1B FUNDING - SAFETY & SECURITY	-	173,970	-	-	241,300	-	-	-	-	-
	PROPOSITION 1B FUNDING - ELKS LANE	-	-	-	-	-	-	-	100,000	-	-
	PROPOSITION 1B FUNDING - BUS REPLACEMENT	467,565	-	-	-	-	-	-	223,620	-	-
	CONGESTION MITIGATION AND AIR QUALITY (CMAQ)	-	-	-	-	-	-	-	396,000	-	-
	RURAL TRANSIT FUND (Capital)	290,744	229,300	-	-	-	-	-	66,630	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	101,000	782,200	-	-	179,650	-	-	133,330	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5309) - State of Good Repair	2,280,000	-	-	-	-	-	-	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities	4,464	-	-	-	-	-	-	873,210	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5311f)	329,439	-	-	-	-	-	-	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5316) - JARC	400,000	-	-	-	-	-	-	-	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)	397,969	236,600	-	-	532,570	-	-	188,890	-	-
	FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)	51,000	534,200	-	-	614,150	160,000	-	133,330	-	-
4.	SUB TOTAL	4,790,592	2,517,774	-	-	2,345,500	160,000	36,160	2,601,540	-	-
5.	TOTAL FUND BALANCE & NON TDA FUNDING	5,071,332	3,647,090	-	25,000	2,379,360	200,000	-	2,351,110	-	-
6.	NET TDA REQUIREMENTS	35,010	-	-	-	-	-	-	-	-	-
7.	TOTAL FUNDING SOURCES	5,106,342	3,647,090	-	25,000	2,379,360	200,000	-	2,351,110	-	-
FUNDING USES:											
	CAPITAL	4,563,212	3,446,490	89,300	25,000	2,178,760	200,000	-	2,150,510	-	-
	LOAN PAYDOWN	543,130	200,600	-	-	200,600	-	-	200,600	-	-
9.	TOTAL FUNDING USES	5,106,342	3,647,090	89,300	25,000	2,379,360	200,000	-	2,351,110	-	-

		Actual Combined FY 2014-15	Adopted Operating Budget FY 2015-16	Proposed Operating Budget FY 2016-17	Projected Operating Budget FY 2017-18
Administration and Service Delivery Totals					
Administration:					
Labor	operations cost	735,444	789,900	815,700	842,180
Labor - Administration Workers Comp	operations cost	33,844	55,880	71,210	84,860
Office Space Rental	operations cost	427,736	489,360	504,790	492,800
Property Insurance	operations cost	15,915	18,500	17,420	18,060
Professional Technical Services	operations cost	50,897	92,970	79,560	82,450
Professional Development	operations cost	23,794	26,940	37,850	37,850
Operating Expense	operations cost	230,166	255,450	255,190	263,200
Marketing and Reproduction	hourly	78,107	138,400	93,730	93,730
North County Management Contract	operations cost	(39,720)	(39,720)	(40,320)	(41,630)
County Management Contract	operations cost	(80,500)	(80,500)	(82,110)	(84,780)
SCT Management Contract	operations cost	(78,760)	(79,830)	(114,900)	(118,630)
Total Administration		1,396,923	1,667,350	1,638,120	1,670,090
Service Delivery:					
Labor - Operations	hourly	3,447,553	3,865,100	4,100,660	4,377,630
Labor - Operations Workers Comp	hourly	228,983	378,050	481,790	592,490
Labor - Maintenance	hourly	849,859	904,210	947,680	1,013,550
Labor - Maintenance Workers Comp	hourly	67,017	110,640	141,000	173,650
Fuel	miles	1,065,455	1,502,000	1,164,130	1,269,250
Insurance (Liability, Physical Damage)	miles	446,004	483,930	536,650	590,320
Special Transportation (for SLOCAT and Paso)	n/a	95,665	118,330	57,300	57,940
Avila Trolley	n/a	37,382	57,750	57,060	57,920
Maintenance (parts, supplies, materials)	miles	475,467	436,560	465,050	524,320
Maintenance Contract Costs	miles	148,174	111,150	138,910	156,620
Total Operations		6,861,559	7,967,720	8,090,230	8,813,690
Contingency	hourly	5,558	110,000	116,740	125,810
Interest Expense	operations cost	65,771	64,500	44,590	33,440
Management Contracts		198,980	200,050	237,330	245,040
TOTAL FUNDING USES		8,528,791	10,009,620	10,127,010	10,888,070

	Actual Capital Expenditures FY 2014-15	Amended Capital Budget FY 2015-16	Proposed Capital Budget FY 2016-17	Projected Capital Budget FY 2017-18	Projected Capital Budget FY 2018-19	Projected Capital Budget FY 2019-20	Projected Capital Budget FY 2020-21
Capital Expenditures							
Capital/Studies:							
Computer System Maintenance/Upgrades	37,136	37,540	62,250	35,360	37,130	38,990	40,940
Miscellaneous Capital							
Facility Improvements	6,136	39,960	-	-	17,250	-	19,840
Maintenance Software and Maintenance Equipment	32,506	58,990	-	34,730	-	-	-
Rotary Lift/Wireless Lift	55,139	-	-	-	-	-	-
Passenger Protection 1300 buses	-	-	8,400	-	-	-	-
Specialized Maintenance Tools	20,066	-	33,500	-	34,340	36,060	-
Desks and Office Equipment	1,902	-	10,760	-	-	-	-
Radios	-	6,000	-	-	-	-	6,600
Vehicle ITS/Camera System	6,100	725,900	176,690	-	-	-	-
Bus Stop Improvements/Bus Stop Solar Lighting	5,580	294,890	97,690	34,730	36,470	38,290	40,200
Bus Rehabilitation	-	-	126,000	-	-	-	-
RouteMatch Dispatching Software/Call Back System	39,534	37,500	-	-	-	-	-
Vehicles							
Support Vehicles	63,877	60,000	-	18,000	-	-	56,700
40' Coaches	3,808,026	-	-	1,527,700	-	-	573,100
Over the Road Coaches	-	1,300,000	-	-	-	-	-
Trolley replacement vehicles	-	-	200,000	-	-	-	-
Cutaway and Dial A Ride Vehicles	-	259,300	-	-	-	170,100	-
Runabout Vehicles	487,210	521,280	163,480	-	630,300	-	585,100
Total Capital Outlay	4,563,212	3,341,360	878,770	1,650,520	755,490	283,440	1,322,480
Loan Pay down	543,130	200,600	200,600	200,600	211,670	-	-
Elks Lane Project	-	219,430	499,990	499,990	499,990	499,990	499,990
Paso Property Improvements	-	-	1,000,000	-	-	-	-
TOTAL FUNDING USES	5,106,342	3,761,390	2,579,360	2,351,110	1,467,150	783,430	1,822,470

		Total Adopted Budget FY 2015-16	Weekday Proposed Budget FY 2016-17	Saturday Proposed Budget FY 2016-17	Sunday Proposed Budget FY 2016-17	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
Route 9							
	Hours	10,410	9,540	680	420	10,640	10,750
	Miles	321,740	295,570	20,810	13,380	329,760	333,060
Administration:							
Total Administration (Net of Contracts)		263,650	228,240	16,200	10,150	254,590	247,710
Service Delivery:							
Labor - Operations	hourly	515,110	493,510	35,180	21,730	550,420	583,500
Labor - Operations Workers Comp	hourly	51,480	58,420	4,160	2,570	65,150	78,960
Labor - Maintenance	hourly	119,430	113,770	8,110	5,010	126,890	135,510
Labor - Maintenance Workers Comp	hourly	15,030	17,010	1,210	750	18,970	23,210
Fuel	miles	276,360	189,410	13,340	8,570	211,320	186,550
Insurance	miles	89,790	89,310	6,290	4,040	99,640	86,590
Maintenance (parts, supplies, materials)	miles	79,840	74,970	5,280	3,390	83,640	95,160
Maintenance Contract Costs	miles	20,640	22,860	1,610	1,030	25,500	28,640
Total Operations		1,167,680	1,059,260	75,180	47,090	1,181,530	1,218,120
Capital/Studies:							
Total Capital Outlay		550,350	587,030	41,660	26,100	654,790	762,890
Contingency		12,230	11,910	850	520	13,280	14,260
Interest Expense		10,660	6,600	470	290	7,360	5,520
TOTAL FUNDING USES		2,004,570	1,893,040	134,360	84,150	2,111,550	2,248,500
TOTAL NON-CAPITAL EXPENDITURES		1,454,220	1,306,010	92,700	58,050	1,456,760	1,485,610

		Total Adopted Budget FY 2015-16	Weekday Proposed Budget FY 2016-17	Saturday Proposed Budget FY 2016-17	Sunday Proposed Budget FY 2016-17	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
Route 10							
	Hours	10,380	9,610	630	370	10,610	10,720
	Miles	343,010	318,560	20,850	12,150	351,560	355,080
Administration:							
Total Administration (Net of Contracts)		270,160	235,630	15,440	9,040	260,110	248,760
Service Delivery:							
Labor - Operations	hourly	513,630	497,130	32,590	19,140	548,860	581,880
Labor - Operations Workers Comp	hourly	51,340	58,850	3,860	2,270	64,980	78,740
Labor - Maintenance	hourly	119,070	114,600	7,510	4,410	126,520	135,140
Labor - Maintenance Workers Comp	hourly	14,970	17,140	1,120	660	18,920	23,150
Fuel	miles	294,630	204,140	13,360	7,790	225,290	186,030
Insurance	miles	95,730	96,260	6,300	3,670	106,230	86,350
Maintenance (parts, supplies, materials)	miles	85,120	80,800	5,290	3,080	89,170	101,450
Maintenance Contract Costs	miles	22,000	24,630	1,610	940	27,180	30,530
Total Operations		1,196,490	1,093,550	71,640	41,960	1,207,150	1,223,270
Capital/Studies:							
Total Capital Outlay		548,770	606,030	39,700	23,250	668,980	766,110
Contingency	hourly	12,210	12,000	790	460	13,250	14,220
Interest Expense	operations cost	10,620	6,640	440	260	7,340	5,500
TOTAL FUNDING USES		2,038,250	1,953,850	128,010	74,970	2,156,830	2,257,860
TOTAL NON-CAPITAL EXPENDITURES		1,489,480	1,347,820	88,310	51,720	1,487,850	1,491,750

		Total Adopted Budget FY 2015-16	Weekday Proposed Budget FY 2016-17	Saturday Proposed Budget FY 2016-17	Sunday Proposed Budget FY 2016-17	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
Route 12, 14 and 15							
	Hours	10,640	9,270	920	690	10,880	10,990
	Miles	324,920	282,580	29,100	21,330	333,010	336,340
Administration:							
Total Administration (Net of Contracts)		268,200	220,510	22,170	16,500	259,180	252,930
Service Delivery:							
Labor - Operations	hourly	526,500	479,550	47,590	35,690	562,830	596,530
Labor - Operations Workers Comp	hourly	52,620	56,770	5,630	4,230	66,630	80,720
Labor - Maintenance	hourly	122,060	110,550	10,970	8,230	129,750	138,540
Labor - Maintenance Workers Comp	hourly	15,350	16,530	1,640	1,230	19,400	23,730
Fuel	miles	279,080	181,080	18,650	13,670	213,400	190,710
Insurance	miles	90,680	85,390	8,790	6,450	100,630	88,520
Maintenance (parts, supplies, materials)	miles	80,640	71,670	7,380	5,410	84,460	96,100
Maintenance Contract Costs	miles	20,840	21,850	2,250	1,650	25,750	28,920
Total Operations		1,187,770	1,023,390	102,900	76,560	1,202,850	1,243,770
Capital/Studies:							
Total Capital Outlay		562,510	567,150	57,030	42,430	666,610	778,950
Contingency	hourly	12,510	11,570	1,150	860	13,580	14,580
Interest Expense	operations cost	10,900	6,410	640	480	7,530	5,640
TOTAL FUNDING USES		2,041,890	1,829,030	183,890	136,830	2,149,750	2,295,870
TOTAL NON-CAPITAL EXPENDITURES		1,479,380	1,261,880	126,860	94,400	1,483,140	1,516,920

		Total Adopted Budget FY 2015-16	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
Runabout				
	Hours	31,570	32,360	32,680
	Miles	550,760	564,530	570,180
Administration:				
Total Administration (Net of Contracts)		660,390	653,950	719,610
Service Delivery:				
Labor - Operations	hourly	1,562,160	1,674,010	1,773,850
Labor - Operations Workers Comp	hourly	156,130	198,170	240,040
Labor - Maintenance	hourly	362,160	385,910	411,960
Labor - Maintenance Workers Comp	hourly	45,550	57,720	70,570
Fuel	miles	473,070	361,760	567,100
Insurance	miles	153,710	170,590	263,230
Maintenance (parts, supplies, materials)	miles	136,670	143,190	162,910
Maintenance Contract Costs	miles	35,320	43,650	49,030
Total Operations		2,924,770	3,035,000	3,538,690
Capital/Studies:				
Total Capital Outlay		503,770	388,950	43,150
Contingency	hourly	37,120	40,390	43,350
Interest Expense	operations cost	32,320	22,370	16,780
TOTAL FUNDING USES		4,158,370	4,140,660	
TOTAL NON-CAPITAL EXPENDITURES		3,654,600	3,751,710	

		Total Adopted Budget FY 2015-16	Rt 9 Express Proposed Budget FY 2016-17	Rt 10 Express Proposed Budget FY 2016-17	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
Additional Route 9 and 10 Express Trips						
	Hours	1,260	680	870	1,550	1,570
	Miles	40,520	20,930	28,910	49,840	50,340
Administration:						
Total Administration (Net of Contracts)						
		-	-	-	-	-
Service Delivery:						
Labor - Operations	hourly	57,000	35,180	45,010	80,190	85,610
Labor - Operations Workers Comp	hourly	4,520	4,160	5,330	9,490	11,670
Labor - Maintenance	hourly	14,820	8,090	8,090	16,180	17,300
Labor - Maintenance Workers Comp	hourly	1,400	1,210	1,210	2,420	2,980
Fuel	miles	34,130	13,340	13,340	26,680	29,090
Insurance	miles	9,710	6,290	6,290	12,580	13,840
Maintenance (parts, supplies, materials)	miles	12,290	5,240	5,240	10,480	10,600
Maintenance Contract Costs	miles	2,020	1,050	1,050	2,100	2,130
Total Operations		135,890	74,560	85,560	160,120	173,220
Capital/Studies:						
Total Capital Outlay		-	-	-	-	-
Contingency						
	hourly	-	-	-	-	-
Interest Expense						
	operations cost	-	-	-	-	-
TOTAL FUNDING USES		135,890	74,560	85,560	160,120	173,220
TOTAL NON-CAPITAL EXPENDITURES		135,890	74,560	85,560	160,120	173,220

		Adopted Budget FY 2015-16	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
County Services				
Administration:				
	Total Administration (Net of Contracts)	90,500	92,110	94,780
Service Delivery:				
	Labor - Operations	166,970	187,150	199,790
	Labor - Operations Workers Comp	10,740	21,990	27,040
	Labor - Maintenance	44,150	43,250	46,260
	Labor - Maintenance Workers Comp	3,350	6,440	7,930
	Fuel	37,930	24,790	27,030
	Insurance	9,900	12,100	13,310
	Special Transit (Senior Vans, Incentives, etc)	76,160	57,300	57,940
	Avila Trolley	57,750	57,060	57,920
	Maintenance (parts, supplies, materials)	10,970	21,220	23,920
	Maintenance Contract Costs	2,430	6,340	7,150
	Total Operations	420,350	437,640	468,290
Capital/Studies:				
	Total Capital Outlay	-	200,000	-
Contingency				
		21,020	21,880	23,410
Interest Expense				
		-	-	-
TOTAL FUNDING USES		531,870	751,630	586,480
TOTAL NON-CAPITAL EXPENDITURES		531,870	551,630	586,480

		Adopted Total Budget FY 2015-16	Proposed Route A & B Budget FY 2016-17	Proposed Paso DAR Budget FY 2016-17	Proposed Cuesta Evening FY 2016-17	Total Proposed Budget FY 2016-17	Projected Budget FY 2017-18
North County Services							
	Hours	9,070	7,100	1,290	-	8,390	8,480
	Miles	112,410	94,200	11,870	-	106,070	107,250
Administration:							
Total Administration (Net of Contracts)		114,450	100,780	17,400	-	118,180	106,310
Service Delivery:							
Labor - Operations	hourly	523,730	420,740	76,450	-	497,190	556,470
Labor - Operations Workers Comp	hourly	51,230	46,860	8,510	-	55,370	75,310
Labor - Maintenance	hourly	122,520	100,850	18,320	-	119,170	128,840
Labor - Maintenance Workers Comp	hourly	14,990	13,710	3,410	-	17,120	22,070
Fuel	miles	106,800	89,500	11,390	-	100,890	82,750
Insurance	miles	34,410	30,940	3,940	-	34,880	38,490
Special Transportation	n/a	42,170	-	-	-	-	-
Maintenance (parts, supplies, materials)	miles	31,040	29,180	3,710	-	32,890	34,180
Maintenance Contract Costs	miles	7,900	7,430	950	-	8,380	10,210
Total Operations		934,790	739,210	126,680	-	865,890	948,320
Capital/Studies:							
Total Capital Outlay		25,000	-	-	-	-	-
Contingency	hourly	14,910	12,150	2,210	-	14,360	15,990
Interest Expense	operations cost	-	-	-	-	-	-
TOTAL FUNDING USES		1,089,150	852,140	146,290	-	998,430	1,070,620
TOTAL NON-CAPITAL EXPENDITURES		1,064,150	852,140	146,290	-	998,430	1,070,620

** This service is budgeted based on hours only



San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Draft Minutes 12/17/2015

C-1

Members Present: Debbie Arnold, President
Jan Howell Marx, Vice President
Shelly Higginbotham, Past President

Members Absent:

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

Also Present: Pete Rodgers, SLOCOG
Ron DeCarli, SLOCOG
Barbara Troyan, SLOCOG
Stephanie Hicks, Rideshare
Eric Greening, Atascadero

1. Call to Order and Roll Call:

President Debbie Arnold called the meeting to order at 10:05 a.m. Silent Roll Call was taken and a quorum was present.

2. Public Comments:

Mr. Eric Greening, Atascadero, said he continues to have good rides. Morale continues to seem positive. He said he is thankful to see the progress on the Joint Short Range Transit Plan (SRTP) and encouraged that we will be able to work out some of the notable issues. He asked if the January Regional Transit Advisory Committee (RTAC) will be jointly held with the San Luis Obispo Metro Transit Committee (MTC). **Mr. Straw** said **Mr. Greening** was referring to Working Paper #4 of the SRTP, which addresses service strategies. There are currently seven (7) working papers

out, addressing different issues, such as capital and financial. It will be a 250-page document and it will be available on our website.

3. Information Items

A-1 Executive Director's Report

Mr. Straw said The Employee of the Quarter barbecue lunch will be held on January 29th from 11:30 a.m. to 1 p.m. Attending Board members will have an opportunity to see the MCI Over-the-Road-Coaches.

Two new Bus Operators completed training and began driving routes for RTA. A third is driving for South County Transit (SCT). We are starting a new class with 9-12 recruits on January 11. This will include drivers for both RTA and SCT. **Past President Higginbotham** asked how we recruit drivers and where we advertise. **Ms. Tania Arnold** said we advertise through the County, as well as at job fairs. Some new hires are former employees of Haggens and Forever 21. **Mr. Straw** said staff also reached out to the Veteran's Center.

Staff is reviewing preliminary cost estimates for the County's Corp Yard in Paso Robles. The numbers are higher than expected. We will bring back updated information to the January meeting. **Past President Higginbotham** asked if the County uses this lot for its own purposes. **Mr. Straw** said yes, but much of the associated cost is to clean up broken asphalt and repave the lot. He reviewed the map with the Committee.

Staff picked up four 1999 MCI over-the-road coaches from Golden Gate Transit on December 11. They are in great shape, but will take about 4-6 weeks to get them ready for revenue service. We hope to get them out on the routes in March or early April. The goal is to try them out for about six months and see how they work before buying two new vehicles.

RTA is currently recruiting for a Technician A Mechanic. We hope to have a new person on-board in January.

We got a little behind schedule on the Short-Range Transit Plan. The consultants provided working papers addressing revised service alternatives, capital alternatives and financial conditions, as well as coordinated opportunities. Staff is working on a "fatal flaws" analysis of each document and final drafts will be forwarded to RTAC members, which will meet to discuss on January 13. We are still on track to complete the SRTP in April.

RTA received one formal statement of interest to provide supplementary taxicab services from a Ventura-based taxi company. I will report back in the January meeting. **Mr. Straw** inquired if this should be moved to the Executive Director's report or remain as a separate item. The Committee decided this would be an Information item.

Staff will present a preliminary financial and operating data through November 30 on January 6. We will also have a quarterly update on the Strategic Business Plan.

FTA Triennial auditors will be on site May 25-26. They will meet with the Board chair and county counsel.

Mr. Straw concluded the Executive Directors report.

Mr. Greening said he is happy to see the coaches are finally arriving. I understand one will be used for express runs on the Route 9 and Route 10. My observation as a Route 9 commuter is that right now the greatest need is SB coming through Atascadero at 6:53 a.m. The afternoon need is more spread out. Having two expresses at 4:15 has worked well. Perhaps it would be beneficial to add the bus to the 5:15 p.m. route. **Mr. Straw** said this is a good point. The ITS system has electronic automatic passenger counters. We are getting tremendous data now and are beginning to look at which runs are most impacted by overcrowding.

A-2 Annual Fiscal and Compliance Audit Report for FY14-15

Ms. Arnold presented the annual fiscal audit for RTA. This includes Paso Express, Dial-A-Ride, and County services. It does not include SCT, as they have their own audit.

This year, all cities and government agencies were required to make adjustments to Accounting and Financial Reporting for Pensions (GASB #68), which relates to Pension Transition for Contributions Made Subsequent to the Measurement Date. This created an adjustment in the RTA books.

There were no audit findings, internal control weaknesses or material deficiencies. We did make one adjustment to the current year related to how we handle deferred revenues. She referred to the fund balance on page A-2-8 at the very bottom under "Net Position". This change relates to an adjustment on how we calculate deferred TDA revenue. She pointed to the number as noted under Liabilities line item titled; "Unearned Income" shows a big jump from the previous year. This line actually identifies cost savings from previous year and is now showing this adjustment as a liability for the current fiscal year.

We still have the single audit coming from the Federal clearinghouse, which is forthcoming.

Ms. Arnold concluded her report.

Past President Higginbotham pointed to page A-2-9 and inquired about the large increase in operating expenses.

Ms. Arnold said the increase relates to the addition of Paso Express service.

4. **Action Items**

B-1 Surplus Equipment and Supplies Disposal Procedure:

Mr. Straw said staff went through the purchasing policy and noticed we don't have a formal, clearly identified way of declaring and disposing of surplus property. To ensure we have continued eligibility for FTA 5307 reimbursement funds, RTA must ensure its procurement policy includes this language. He discussed language on page B-1-4 pertaining to Surplus Vehicle Transfer Program used by the El Dorado Transit Authority. This provision provides a way to keep surplus vehicles in the region that will do good. The vehicles we surplus tend to be worn out, but in some instances, they can still be useable to some agencies.

Page B-1-2 itemizes the process for declaring surplus, resolve the way to handle the items or vehicle, and method of disposal. Page B-1-5 identifies who will have "first dibs" and the order of priority: Local government agencies; non-profit agencies; and private for-profit companies.

Mr. Straw concluded his report.

President Arnold opened Public Comment.

President Arnold closed Public Comment.

Past President Higginbotham moved to approve Action Agenda Item B-1 and **Vice President Marx** seconded. The motion passed on a voice vote.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of October 14, 2015

Vice President Marx moved to approve Consent Agenda Items and **President Arnold** seconded. The motion passed on a voice vote.

6. **Agenda Review:**

Mr. Straw briefly reviewed RTA Board Agenda items for the January 6th Joint meeting with SLOCOG

7. **Adjournment:** **President Arnold** adjourned to the SLOCOG Executive Committee meeting at 10:35 a.m.

Respectfully Submitted,

Acknowledged by,

Tania Arnold
CFO/Director of Administration

Debbie Arnold
RTA President