

REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

Wednesday February 8, 2017

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 San Luis Obispo Regional Transit Authority Executive Committee reserves this portion of the agenda for members of the public to address 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 FY17-18 Budget Assumptions (Approve)
5. **Consent Items**
 - C-1 Executive Committee Meeting Minutes of December 14, 2016 (Approve)

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 1, 2017 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 FY17-18 Budget Assumptions (Approve)

Consent Items

C-1 Executive Committee Meeting Minutes of December 14, 2016 (Approve)

C-2 RTA Board Meeting Minutes of January 4, 2017 (Approve)

C-3 FTA Memoranda of Understanding for Three Urbanized Areas (Approve)

C-4 Authorize Participation in Employment Risk Management Association (Approve)

C-5 Lease Agreement for Bus Parking Yard in Paso Robles (Approve)

7. **Closed Session**

D-1 The RTA Board shall recess into closed session for a conference with Legal Counsel regarding:

Conference with Labor Negotiator (CA Government Code Section 54957.6(a))

Negotiating Party: Lynn Compton, President

Unrepresented Employee: Geoff Straw, Executive Director

8. **Adjournment**

Next RTA Executive Committee Meeting: **April 12, 2017**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

February 8, 2017

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

Provide an oral update on:

- CEQA/NEPA study progress for Elks Lane long-term garage facility – revised layout due to flood water volumes/velocity
- Paso Bus Parking Yard design/engineering schedule

Service Planning & Marketing:

The San Luis Obispo City Council will consider a fare increase on its local fixed route system that would be effective in June 2017. The RTA Board adopted a Runabout fare policy at its February 2015 meeting which states that Runabout fares will automatically adjust to twice the new fixed route cash fare – with a maximum of \$10.00 per one-way Runabout trip – upon the adoption of new local fixed route fares. If a new fare program is ultimately adopted by the SLO City Council, staff will send notices to each Runabout rider that explains the new Runabout fare table.

Staff will provide an update on the February 8th meeting among RTA, Ride-On and SLOCOG and Tri-Counties Regional Center officials. This meeting focused on possible improved efficiencies and cost-sharing for TCRC clients' trips on Ride-On and Runabout.

Finance and Administration:

Staff will present the FY17-18 Budget Assumptions under Agenda Item B-1.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
February 8, 2017
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2017-18 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Approve Budget Assumptions to enable staff to begin development of FY17-18 & FY18-19 Operating and Capital Budget

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for RTA's Fiscal Year 17-18 Operating and Capital 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 12th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. STA funds used for capital projects are projected to be down approximately 20%
2. LTF used for operating purposes is projected to be flat
3. Liability costs continue to escalate, despite RTA's good safety record
4. We continue to focus on Runabout costs, which have escalated in the past 5 years
5. Fuel costs continue to remain low; this also results in declining ridership & fares
6. A fare program increase should be considered to help cover increasing costs

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 standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed Route and Runabout core services.
 - SLOCOG is working on State Transit Assistance (STA) funding projections for FY17-18. Preliminary indications note that STA is down by 20%, which would reduce STA used for capital to \$390,000 in FY17-18. The original FY16-17 budget assumed \$487,000 in STA capital funds.
 - Staff is recommending a review of the fare program to address inflation since the last fare program change (cash fares increased in 2011 and the multi-ride pass prices increased in 2013). Any recommended changes would be implemented in January 2018. Fare revenue is projected to be \$1,300,000 (farebox and advertising revenue) at existing fare levels. The contribution from Cuesta College is estimated to increase slightly to \$104,000 for services to the main campus and North County campus.
 - The FY16-17 budget adopted in May 2016 included \$3,764,950 LTF operating revenues. At that same meeting, the advisory FY17-18 LTF amount was \$5,190,030. Staff is still developing estimated annual FY16-17 expenses, which impacts the carryover amount that could reasonably be identified for the FY17-18 budget.
 - Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding for FY17-18, and capital funding for FY17-18 and FY18-19 will be presented as previously presented in May 2016, 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 Santa Maria Urbanized Area for Route 10 will be budgeted based on previous commitments with Santa Barbara County Association of Governments and the City of Santa Maria. Staff is confident in continued Santa Maria UZA 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. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services.
2. Work with the SLOCOG in evaluating region-wide service efficiencies.
 - Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel.

- Review the tasks and financial impacts included in the South County Transit contract for administrative, financial, marketing, 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 other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - Staff will use the 2015-17 RTA Strategic Business Plan as well as the 2016 Short Range Transit Plan to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 4. Address duplicative and/or low producing Fixed Route runs due to decreasing ridership.
 - Additional express trips on the Routes 9 and 10 began in September 2015. 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 FY16-17 with revenue and cost information for duplicative and/or low producing Fixed Route runs provided for potential service reduction options. If any additional service adjustments becomes necessary, staff would seek a budget amendment to address those service demands during the fiscal year.
 - Reduce service levels around holidays to a Sunday schedule (instead of a Saturday schedule) based on usage and productivity standards.
 5. Address a projected status quo demand for Runabout service.
 - Runabout service hours and miles are projected to remain flat based on recent demand trends. This reflects a change from prior years, with the first six months of FY16-17 mileage down 11% and hours down 19% from FY13-14. In FY13-14, the burgeoning demand would have required significant Runabout service level increases but, with a variety of measures implemented at the Board's direction, demand has remained relatively flat since FY14-15.
 - To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was

added in early 2016. Staff will also provide mobility training for disabled persons who are able to use Fixed Route services for some or all of their travel needs.

- Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required staff will revisit this option.
6. 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:
 - CalTIP liability insurance premiums are projected to increase by up to 28%. The exact amount is not known at this time as CalTIP actuaries are still working on May 1, 2017 through April 30, 2018 rates. Estimates should be received from CalTIP in time to include in the RTA April 2017 draft budget. Although the number of RTA losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members.
 - CalTIP vehicle physical damage will increase by approximately 5% due to the added asset value of new vehicles in the fleet.
 - As of July 1, 2017 CalTIP will no longer provide employment practices liability insurance coverage as part of the premiums paid for general liability coverage. RTA is working on joining the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$22,000 with a \$50,000 self-insured retention.
 - Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase 20%, 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 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. It should be noted that this FY17-18 increase is lower than we originally projected in May 2016.

- Property insurance will increase minimally.
- For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years.

3. Staffing Expenses:

- The current Collective Bargaining Agreement (CBA) expires January 31, 2018 and the FY17-18 will include significant assumptions regarding the potential fiscal impacts of a new CBA. The effects of the recent changes to the California minimum wage program – including the fact that the new \$10.50/hour minimum exceeds the current Training Wage identified in the CBA – will likely result in longer-term upward pressure on Bus Operator, Mechanic and Utility wages in the region.
- For FY17-18 core RTA services, the number of budgeted positions will remain the same as FY16-17.
- For FY17-18, 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.
- An annual inflationary adjustment based on the California CPI for non-union employees (not to exceed 2.5%) will be implemented. In FY16-17, an inflationary adjustment of 1.9% was implemented, which was below the budgeted 2.5% amount. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

Proposed Budget Calendar

February 8	Detailed budget assumptions and revenue forecast to Executive Committee
March 1	Obtain Board concurrence on proposed draft budget assumptions
March 1	Provide mid-year FY16-17 Budget data to Board (no additional budget amendments are being requested)
March 31	Based on feedback from Executive Committee draft FY17-18 Budget Draft complete.
April 12	Draft FY17-18 Budget presentation to Executive Committee
April 19	Formal FY17-18 Budget presentation to RTAC

May 3 Final Board Budget presentation; Board adoption of FY17-18 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 12/14/2016

C-1

Members Present: Lynn Compton, Vice President
Debbie Arnold, Past President

Members Absent: (vacant), President

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director and CFO
Shelby Walker, Administrative Assistant
Tim McNulty, County Counsel

Also Present: Pete Rodgers, SLOCOG
Aida Nicklin, SLOCOG
Stephanie Hicks, SLOCOG
Eric Greening, Atascadero

1. Call to Order and Roll Call:

Vice President Lynn Compton called the meeting to order at 10:18 a.m. Silent Roll Call was taken and a quorum was present.

2. Public Comments:

Mr. Eric Greening, Atascadero, extended great gratitude for the wonderful service he has received in 2016. He wanted to remind the Board that 2017 is the last full year of the current contract for the Bus Operators. It is important that the Board should get a better idea what the negotiations will be and start planning ahead by looking into different scenarios and outcomes for the contract.

3. Information Items

A-1 Executive Director's Report

Mr. Straw addressed **Mr. Greening's** comment by stating that the current Bus Operator and Technician contract goes through January 31, 2018. He said there will be a closed session at the May Board meeting to discuss the contract negotiations. He also noted that the new minimum wage law will affect the negotiations.

He continued on with his report by mentioning the BusFinders, which were included as part of the ITS procurement. They work on 2-way radio frequency and will be tested at two locations on the Cal Poly's campus – two at the PAC and two at the library. The BusFinders will note when the bus should arrive. We are also looking into LED signs. **Vice President Compton** asked if these will eventually be placed at every bus stop location. **Mr. Straw** stated that no they will not be because they are expensive; the first four were donated to RTA. **Ms. Tania Arnold** also stated that because they work on radio frequency they will not work at every bus stop location.

Mr. Straw stated he hopes to have some new updates for the Government Center passenger facility by the end of the week and will have something for the January board meeting. Parts of the CEQA document for the Elks Lane project have been received and are currently under review. Staff will be meeting with SLO City this week to discuss the floodplain issue further. **Mr. Tim McNulty** stated that the floodplain maps are changing and we are trying to triangulate the different maps. **Mr. Straw** stated that the most recent map is better for the project. Further discussion ensued about the project.

Mr. Straw continued by stating that the County recently revised their community evacuations plans and we are prepared and trained for them in case of an emergency.

Mr. Straw stated that Fiscal Year 2017/2018 will have some challenges in regards to the LTF funding. There is roughly a 37% increase projected in LTF funding coming to RTA from each jurisdiction. Morro Bay and SLO City both already use all of their LTF funding for public transportation. Fuel prices continue to be low so that has been helping with our budget results as well. We will provide budget assumptions at the March Board meeting and seek budget adoption at the May Board meeting. STA funding is down 20%, and we use this funding for capital projects. This may delay some of our projects to address the issue; staff will monitoring this very carefully.

Staff has been working with SLOCOG and Tri-Counties Regional Center (TCRC) to figure out how to implement cost sharing for Runabout services. TCRC usage of Runabout services is about 14% of total ridership. State laws state that public services like Runabout are used first and then private services like Ride-On. Currently, TCRC is paying Ride-On more for a comparatively lower-cost service. We will be bringing back information on a cost-sharing scenarios that would provide "premium" services to TCRC at the March meeting. We will be proposing at least 10 to 20 dollars per trip. **Mr. Pete Rodgers** stated that this is one of the outcomes of the MOU discussion with

Ride-On, we took a look at the contract with TCRC they have and negotiate better rates for RTA and Ride-On. **Mr. Straw** stated that both agencies should get a benefit out of the conversations and will continue to keep everyone up to date as we get more information.

Mr. Straw stated that **Ms. Mary Gardner** was selected to be part of the 2017 Leadership SLO program.

He stated that we are currently talking to SLOCOG about the County-funded services, such as Nipomo Dial-A-Ride and the Avila Trolley, that do not regularly meet the TDA-required farebox recovery ratio. Discussing RTA as a possible Article 4.5 recipient for those services in order to use different performance measures for the farebox. SLOCOG would have to designate RTA as another CTSA; we will be bringing more information about this in early 2017.

Mr. Straw stated that fixed route ridership is down 10.3% from last year while Runabout ridership remains essentially the same. Low fuel prices is a primary reason why we are seeing low ridership.

Mr. Straw concluded his report.

Vice President Compton opened public and board comment.

Mr. Greening, Atascadero, stated that relative to the spreadsheet regarding LTF funding that the jurisdictions would be contributing, he wondered if Ride-On negotiations were to break down in some way, could their part of LTF funding go to RTA as an alternative to service cuts or layoffs. **Mr. Straw** stated the amount that we would receive wouldn't make a huge dent in the deficit. Hard to say what the impact would be and what that number would be on the jurisdictions. He also said that we will bring to the Board a package of potential services cuts and fare changes. **Mr. Greening** asked how the sales tax was tracking. **Mr. Straw** stated LTF is steady.

Vice President Compton closed public and board comment.

4. Action Items

B-1 Declare Runabout Vans Surplus

Mr. Straw stated that the Board has a policy in place to declare vehicles and other assets as surplus. Recently, RTA purchased six new Runabout vans to replace 2012 vans, and one new trolley. We would like to declare the older vehicles surplus and reach out to local transit agencies and non-profits to see if they would like them; if they do not the vehicles will go to auction.

Vice President Compton moved approval of action item B-1 and seconded by **Board Member Arnold**. The motion carried on a voice vote with **President (vacant)** absent.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of October 12, 2016

Board Member Arnold moved approval of action item C-1 and seconded by **Vice President Compton**. The motion carried on a voice vote with **President (vacant)** absent.

6. **Agenda Review:**

Mr. Straw briefly reviewed RTA Board Agenda items for the January 4th meeting.

7. **Adjournment:** **Vice President Compton** adjourned RTA Executive Committee meeting at 10:52 a.m.

Respectfully Submitted,

Acknowledged by,

Shelby Walker
Administrative Assistant

Lynn Compton
RTA President 2017