

SPECIAL BOARD AGENDA

Thursday, June 11, 2015

RAMONA GARDEN PARK COMMUNITY CENTER

Corner of Ramona and 10th Streets, Grover Beach, California

1:30 p.m. to 2:30 p.m.

(Ending time is approximate)

Chairperson: Jim Guthrie
Director: Shelly Higginbotham

Vice Chair: Lynn Compton
Director: Barbara Nicolls

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 SCT offices at 781-1338. Please note that 48 hours advance notice will be necessary to honor a request.

NOTE: The Ramona Garden Park facility is served hourly by SCT Routes 21, 23 and 24.
Please call 541-2228 for more information.

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 South County Transit 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 Administrator's Report (Verbal)

B. ACTION AGENDA

B-1 Designate Representatives for Labor Negotiations

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 South County Transit Board 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 South County Area Transit Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

C-1 SCT Minutes of April 29, 2015 (Approve)

D. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following items:

D-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization:
Teamsters Local 986

D-2 Anticipated Litigation: Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: two cases

E. DIRECTORS' COMMENTS

F. EXECUTIVE COMMITTEE MEMBERS' COMMENTS

ADJOURNMENT

Next South County Transit Board meeting: **July 22, 2015**

SOUTH COUNTY TRANSIT

June 11, 2015

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Designate Representatives for Labor Negotiations

ACTION: Approve

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Designate Geoff Straw and Tania Arnold as the SCT representatives

BACKGROUND/DISCUSSION:

On May 17, 2015 the SCT drivers and utility workers voted to have Teamsters Local 986 representation. Prior to meeting in closed session with its negotiators, SCT must hold an open session in which SCT identifies its designated labor representatives.

Staff Recommendation

For upcoming collective bargaining with Teamsters Local 986, designate Geoff Straw and Tania Arnold as the SCT representatives.

**SOUTH COUNTY TRANSIT
MINUTES OF APRIL 29, 2015 BOARD MEETING
City of Arroyo Grande City Council Chambers
C-1**

Directors Present:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
	Lynn Compton, Vice Chair	County Supervisor, District 4
	Mary Ann Reiss	City Council Member, Pismo Beach
	Barbara Nicolls	City Council Member, Grover Beach

Directors Absent: None

Staff Present:	Geoff Straw	Administrator
	Phil Moores	Manager, Operations
	Tania Arnold	RTA CFO and Director of Administration

CALL TO ORDER AND ROLL CALL: Chairperson **Jim Guthrie** called the meeting to order at 1:36 p.m. Roll call was taken; a quorum was present.

PUBLIC COMMENT: Chairperson **Guthrie** asked for public comment on non-agenda items.

Former SCT Supervisor **Mr. Terry Berkeley** said he resigned about three weeks ago. He resigned because he did not like the changes he saw coming or the direction SCT was headed, and felt it best to resign.

Former SCT Bus Operator **Mr. Leonardo Pucci** discussed a favorable meeting with the Board in April 2011. Four years later, the same situation occurred again. He said he went to the Board, was written up and then terminated. He said he has filed complaints with the state, which are being investigated. There will also be a civil lawsuit. The Joint Powers Agreement is unconstitutional and incomplete. The terms of this agreement need to be amended or dissolved. SCT is being dismantled through attrition. They are not living up to the contract. Because of terminations and people quitting, the Board needs to look at the fact there needs to be representation. I was not given a Skelly hearing. Coleen was terminated today and is getting one. There is discrimination across the board. He said he has filed at least nine charges against Mr. Straw, and Board needs to be aware of that fact. I want to see justice. The drivers are afraid to speak up and that's not the way it should be.

Ms. Coleen Kubel, SCT supervisor for nearly 13 years, said she operated the system efficiently and below budget. I made mistakes, as everyone does. Because of circumstances that occurred today, I want to make the Board aware that the things that are happening here need to be looked at. You need to have both sides, not just RTA's. I requested to meet with the Executive Board and was denied. I served with every ounce of what I had. The problems did not start happening until 2011. I'm here to state that both sides made mistakes. I appreciate all of your backing in the past. There are reasons all of this happened. I have just as much to say as RTA, but this is not the time or place. I have been helping dispatch cover routes and doing everything possible while on

administrative leave to help protect the passengers and ensure they get where they need to go. This was with the approval of Phil Moores. Thank you and I hope everything goes well.

Chairperson Guthrie closed public comment.

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one case

Mr. Pucci noted closed session also pertains to Section 895.

SCT went into *Closed Session* at **1:45 p.m.** and returned to *Open Session* at **1:59 p.m.**

Open Session: **Mr. Tim McNulty**, Legal Counsel, reported that the Board met in closed session. The Board took no formal action and therefore, nothing to report.

A. INFORMATION AGENDA:

A-1 Administrator's Report: **Mr. Geoff Straw** began by announcing South County Transit (SCT) management was informed on April 7th that the SCT drivers and utility workers have submitted a sufficient number of authorization cards to elicit a vote to organize under Teamsters Local 986. Staff met with Teamsters and Public Employee Relations Board officials to plan a vote, set for Sunday, May 17.

Staff has been working with the property manager of the Wal-Mart shopping center to upgrade the bus stop. SCT will replace the shelter and the property owner will extend the concrete pad to better serve passengers. Item C-3 is a draft agreement between SCT and the property manager. SCT would be responsible for removal of old shelter and installation of the new shelter, and any other required site improvements. The shelter we will use is one year old and in very good condition. The property owner will be responsible for concrete work. This is one of the most popular bus stops in the system.

The City of Grover Beach Police Department and SCT jointly installed a security camera system at Ramona Gardens Park. It has already paid off, with recorded misbehavior the PD acted upon. It also assisted with an employee investigation.

Staff conducted a public outreach effort to gather input about a potential new fare increase. This was combined with a public workshop on April 15. Given the economic uncertainties associated with the FY15-16 budget, staff is recommending the Board hold off on making a decision on potential fare changes until after any labor negotiations are completed.

In terms of Finance and Administration, the Executive Committee recommended we update the employee manual, which was last revised in January 2002. With the possibility of operating staff organizing under Teamsters, staff ceased further work on this policy document until further notice.

Agenda Item B-1 asks the Board to consider the FY15-16 budget, assuming status quo, with no changes to services or routes. Route 26 is on the back burner. We will likely have to bring back a budget amendment, possibly in July, or at a special meeting.

Results for the first nine months of the current fiscal year are mixed. Ridership is down 5.9%. This is partly due to the connections between Routes 22 and 23. Productivity is also down. Farebox Recovery Ratio is up slightly to 17.44%. Overall financial performance, SCT spent 62.6% of budgeted operating expenses through the end of March 2015, or 75% of the year completed. This surplus is partly due to reduced maintenance and fuel costs.

The original agreement between SCT and RTA was created in 1997. It identified about 1,000 hours of administrative staff time. We updated that agreement in 2001, but didn't significantly adjust the allocated hours. Today we budget about 1,250 hours. In total we charge \$78,760 as a fixed rate. Staff will likely go over the 1,250 hours due to the recent challenges. However, RTA will not recommend that SCT provide additional reimbursement funds beyond the budgeted amount unless the proportion of each RTA staff member's time continues to remain higher than anticipated in FY15-16.

SCT took delivery of a fourth new 35-foot low-floor bus in late-March. It was released to revenue service on April 10. SCT still has three 2003 Gillig Phantom buses that are primarily used for spares. We previously set a \$3,000 repair threshold on these vehicles and will retire them one by one as we exceed this threshold. The defective turbocharger component in every new Gillig vehicle that uses the 2013 Cummins ISL diesel engine continues to be a nationwide problem. We have a three-year warranty on these engines.

The SCT Executive Committee asked staff to test two rarely used 2010 El Dorado low-floor buses for SCT service. Staff will recommend at the May 6th Board meeting that RTA may be able to formally transfer these buses to SCT. This will prevent SCT from needing to purchase a fifth new bus in 2016.

Staff conducted three SCT Driver's Forums since the January 21st Board meeting. On February 12, the Executive Committee accepted testimony from a recently dismissed SCT employee. Members of the Committee met with SCT and RTA staff on February 10 to review the employee file and decided no further action was required but that Employee Manual should be revised.

Members of management staff and **SCT Board Director Shelly Higginbotham** met with Bus Operators to discuss the role of RTA in administering the SCT services. The April 14 Driver's Forum meeting was held to review comments that drivers submitted to management about the draft revised Employee Policy and Procedures Manual. The April 19th meeting was a regularly scheduled Safety Meeting. Items discussed included grievance procedures, short-turning routes during heavy traffic periods, the Youth Ride Free program, and employee treatment. No Bus Operators requested that any unresolved issues from the forum be immediately brought before the SCT Board. **Mr. Straw** reiterated to staff that they should give management a shot at dealing with issues before they come to Board. Page A-1-8 provides a summary page of all financial and operating data. The farebox recovery ratio is currently at 17.44%. We must get to 20% by 2018 or face financial penalties. He also reviewed the riders per hour (productivity) of 17.42. The subsidy per passenger trip is currently \$3.06.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Mr. Pucci said the City of Santa Maria and the City of Lompoc has never hit the farebox recovery ratio in the last six years and they have never suffered a penalty. He suggested SLOCOG has the authority to lower the minimum ratio down to 15%. He said he could not find any data to support large fines assessed to transit agencies during his research on Google. He noted the Driver's Forum was created in 2013 and he has been a representative on them. The Driver's Forum is one of the reasons they are going to unionize. It doesn't work because the drivers are afraid to speak up. People are living in fear.

Chairperson Guthrie closed Board and public comment.

B. ACTION AGENDA

B-1 SCT FY15-16 Budget: **Ms. Tania Arnold** presented the annual budget for fiscal year 2015-16. The operating budget is proposed at \$1,084,480 and the capital budget is at \$205,170. The budget is balanced. The budget assumes the same levels of fixed route revenue service hours and miles for Route 21, 23, 24 and 25, as well as the Beach Trolley. Staff is proposing minor modifications to the Sunday schedule. Staff is also recommending that layovers solely occur at the Pismo Premium Outlets rather than at both transfer centers. This will improve connections for passengers and provide more predictable layovers for SCT Bus Operators. Another proposal is to cease interlining SCT routes, which will eliminate the forced transfers at Ramona Gardens Park. This recommendation was original made in the 2011 Short Range Transit Plan.

In lieu of the uncertainties, including the effort by Bus Operators and Utility Workers to unionize, staff does not recommend moving forward with the new Route 26 until the financial impacts are negotiated. Staff will bring back a budget adjustment to address these changes and recommend an implementation plan for Route 26 at a later date. The fourth Gillig low-floor replacement bus was delivered in March. This helped reduce the projected vehicle maintenance costs but we are experiencing a shift in how maintenance costs are being incurred. A lot of the maintenance issues are under warranty, as Geoff mentioned. We still have to pay travel costs for Cummins representatives to come to our facility. SCT faces the challenge of making the 20% farebox recovery ratio in the next few years. However, introducing Route 26 will reset the clock and allow more time. She noted the Beach Trolley is a County-contracted service and therefore is presented in a separate column. Any farebox or other shortfalls in the Beach Trolley are the responsibility of the County. Staff is budgeting fuel at a slightly lower cost per gallon.

The budget includes some FTA 5307 Funds that are used for operating purposes. This reduced the need for Local Transportation Funds (LTF) and State Transit Assistance (STA) funds for the region. LTF is down significantly county-wide for the coming year and staff is unsure of what the projection for this revenue stream should be for the coming years. Staff is delaying the implementation of any fare increases until further notice, ideally rolling it out concurrently with Route 26.

Costs for liability and auto physical damage coverage will increase by over \$25,000 in FY15-16. Key factors for this rise include the increase in actual value of the vehicles, SCT's experience modification factor, the increase in

pool coverage limits from \$20 million to \$25 million and the increase in the actuarial confidence factor used by CalTIP due to recent adverse claims development. There is a minimal increase in RTA support line items under Administration and Finance, and Dispatch to keep in line with inflationary pressures.

As previously mentioned, RTA would like to transfer buses 1011 and 1012 to SCT. This will delay the need for SCT to purchase a fifth replacement bus in 2016. The Intelligent Transportation System (ITS) project is being funded fully with FTA Section 5307 funds, with SCT's fund balance providing the 20% local match. It should be noted that the large amount of fund balance available for capital projects is due to the drastic reduction in fleet age with the replacement of four buses in the last two years. Staff will likely be presenting a budget amendment to the Board in October to carry over any ITS funds that were not fully expended during FY14-15. We are also working on the bus stop improvement program. Finally, there are significant safety-related repairs needed at the current facility.

Ms. Arnold reviewed the budget. Page B-1-12 presents the proposed capital revenues. Equipment reserves dropped significantly due to the purchase of new buses. The proposed operating budget has a beginning fund balance of \$325,613 as a result of savings over the last two fiscal years. The TDA required operating and cash flow reserves are \$202,678, which leaves a fund balance available of \$122,935. She noted the numbers are budgeted very conservatively. Page B-1-13 presents the proposed operating budget. Page B-1-14 provides the capital projects, including a five-year projection. Page B-1-15 is the budget by route.

Ms. Arnold concluded her report.

Mr. Straw pointed out that the area is now designated as an urbanized area, which brings more federal funds, but also higher state and federal mandates.

Chairperson Guthrie opened Board and public comment.

Director Lynn Compton inquired how long SCT will have before penalties are levied. **Ms. Arnold** said once Route 26 is rolled out, we will have three years to hit the minimum 20% fare box recovery ratio. **Director Compton** asked why changing or implementing on route affects the entire system. **Mr. Straw** said according to the law, significantly changing the service resets the clock.

Chairperson Guthrie closed Board and public comment.

Director Mary Ann Reiss moved to approve the Budget for Fiscal Year 2015-16. **Director Compton** seconded and the motion carried on a roll call vote with no members absent or abstaining.

B-2 Summer Youth Ride Free 2015:

Mr. Straw presented the relative use of discounted and fare free services. The table on page B-2-2 shows the monthly and overall Youth Ride Free (YRF) ridership on all county systems over the last three years. The table on page B-2-4 encompasses all free and discounted fares for SCT, RTA, SLO Transit and Paso Express. Examples include VIP boardings for riders aged 80 and older, and Runabout free rides on fixed routes. SCT has the highest percentage of combined free rides of all transit agencies in the county, primarily due to the high number of VIP riders.

SCT is the only transit agency that does not provide discounted rides for K-12 students. YRF ridership was highest in 2013, causing overcrowding. The intent of the program is to get youth to try the service, it instills an ethic of future transit use, and it promotes independence. The disadvantages include a small loss of cash fare revenue for non-group riders and periodic overcrowding by youth groups. Increased passenger loads on some trips can degrade the riding experience for others.

Staff recommends SCT continue participating in this program in 2015. Ridership is tracked using specific fare box key. Staff will work to differentiate between group rider counts and individual youth riders.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Chairperson Guthrie asked if we would be able to track youth groups on a separate key. **Mr. Straw** said this is something staff is working on. Ideally we would like to track groups of 10 and under, as well as groups larger than 10. The ITS program will also be able to track boardings and alightings once implemented. **Chairperson Guthrie** inquired about efforts to promote the program to schools and other outlets to make sure youth are aware of it. **Ms. Mary Gardner** said Rideshare does the overall promotion of the program. The transit agencies support their efforts with window clings and car cards on the buses. She said she would check in with Rideshare to determine what they are doing and report back.

Mr. Pucci suggested we sell passes for a nominal fee and get additional revenue. **Chairperson Guthrie** said we could keep that in mind for next year.

Director Compton asked if there was a pattern of when and where youth groups ride the buses. **Mr. Straw** said YMCA is pretty good about telling us when and where they will be going, so dispatch can plan for it. He pointed out that if these groups miss a bus, they have to wait an hour for the next one. Getting the farebox programming will help us gather this data and to plan for next year.

Director Barbara Nicolls asked what routes and times carry the largest groups of kids. **Mr. Straw** said the youth groups give us an itinerary for the week. But we don't currently have an easy way track whether or not they actually make those trips. The ITS will help determine that information, and it will really help us track overcrowding trends.

Chairperson Guthrie closed Board and public comment.

Director Nicolls moved to approve Agenda item B-2. **Director Compton** seconded and the motion carried on a roll call vote with no members absent or abstaining.

B-3 Employee Sick Leave Requirements: **Mr. Straw** said a new law going into effect July 1, The Healthy Workplaces, Healthy Families Act of 2014 (AB 1522), requires any employee who works in California for 30 or more days within a

year is entitled to paid sick leave. Employees will earn at least one hour of paid leave for every 30 hours worked. Accrued paid sick leave may be carried over to the next year, up to 48 hours or six days. Staff will implement a process to request time off and create a way to track it. Should SCT employees unionize, we will include it in the Collective Bargaining Agreement, as we have for RTA. This is assumed in the FY15-16 budget and will not require an amendment.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Director Reiss asked if SCT has a system in place to track hours accrued. **Mr. Straw** said yes, we use an electronic payroll system.

Director Nicolls asked for clarification that this is a new policy. **Mr. Straw** confirmed it is new.

Mr. Pucci said SCT Bus Operators will likely scrutinize break times, wanting to ensure adequate time is provided.

Chairperson Guthrie closed Board and public comment.

Director Compton moved to approve Agenda Item B-3. **Director Nicolls** seconded and the motion carried on a roll call vote with no members absent or abstaining.

C. CONSENT AGENDA:

Mr. Tim McNulty, County Counsel, suggested the Board allow Mr. Straw to enter into a final agreement on Consent Agenda Item C-3, Agreement for Bus Shelter Replacement at Wal-Mart Bus Stop, with the authority to make minor changes.

Chairperson Guthrie moved to approve items C-1, C-2 and C-4. **Director Compton** seconded and the motion carried on a voice vote.

Mr. Straw presented item C-3, a draft agreement with Investec, to improve the bus stop at the Five Cities Center parking lot where Wal-Mart is located. The draft agreement is at corporate headquarters for further review. SCT does not anticipate any major changes. **Mr. McNulty** noted there is no monetary amount associated with the contract. Rather, there will be an exchange of work. Assuming there is no increase in cost to the agency or substantive changes to the contract, Mr. Straw can move forward with the agreement.

Chairperson Guthrie moved to approve item C-3 with the change allowing the Administrator to make minor modifications to the agreement. **Director Compton** seconded and the motion carried unanimously on a voice vote.

D. DIRECTORS' COMMENTS:

Director Nicolls said the cameras at Ramona Gardens Park have really helped reduce the number of disturbances.

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS: None

F. ADJOURNMENT: The meeting was adjourned at 3:05 p.m.

Respectfully submitted, Anna Mafort-Lacy, Administrative Assistant