



REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

Wednesday February 10, 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 Years 2017 Budget Assumptions (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. **March 2, 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)

Action Items

- B-1 Fiscal Years 2017 Budget Assumptions (Action)
B-2 Environmental Documentation for Paso Robles Yard (Action)

Consent Items

- C-1 Executive Committee Meeting Minutes of December 17, 2015 (Approve)
C-2 RTA Board Meeting Minutes of January 6, 2016 (Approve)
C-3 Draft RTAC Minutes of January 13, 2016 (Information)
C-4 Authorize Executive Director to Execute Agreement for TVM (Approve)
C-5 Declare Buses Surplus and Authorize Transfer to Local Providers (Approve)
C-6 Draft RTA-SCT Agreement (Information)
C-7 Designate Executive Director as Authorized Agent for LCTOP Funds (Approve)
C-8 Resolution Committing RTA to Abide by LCTOP Certifications and Assurances (Approve)
C-9 Resolution Supporting Paso Robles Facilities Improvements Project for LTCOP Funding (Approve)

Closed Session Items

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

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code Section 54957.6)

Agency representative: Jan Marx, President

Unrepresented employee: Geoff Straw, Executive Director

7. **Closed Session**

None

8. **Adjournment**

Next RTA Executive Committee Meeting: **April 13, 2016**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

February 10, 2016

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

Seven new Bus Operators (out of a total of eight candidates) will complete training and begin driving in RTA revenue service in late February. One other Bus Operator also completed training and is now a member of the South County Transit team. We plan to begin another class of 5-10 trainees in early May.

Staff is finalizing training procedures for the four new-to-us MCI over-the-road coaches. Bus Operator training will begin in late February, with the goal of implementing one bus each on Routes 9 and 10 during the morning/evening commute periods.

Maintenance:

RTA has promoted two Technicians, and has hired one new Technician. Specifically, one current Technician B employee demonstrated sufficient skills progression to be promoted to Technician A, and similarly one Technician C employee was promoted to Technician B. Congratulations to Michael O'Marr and Brandon Butcher, respectively. RTA is in final negotiations with an outside candidate, who has demonstrated the skills necessary for a Technician B position.

Service Planning & Marketing:

Staff expects the consultant to forward an administrative draft of the Short-Range Transit Plan for both RTA and SLO Transit by the end of February. This would allow us to begin circulating the Public/Daft Plan to our stakeholders in March for comments, with the ability to consider adopting the Plan at the RTA Board meeting in May.

RTA is participating in a Travel Management Coordination Center study funding partially with FTA's Mobility Services for All Americans grant. The TMCC study seeks to evaluate technology solutions to help improve access to specialized transportation services throughout the county. RTA is managing the MSAA grant on behalf of Ride-On, and staff will be participating on the Transportation Provider Committee.

Finance and Administration:

Staff will do our best to provide preliminary financial and operating data through January 31st at the March 2nd RTA Board meeting. Of primary focus for finance staff in the coming weeks is development of the FY16-17 budget, the Budget Assumptions for which will be presented at the March 2nd Board meeting with consideration of the full budget in May 2016. The budget-making process begins in December, when each department is required to develop and submit desired operating/capital changes from the current year budget due in late January.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

FEBRUARY 10, 2016

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Years 2017 and 2018 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).
 - o 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.
 7. Implement RTA's strategy to develop a long-term administrative, operations and maintenance facility.

Expenses Impacts

- Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.90 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.
- Insurance Cost:
 - 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 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
- Staffing
 - 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

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