



RTA BOARD AGENDA

Wednesday, January 6, 2016 at 8:30 AM
BOARD OF SUPERVISORS' CHAMBERS
COUNTY GOVERNMENT CENTER
1055 Monterey Street, San Luis Obispo, California 93401

The *AGENDA* is available/posted at: <http://www.slorta.org>

President: Shelly Higginbotham

Vice President: Debbie Arnold

Board Members:

Frank Mecham (First District – SLO County)
Bruce Gibson (Second District – SLO County)
Adam Hill (Third District – SLO County)
Lynn Compton (Fourth District – SLO County)
Debbie Arnold (Fifth District – SLO County)
Jim Guthrie (Arroyo Grande)

Tom O'Malley (Atascadero)
John Shoals (Grover Beach)
Jamie Irons (Morro Bay)
Steve Martin (Paso Robles)
Shelly Higginbotham (Pismo Beach)
Jan Howell Marx (San Luis Obispo)

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment by contacting the SLORTA offices at 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

Joint San Luis Obispo Council of Governments (SLOCOG) and San Luis Obispo Regional Transit Authority (RTA) Session

CALL TO ORDER AND ROLL CALL

PUBLIC COMMENTS: This portion of the agenda is reserved for any members of the public to directly address the San Luis Obispo Regional Transit Authority (RTA) Board on any items not on the agenda and within the jurisdiction of the Board. Comments are limited to three minutes per speaker. The Board will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

A. Joint SLOCOG/RTA Meeting Agenda

- a. Welcome New Board Members (if any)
- b. Election of Officers: President and Vice-President
- c. Present Plaque of Appreciation to outgoing President Debbie Arnold
- d. Executive Committee Assignment (President, Vice-President, and prior President)

Following the Joint meeting, the SLOCOG Board will adjourn to the RTA Board meeting and reconvene after the RTA Board meeting is adjourned.

RTA Board Meeting

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.

A. INFORMATION AGENDA

- A-1 Executive Director's Report (Receive)
- A-2 Annual Fiscal and Compliance Audit Report for FY14-15 (Receive)
- A-3 Review Results of Supplementary Taxicab Services Outreach (Receive)
- A-4 RTA Strategic Business Plan Quarterly Results (Receive)

B. ACTION AGENDA

- B-1 Add Disposal of Surplus Procedures to Purchasing Policy (Action)
- B-2 Seek Board Direction on Bus Yard in Paso Robles (Action)

- C. CONSENT AGENDA:** (Roll Call Vote) the following items are considered routine and non-controversial by staff and will be approved by one motion if no member of the RTA or public wishes an item be removed. If discussion is desired by anyone, the item will be removed from the consent agenda and will be considered separately. Questions of clarification may be made by RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 Executive Committee Meeting Minutes of October 14, 2015 (Approve)
- C-2 RTA Board Meeting Minutes of November 4, 2015 (Approve)
- C-3 Revised Resolution Authorizing Executive Director to Submit Application for State Proposition 1B Safety and Security Funds (Approve)
- C-4 Revised Resolution Authorizing Executive Director to Submit Application for LCTOP Funds (Approve)
- C-5 Resolution Authorizing Executive Director to Submit Application for Rural Transit Funds (Approve)
- C-6 Resolution Authorizing Executive Director to Submit Application for FTA Section 5311 Funds (Approve)
- C-7 Resolution Authorizing Executive Director to Submit Application for FTA Section 5339 Funds (Approve)
- C-8 Amend Agreement for Joint Short Range Transit Plan Services (Approve)
- C-9 Authorize Executive Director to Seek Bids and Execute Agreement for Auction Services (Approve)

Adjourn RTA Board Open Session meeting, and reconvene as the SLOCOG Board in Open Session

SLOCOG Board Meeting

The SLOCOG meeting agenda is provided under separate cover. Following adjournment of the SLOCOG Board meeting, the RTA Board will reconvene in Closed Session

RTA Board Closed Session

D. CLOSED SESSION ITEMS –

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

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code Section 54957)

Agency representative: Debbie Arnold, President

Unrepresented employee: Geoff Straw, Executive Director

E. BOARD MEMBER COMMENTS

Next regularly-scheduled RTA Board meeting on March 2, 2016

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Executive Director's Report

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Accept as Information

BACKGROUND/DISCUSSION:

Operations:

RTA will conduct its next quarterly Employee of the Quarter barbecue lunch on January 29th from 11:30AM until 1:00PM at the RTA Operating facility on 179 Cross Street. Please add that event to your calendars.

Two new Bus Operators (out of a total of four candidates) completed training and began driving in revenue service in late November. Please welcome Randy and Richard to the RTA Team. One other Bus Operator (Jeff) also completed training and is now a member of the South County Transit team. We plan to begin another class of 9-12 trainees on January 11th.

Staff is reviewing preliminary cost estimates for development of a long-term RTA operations office and parking lot at the County's Corp Yard in Paso Robles. We will present updated findings at the January 2016 Board meeting and seek Board direction on next steps (see Agenda Item B-2).

Maintenance:

RTA obtained four 1999 MCI over-the-road coaches from Golden Gate Transit on December 11th. It will likely take 4-6 weeks to get the coaches ready for service, including training of Technicians and Bus Operators. Look for a public launch of these coaches on Express routes in February 2016 (come to the January 29th EOQ BBQ and check out these new-to-us buses).

Maintenance and operations staff continues to work closely with vendors installing the GPS-based Intelligent Transportation System on RTA, Paso Express and South County Transit fixed route buses. However, due to deficiencies discovered during the initial 30-day proving period began on October 26th, RTA demanded that the vendor restart the 30-day period, and the new 30-day period will likely be restarted again in late-December. The primary deficiency seems to be related to the on-bus electronic synchronizing between the various components on the bus (internal/external next stop annunciators, internal LCD information screens, external electronic headsigns, etc.). Fortunately, the passenger information generated on the website, mobile apps and SMS

texting appear to be working well. Staff will not pay for the first phase of the ITS system until the rolling 30-day proving period is accepted. We would then determine final elements to be included in Phase 2 of the ITS program, which will likely include staff time-saving measures regarding reporting of National Transit Database information and LED/LCD screens at high-impact bus stops / passenger terminals.

RTA is currently recruiting for a Technician A position, the highest-skilled level in our maintenance division, due to an employee departure in November. We hope to have the new person on-board in January 2016.

Service Planning & Marketing:

Since the November Board meeting, the Short-Range Transit Plans consultants provided working papers on revised service alternatives, capital alternatives, financial conditions, and coordination opportunities. As soon as staff completes its “fatal flaws” analysis of each document, the documents are forwarded as final drafts to RTAC members, which will meet jointly with the SLO Mass Transportation Committee on January 13th at 2:30 PM to review the alternatives documents and recommend strategies for RTA’s and SLO Transit’s futures.

RTA wishes to thank the City of Morro Bay for selling RTA passes at its Public Works department. Since Rabobank decided to cease selling our passes on August 1st, we have established new sales outlets in Los Osos, Oceano, Paso Robles and now Morro Bay. In addition, we began selling passes on-line through a portal on our new website, which we launched in early November.

Staff has received Caltrans approval of our draft RFP for Ticket Vending Machine System using FTA Section 5339 Capital Program funds. We will issue the RFP and evaluate proposals in January and February, and seek the Board’s direction on moving forward at the March Board meeting.

Finance and Administration:

Staff electronically submitted its desktop review documents package (over 200 pages, plus RTA’s policy and other documents) to our FTA Triennial Review contractor on December 11th. The lead reviewer, Andrew Lynd of Pierlott & Associates based in New Jersey, will be on-site May 25th and 26th.

Below are preliminary financial and operating data through November 30th. Tables and graphs depicting unaudited RTA’s financial and performance measures are provided in the ensuing pages. Several notable findings are provided below:

- The preliminary financial data shows that we have expended 35.1% of our non-capital budget through November 30th, which represents 41.7% of the fiscal year. Of the items that show the greatest proportional variance, Property Insurance is paid annually, so the 87.2% figure is not alarming in this context. Other areas of variance include Fuel (25.8%), Maintenance Parts (34.2%) and Marketing

(25.6%). Overall, expenses are appropriately managed and are within normal budgetary constraints.

- Fixed route services achieved an overall unaudited 30.8% farebox recovery ratio, while Runabout achieved an FRR of 4.4% (the latter was 3.6% through the same analysis period last year). The improved Runabout FRR continues to be a result of the higher Runabout fares that were implemented on February 1, 2015, as well as staff's continued focus on improving Runabout efficiencies to reduce the financial strain that escalating Runabout services has caused RTA.
- Preliminary RTA core fixed route ridership totaled 317,613 one-way passenger-trips, which is down 6.8% in comparison to the same period last year (340,869). The table below depicts the ridership for the core fixed route services either directly operated or administered by RTA (including Paso Express and South County Transit):

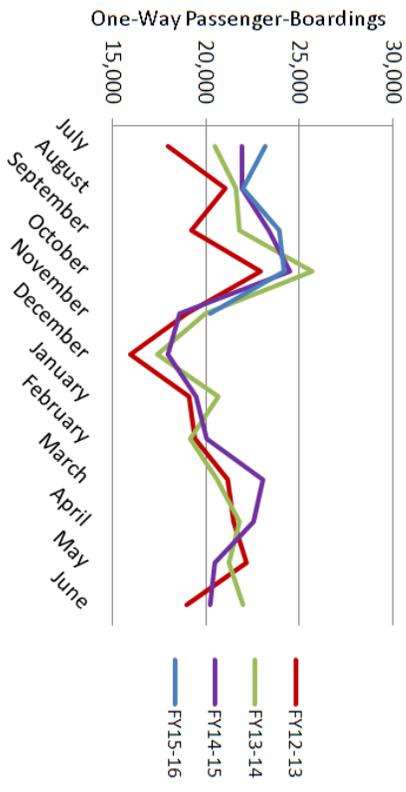
July-November Fixed Route Ridership Results FY14-15 vs. FY15-16				
Fixed Route Service	YTD FY14-15	YTD FY15-16	Difference	Percent Drop
RTA Route 9	119,867	113,625	(6,242)	5.2%
RTA Route 10	113,671	103,691	(9,980)	8.8%
RTA Route 12	86,970	82,371	(4,599)	5.3%
RTA Route 14	10,101	8,102	(1,999)	19.8%
RTA Route 15	10,260	9,824	(436)	4.2%
Overall RTA FR	340,869	317,613	(23,256)	6.8%
Paso Route A	23,639	21629	(2,010)	8.5%
Paso Route B	26,891	23942	(2,949)	11.0%
Overall Paso FR	50,530	45,571	(4,959)	9.8%
SCT Route 21	36,100	30,358	(5,742)	15.9%
SCT Route 23	30,307	30,902	595	-2.0%
SCT Route 24	30,165	29,691	(474)	1.6%
Overall SCT FR	96,572	90,951	(5,621)	5.8%
Combined	487,971	454,135	(33,836)	6.9%

Staff believes relatively low fuel prices might be enticing some RTA riders to use a private automobile instead. We plan to unveil a focused marketing campaign along South Higuera in San Luis Obispo and other major employment centers that are served by Route 10 to try to lure riders back onto our services. Staff will continue to closely monitor ridership trends, particularly as we roll-out the GPS-based passenger information system.

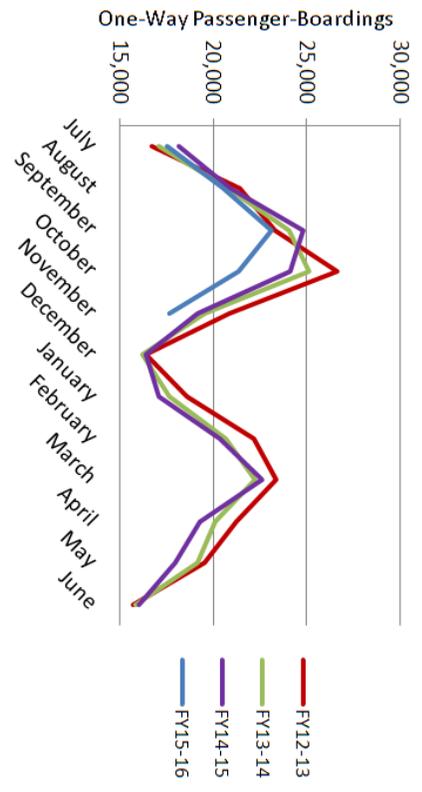
- Runabout ridership increased slightly: 18,944 in the first five months of FY15-16 vs. 18,441 in the previous year, or a relatively small year over year increase of 2.7%. This is a welcome relief in comparison to the financially unsustainable double-digit growth rates experienced in previous years. Nonetheless, as depicted in the Runabout ridership and productivity graphs on the ensuing pages, Runabout set a new monthly record of 4,441 passenger boardings in October 2015, yet the ridership figure dropped in November 2015 to a more typical level. At the same time, Runabout productivity spiked to a three-year high of 1.76 boardings per hour.

The graphs on the ensuing pages depict monthly ridership by route for the past few years, as well as the strong seasonal nature of fixed route ridership. Graphs are also provided that depict monthly fixed route and Runabout productivity (passenger boardings divided by service hours) trends over the past few years.

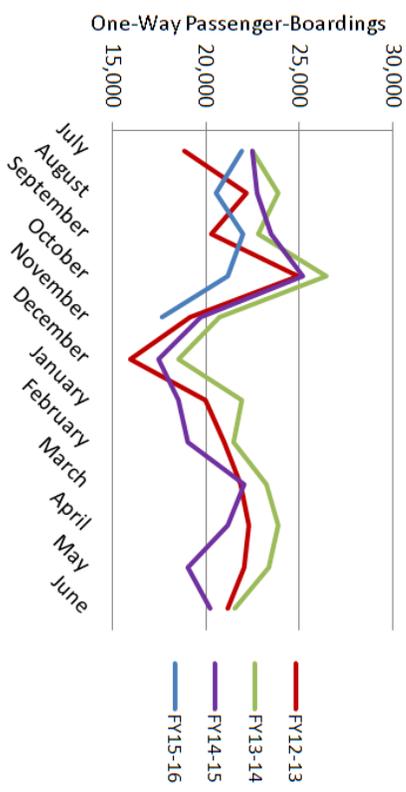
RTA Route 9 Ridership By Month



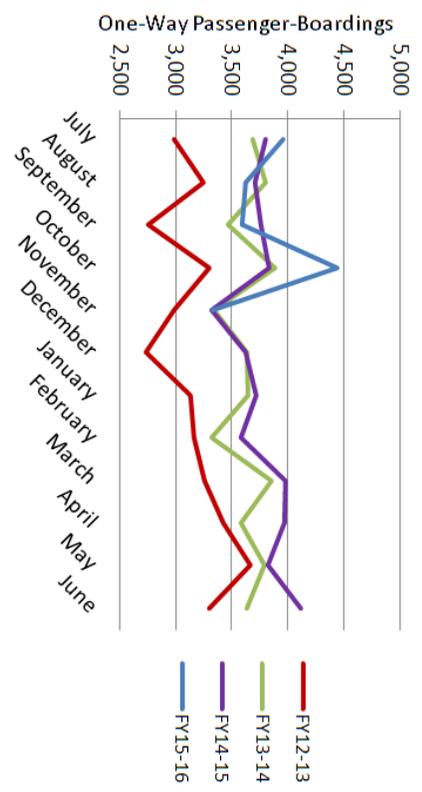
RTA Rtes. 12, 14 & 15 Pass./Mo.

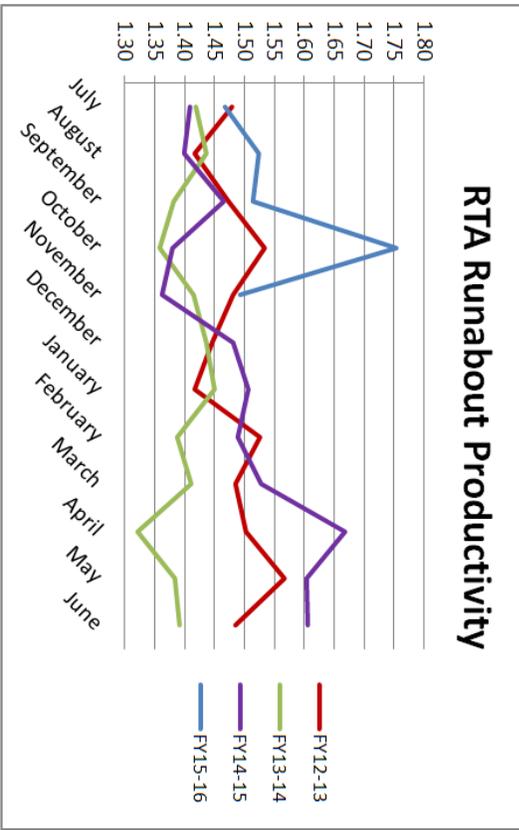
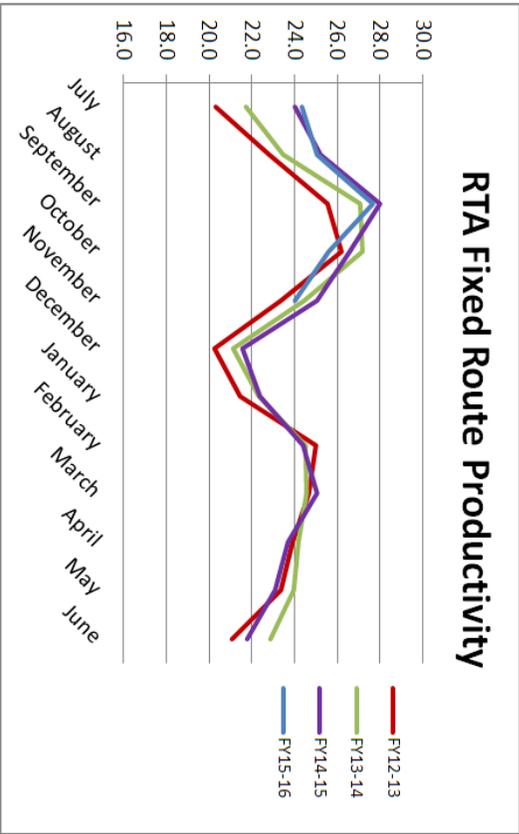


RTA Route 10 Ridership By Month



RTA Runabout Ridership by Mo.





SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

			Amended Budget FY 2015-16	October Actual	November Budget	November Actual	November Variance	Year to Date FY 2015-16	Percent of Total Budget FY 2015-16
	Hours		72,970	6,053	6,102	5,343	759	29,022	39.77%
	Miles		1,693,360	138,297	141,789	121,678	20,111	661,670	39.07%
Administration:									
Labor		operations cost	789,900	58,027	65,825	57,660	8,165	287,956	36.45%
Labor - Administration Workers Comp		operations cost	55,880	13,421	-	2,036	(2,036)	28,878	51.68%
Office Space Rental		operations cost	489,360	48,555	40,780	33,640	7,140	183,116	37.42%
Property Insurance		operations cost	18,500	-	-	-	-	16,128	87.18%
Professional Technical Services		operations cost	92,970	6,483	7,748	-	7,748	26,652	28.67%
Professional Development		operations cost	26,940	278	2,245	1,728	517	9,481	35.19%
Operating Expense		operations cost	255,450	17,412	21,288	16,273	5,014	90,746	35.52%
Marketing and Reproduction		hourly	138,400	9,680	11,533	10,935	598	35,382	25.56%
North County Management Contract		operations cost	(39,720)	(3,310)	(3,310)	(3,310)	-	(16,550)	41.67%
County Management Contract		operations cost	(80,500)	(6,708)	(6,708)	(6,708)	-	(33,542)	41.67%
SCT Management Contract		operations cost	(79,830)	(6,653)	(6,653)	(6,653)	-	(33,263)	41.67%
Total Administration			1,667,350	137,184	132,748	105,602	27,146	594,984	35.68%
Service Delivery:									
Labor - Operations	hourly		3,865,100	282,525	322,092	283,898	38,194	1,407,061	36.40%
Labor - Operations Workers Comp	hourly		378,050	90,799	-	13,773	(13,773)	195,372	51.68%
Labor - Maintenance	hourly		904,210	66,480	75,351	68,036	7,315	333,760	36.91%
Labor - Maintenance Workers Comp	hourly		110,640	26,573	-	4,031	(4,031)	57,177	51.68%
Fuel	miles		1,502,000	73,533	125,167	61,456	63,711	387,074	25.77%
Insurance	miles		483,930	39,597	40,328	39,597	731	198,718	41.06%
Special Transportation (includes County programs, Cuesta evenings, Avila Trolley)	n/a		118,330	3,722	9,861	4,100	5,761	21,264	17.97%
Maintenance (parts, supplies, materials)	miles		57,750	2,098	-	-	-	25,441	44.05%
Maintenance Contract Costs	miles		436,560	43,009	36,380	23,758	12,622	149,139	34.16%
			111,150	10,813	9,263	5,142	4,120	46,230	41.59%
Total Operations			7,967,720	639,150	618,440	503,790	114,650	2,821,237	35.41%
Capital/Studies:									
Computer System Maintenance/Upgrades			37,540	4,799	-	-	-	4,799	12.78%
Miscellaneous Capital									
Facility Improvements			39,960	2,892	-	5,273	(5,273)	8,165	20.43%
Maintenance Software and Maintenance Equipment			58,990	-	-	-	-	-	0.00%
Radios			6,000	-	-	-	-	-	0.00%
Vehicle ITS/Camera System			725,900	54,633	-	105,056	(105,056)	227,398	31.33%
Bus Stop Improvements			294,890	-	-	21,292	(21,292)	21,292	7.22%
RouteMatch Call Back System			37,500	-	-	-	-	-	0.00%
Vehicles									
Support Vehicles			60,000	-	-	-	-	-	0.00%
Over the Road Coaches			1,300,000	-	-	-	-	-	0.00%
Cutaway Vehicles			259,300	-	259,300	244,353	14,947	244,353	82.86%
Runabout Vehicles			521,280	-	-	-	-	-	0.00%
Total Capital Outlay			3,341,360	62,324	259,300	375,974	(116,674)	506,007	15.14%
Contingency			110,000	-	9,167	-	9,167	-	0.00%
Interest Expense			64,500	4,031	5,375	-	5,375	15,993	24.79%
Loan Paydown			200,600	100,298	-	-	-	100,298	50.00%
Facility Environmental Planning			219,430	-	-	3,429	-	3,429	1.56%
Management Contracts			200,050	16,671	16,671	16,671	-	83,354	41.67%
TOTAL FUNDING USES			13,771,010	959,657	1,041,700	1,005,466	39,663	4,125,302	29.96%
TOTAL NON-CAPITAL EXPENDITURES			10,009,620	797,036	782,400	626,063	156,337	3,515,568	35.12%

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU NOVEMBER 30, 2015
CURRENT FISCAL YEAR - 2015/2016 (page 1 of 2)**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE WEEKDAY	RT 7 PASO EXPRESS ROUTE A	RT 8 PASO EXPRESS ROUTE B	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE
REVENUES:										
FARES	173,970	173,595	129,673	11,752	12,970	501,960	28,317	28,794	57,111	3,052
TOTAL ROUTE REVENUES	<u>173,970</u>	<u>173,595</u>	<u>129,673</u>	<u>11,752</u>	<u>12,970</u>	<u>501,960</u>	<u>28,317</u>	<u>28,794</u>	<u>57,111</u>	<u>3,052</u>
EXPENDITURES:										
ADMINISTRATION	92,232	92,901	60,937	5,999	21,793	273,861	7,038	7,009	14,047	2,572
MARKETING	8,890	8,952	5,880	690	2,096	26,509	2,623	2,612	5,235	0
OPERATIONS/CONTINGENCY	289,730	294,329	189,590	18,764	69,597	862,011	119,244	118,993	238,237	42,030
FUEL	76,478	82,493	46,507	4,933	20,573	230,984	9,210	9,580	18,790	1,448
INSURANCE	35,654	38,454	21,687	2,539	9,590	107,924	5,783	6,016	11,799	1,595
TOTAL EXPENDITURES	<u>502,985</u>	<u>517,129</u>	<u>324,601</u>	<u>32,926</u>	<u>123,648</u>	<u>1,501,289</u>	<u>143,899</u>	<u>144,209</u>	<u>288,108</u>	<u>47,645</u>
FAREBOX RATIO	34.59%	33.57%	39.95%	35.69%	10.49%	33.44%	19.68%	19.97%	19.82%	6.41%
RIDERSHIP	104,416	94,542	75,926	8,102	7,630	290,616	21,629	23,942	45,571	1,317
SERVICE MILES	121,260.70	130,788.20	73,753.60	8,550.00	32,617.10	366,969.60	19,652.00	20,441.60	40,093.60	5,442.00
SERVICE HOURS	3,961.90	3,990.53	2,617.78	257.05	935.98	11,763.24	1,513.76	1,507.36	3,021.12	538.63
RIDERS PER MILE	0.86	0.72	1.03	0.95	0.23	0.79	1.10	1.17	1.14	0.24
RIDERS PER HOUR	26.36	23.69	29.00	31.52	8.15	24.71	14.29	15.88	15.08	2.45
COST PER PASSENGER	4.82	5.47	4.28	4.06	16.21	5.17	6.65	6.02	6.32	36.18
SUBSIDY PER PASSENGER	3.15	3.63	2.57	2.61	14.51	3.44	5.34	4.82	5.07	33.86

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
YEAR TO DATE THRU NOVEMBER 30, 2015
CURRENT FISCAL YEAR - 2015/2016 (page 2 of 2)**

	RT 9 SAT P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 9 SUN P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 SAT S.M., NIPOMO, A.G., S.L.O.	RT 10 SUN S.M., NIPOMO, A.G., S.L.O.	RT 12 SAT MORRO BAY, CUESTA, SAN LUIS	RT 12 SUN MORRO BAY, CUESTA, SAN LUIS	RT 15 SAT SAN SIM., MORRO BAY, SAN LUIS	RT 15 SUN SAN SIM., MORRO BAY, SAN LUIS	TOTAL RTA CORE WEEKEND	TOTAL FIXED ROUTE RTA & PASO EXPRESS	RUNABOUT	SYSTEM TOTAL
REVENUES:												
FARES	9,913	6,335	10,830	5,979	7,080	4,851	2,192	1,652	48,832	607,903	56,773	667,728
TOTAL ROUTE REVENUES	9,913	6,335	10,830	5,979	7,080	4,851	2,192	1,652	48,832	607,903	56,773	667,728
EXPENDITURES:												
ADMINISTRATION	6,188	4,140	5,784	3,604	4,224	4,115	4,234	2,632	34,920	322,828	284,014	609,414
MARKETING	623	428	582	373	425	425	426	272	3,553	35,297	0	35,297
OPERATIONS/CONTINGENCY	19,139	12,931	18,045	11,314	12,894	12,676	13,336	8,341	108,676	1,208,924	843,948	2,094,902
FUEL	4,867	3,416	4,876	3,102	2,964	3,012	3,840	2,432	28,509	278,283	96,363	376,094
INSURANCE	2,349	1,636	2,353	1,485	1,431	1,442	1,854	1,165	13,714	133,437	59,603	194,635
TOTAL EXPENDITURES	33,165	22,551	31,640	19,877	21,937	21,670	23,690	14,843	189,373	1,978,769	1,283,928	3,310,342
FAREBOX RATIO	29.89%	28.09%	34.23%	30.08%	32.27%	22.39%	9.25%	11.13%	25.79%	30.72%	4.42%	20.17%
RIDERSHIP	5,702	3,507	5,925	3,224	3,811	2,634	1,311	883	26,997	363,184	18,944	383,445
SERVICE MILES	7,965.30	5,524.20	7,980.00	5,016.00	4,851.00	4,870.80	6,285.30	3,933.60	46,426.20	453,489.40	202,739.00	661,670.40
SERVICE HOURS	263.97	178.20	246.75	155.10	180.18	177.10	180.60	113.30	1,495.20	16,279.56	12,203.36	29,021.55
RIDERS PER MILE	0.72	0.63	0.74	0.64	0.79	0.54	0.21	0.22	0.58	0.80	0.09	0.58
RIDERS PER HOUR	21.60	19.68	24.01	20.79	21.15	14.87	7.26	7.79	18.06	22.31	1.55	13.21
COST PER PASSENGER	5.82	6.43	5.34	6.17	5.76	8.23	18.07	16.81	7.01	5.45	67.77	8.63
SUBSIDY PER PASSENGER	4.08	4.62	3.51	4.31	3.90	6.39	16.40	14.94	5.21	3.77	64.78	6.89

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: A-2

TOPIC: Annual Fiscal & Compliance Audit

ACTION: Review and Accept the FY2014-15 Audit Report

PRESENTED BY: Tania Arnold, RTA CFO

STAFF RECOMMENDATION: Review and Accept the FY2014-15 Annual Fiscal and Compliance Audit

BACKGROUND/DISCUSSION:

The Transportation Development Act (TDA) requires an annual fiscal and compliance audit of each TDA recipient administered by SLOCOG. The attached report was completed for RTA by Moss, Levy & Hartzheim, LLP. The Single Audit will be considered final once submitted electronically to the Federal Audit Clearinghouse website. The Clearinghouse was taken offline in July 2015 due to an IT security investigation, coming back online in early December 2015. An extension has been granted and staff anticipates submittal in early 2016. Should the single audit become available prior to the meeting, staff will distribute it during the meeting.

Of particular interest to RTA Board members is the Independent Auditor's Report at the beginning of the document, which provides summary findings of the audit team. In short, the auditors found our financial statements to fairly present the financial position of RTA, and that we expressed our financial position and cash flows in accordance with generally accepted accounting principles. In addition, the auditor found no deficiencies in internal control or compliance with federal programs that might be considered material weaknesses or significant deficiencies.

Staff Recommendation

Staff recommends that the Board review and accept the Fiscal Year 2014-15 Annual Fiscal and Compliance Audit report.



Moss, Levy & Hartzheim LLP

Certified Public Accountants

To the Board of Directors
San Luis Obispo Regional Transit Authority

We have audited the basic financial statements of the San Luis Obispo Regional Transit Authority (the Authority) for the fiscal year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 21, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by San Luis Obispo Regional Transit Authority are described in Note 2 to the financial statements. As discussed in note 2 to basic financial statements effective July 1, 2014, the San Luis Obispo Regional Transit Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Authority's financial statements was (were):

Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the Pension Plan in Note 10 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 23, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. Our comments to management follow:

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of San Luis Obispo Regional Transit Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Levy & Hargreaves LLP

November 23 2015

Santa Maria, California

**SAN LUIS OBISPO REGIONAL
TRANSIT AUTHORITY
FINANCIAL STATEMENTS
June 30, 2015**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
TABLE OF CONTENTS
June 30, 2015

FINANCIAL SECTION

Independent Auditors' Report..... 1

Basic Financial Statements:

 Statement of Net Position..... 3

 Statement of Revenues, Expenses, and Changes in Net Position..... 4

 Statement of Cash Flows..... 5

Notes to Basic Financial Statements..... 7

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Schedule of Funding Progress for Post Employment Benefits

 Other than Pensions..... 21

Schedule of Proportionate Share of Net Pension Liability..... 22

Schedule of Contributions..... 23

SUPPLEMENTARY INFORMATION SECTION

Budgetary Comparison Schedule..... 24

FINANCIAL SECTION



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the of San Luis Obispo Regional Transit Authority (Agency) as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Luis Obispo Regional Transit Authority, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 2 to the basic financial statements effective July 1, 2014, the San Luis Obispo Regional Transit Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Funding Progress for Post Employment Benefits Other than Pensions on page 21, the Schedule of Proportionate Share of Net Pension Liability on page 22, and the Schedule of Contributions on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

Report on Summarized Comparative Information

We have previously audited the San Luis Obispo Regional Transit Authority 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent in all material respects, with the audited financial statements from it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2015, on our consideration of the San Luis Obispo Regional Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Moss, Remy & Hartgeim LLP

November 23, 2015
Santa Maria, California

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash and investments	\$ 3,342,859	\$ 4,586,609
Accounts receivable	110,812	
Intergovernmental receivables	2,036,280	323,301
Grants receivable	413,856	3,945
Prepaid items	101,915	83,216
Inventory at cost	200,228	239,120
Total current assets	<u>6,205,950</u>	<u>5,236,191</u>
Capital assets:		
Nondepreciable:		
Land	1,512,602	1,512,602
Depreciable:		
Buildings and improvements	4,754,698	4,754,698
Equipment and vehicles	16,360,660	14,028,928
Less accumulated depreciation	(8,410,252)	(8,880,810)
Total net capital assets	<u>14,217,708</u>	<u>11,415,418</u>
Total assets	<u>20,423,658</u>	<u>16,651,609</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions	74,414	
Total deferred outflows of resources	<u>74,414</u>	
LIABILITIES		
Current liabilities:		
Accounts payable	434,048	334,349
Accrued payroll	117,101	98,332
Unearned revenue	4,088,461	2,882,479
Customer deposits	27,703	27,703
CalPERS side-fund		19,257
Loan payable	200,596	200,596
Total current liabilities	<u>4,867,909</u>	<u>3,562,716</u>
Noncurrent liabilities:		
Compensated absences	154,918	127,817
CalPERS side-fund		81,149
Other post-employment benefits	9,258	
Net pension liability	425,837	
Loan payable	613,494	1,156,624
Total noncurrent liabilities	<u>1,203,507</u>	<u>1,365,590</u>
Total liabilities	<u>6,071,416</u>	<u>4,928,306</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions	106,962	
Total deferred inflows of resources	<u>106,962</u>	
NET POSITION		
Net investment in capital assets	13,403,618	10,058,198
Unrestricted	916,076	1,665,105
Total net position	<u>\$ 14,319,694</u>	<u>\$ 11,723,303</u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Passenger fares	\$ 1,436,252	\$ 1,399,393
Other operating revenue	92,579	86,888
Total operating revenues	<u>1,528,831</u>	<u>1,486,281</u>
Operating Expenses:		
Transit operating expenses	6,945,220	5,896,354
Administration and financial services	1,517,800	1,488,551
Depreciation	1,690,517	1,550,683
Total operating expenses	<u>10,153,537</u>	<u>8,935,588</u>
 Operating loss	 <u>(8,624,706)</u>	 <u>(7,449,307)</u>
Non-Operating Revenues (Expenses):		
Transportation Development Act funds	3,281,943	4,230,326
Federal and State grants	3,718,017	3,195,755
Interest income	6,277	3,753
Fees and reimbursements from other governmental agencies	78,760	77,500
Loss on disposal of capital assets	(70,405)	(59,806)
Interest expense	(65,771)	(125,073)
Total non-operating revenues (expenses)	<u>6,948,821</u>	<u>7,322,455</u>
Capital Contributions:		
Federal capital grants	3,563,872	1,904,007
State capital grants	541,884	2,492,619
Local capital grants	457,456	
Contributions from local agencies		1,025,383
Total capital contributions	<u>4,563,212</u>	<u>5,422,009</u>
 Change in net position	 <u>2,887,327</u>	 <u>5,295,157</u>
 Net position, beginning of fiscal year	 11,723,303	 6,539,579
 Prior period adjustment	 <u>(290,936)</u>	 <u>(111,433)</u>
 Net position, beginning of fiscal year, restated	 <u>11,432,367</u>	 <u>6,428,146</u>
 Net position, end of fiscal year	 <u>\$ 14,319,694</u>	 <u>\$ 11,723,303</u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$ 1,504,388	\$ 1,492,065
Payments to suppliers and wages	<u>(7,101,344)</u>	<u>(8,989,332)</u>
Net cash used by operating activities	<u>(5,596,956)</u>	<u>(7,497,267)</u>
 Cash Flows From Capital and Related Financing Activities:		
Acquisition and construction of property, plant, and equipment	(4,563,212)	(4,396,626)
Principal paid - loan payable	(543,130)	(1,108,877)
Interest expense	(65,771)	(125,073)
Proceeds from sale of capital assets		17,771
Capital grants received	<u>4,563,212</u>	<u>4,396,626</u>
Net cash (used) by capital and related financing activities	<u>(608,901)</u>	<u>(1,216,179)</u>
 Cash Flows from Noncapital Financing Activities:		
Grants received	4,877,070	8,436,073
Fees and reimbursements	<u>78,760</u>	<u> </u>
Net cash provided by noncapital financing activities	<u>4,955,830</u>	<u>8,436,073</u>
 Cash Flows From Investing Activities:		
Interest income	<u>6,277</u>	<u>3,753</u>
Net cash provided by investing activities	<u>6,277</u>	<u>3,753</u>
 Net (decrease) in cash and cash equivalents cash and cash equivalents	(1,243,750)	(273,620)
 Cash and cash equivalents, beginning of fiscal year	<u>4,586,609</u>	<u>4,860,229</u>
 Cash and cash equivalents, end of fiscal year	<u>\$ 3,342,859</u>	<u>\$ 4,586,609</u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (8,624,706)	\$ (7,449,307)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	1,690,517	1,550,683
Change in operating assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(110,812)	5,784
Prepaid items	(18,699)	(9,613)
Inventory	38,892	(92,988)
Deferred outflows	(20,163)	
Accounts payable	99,699	(30,385)
Accrued payroll	18,769	32,387
Unearned revenue	1,292,351	(1,496,537)
Other post-employment benefits	9,258	
Net pension liability	(106,125)	(11,027)
Compensated absences	27,101	3,736
Deferred Inflows	<u>106,962</u>	
Net cash used by operating activities	<u>\$ (5,596,956)</u>	<u>\$ (7,497,267)</u>

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – REPORTING ENTITY

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants (AICPA).
- B. Accounting Method - The Agency follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred regardless of the timing of related cash flows.
- C. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- D. Accounts Receivable – The Agency did not experience any significant bad debt losses; accordingly, no provision has been made for doubtful accounts, and accounts receivable are shown at full value.
- E. Inventory – Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out method.
- F. Property, Plant, and Equipment – Capital assets purchased by the Agency are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired. Capital assets are defined by the Agency as assets with initial, individual costs of more than \$1,000 and estimated useful life in excess of two years.
- G. Depreciation – Capital assets purchased by the Agency are depreciated over their estimated useful lives (ranging from 3-15 years) under the straight-line method of depreciation.
- H. Compensated Absences – Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the Agency.
- I. Revenue Recognition - The Agency's primary source of revenues include passenger fares, State Transit Assistance funds, and Local Transportation Fund/Transportation Development Act (TDA) allocations made to the participating members, but assigned by the members to this Agency for its sole use. The San Luis Obispo Council of Governments administers the State Transit Assistance and Transportation Development Act funds, approves claims for such funds submitted by this Agency, and makes payments to the Agency based upon such claims.

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

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

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

L. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the San Luis Obispo Regional Transit Authority's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has one item which qualify for reporting in this category; refer to Note 13 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualify for reporting in this category; refer to Note 13 for a detailed listing of the deferred inflows of resources the District has reported.

N. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" as well as the requirements of GASB Statement No. 50, "Pension Disclosures." This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of the GASB Statement No. 68 and the impact on the Agency's financial statements are explained in Note 10- Pension Plans and Note 16-Prior Period Adjustment.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. Implementation of the GASB Statement No. 71 and the impact on the Agency's financial statements are explained in Note 10- Pension Plans and Note 16-Prior Period Adjustment.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 3 - CASH AND INVESTMENTS

On June 30, 2015 the Agency had the following cash and investments on hand:

Cash on hand and in banks	\$ 639,189
Investments	<u>2,703,670</u>
Total cash and investments	<u>\$ 3,342,859</u>

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

Cash and investments, statement of net position	<u>\$ 3,342,859</u>
---	---------------------

Investments Authorized by the California Government Code

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo County Investment Pool	\$ 2,703,670	\$ 2,703,670	\$ -	\$ -	\$ -
Total	\$ 2,703,670	\$ 2,703,670	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt from Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
San Luis Obispo County Investment Pool	\$ 2,703,670	N/A	\$ -	\$ -	\$ -	\$ 2,703,670
Total	\$ 2,703,670		\$ -	\$ -	\$ -	\$ 2,703,670

Concentration of Credit Risk

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

Custodial Credit Risk

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

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

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Capital assets, not being depreciated				
Land	\$ 1,512,602	\$ -	\$ -	\$ 1,512,602
Total capital assets, not being depreciated	<u>\$ 1,512,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,512,602</u>
Capital assets, being depreciated				
Building and improvements	\$ 4,754,698	\$ -	\$ -	\$ 4,754,698
Vehicles and Equipment	14,028,928	4,563,212	2,231,480	16,360,660
Total capital assets, being depreciated	<u>18,783,626</u>	<u>4,563,212</u>	<u>2,231,480</u>	<u>21,115,358</u>
Less accumulated depreciation for:				
Building and improvements	<u>8,880,810</u>	<u>1,690,517</u>	<u>2,161,075</u>	<u>8,410,252</u>
Total accumulated depreciation	<u>8,880,810</u>	<u>1,690,517</u>	<u>2,161,075</u>	<u>8,410,252</u>
Total capital assets, being depreciated, net	<u>\$ 9,902,816</u>	<u>\$ 2,872,695</u>	<u>\$ 70,405</u>	<u>\$ 12,705,106</u>
Governmental activities, capital assets, net	<u>\$ 11,415,418</u>	<u>\$ 2,872,695</u>	<u>\$ 70,405</u>	<u>\$ 14,217,708</u>

Depreciation expense for the fiscal year ended June 30, 2015, was \$1,690,517. The depreciation expense for the fiscal year ended June 30, 2014, was \$1,550,683.

NOTE 5 – UNEARNED REVENUE

	<u>2015</u>	<u>2014</u>
TDA Local Transportation Funds	\$ 3,127,491	\$ 1,751,770
The Agency received an advance from developers for construction of bus stops as a condition imposed by the County Board of Supervisors. These funds are deferred until the bus stops have been constructed	38,688	30,855
The Agency distributes Universal bus passes to Social Services and the general public as part of a "Welfare to Work Program." These funds are deferred revenue until they are tendered or redeemed.	182,118	47,026
Prop 1B funding	<u>740,164</u>	<u>1,052,828</u>
Total unearned revenues	<u>\$ 4,088,461</u>	<u>\$ 2,882,479</u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

The County was allocated the following funds from the Local Transportation Fund (LTF) and State Transit Assistance Fund (STF) for the fiscal years ended June 30, 2015 and 2014:

<u>Allocation Assigned By/Claimant</u>	<u>Article/ Section</u>	<u>Amount</u>	
		<u>2015</u>	<u>2014</u>
Local Transportation Fund:			
City of Arroyo Grande	4 / 99260(a)	\$ 187,418	\$ 172,442
City of San Luis Obispo	4 / 99260(a)	633,705	582,623
County of San Luis Obispo	4 / 99260(a)	1,725,085	2,183,518
City of Grover Beach	4 / 99260(a)	142,338	131,264
City of Morro Bay	4 / 99260(a)	111,157	102,462
City of Atascadero	4 / 99260(a)	319,079	284,000
City of El Paso de Robles	4 / 99260(a)	1,093,693	399,508
City of Pismo Beach	4 / 99260(a)	83,145	76,542
Total LTF		4,295,620	3,932,359
State Transit Fund:			
Regional Transit Authority	6.5 / 99313	658,230	569,135
Regional Transit Authority	6.5 / 99314	80,926	101,701
Total STF		739,156	670,836
Add: Recognition of prior fiscal year unearned revenues		1,665,402	1,440,121
Less: Current fiscal year unearned revenues		(3,127,491)	(1,665,402)
Total TDA Revenue		\$ 3,572,687	\$ 4,377,914

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

	<u>2015</u>	<u>2014</u>
Operating and interest expenses	\$ 10,219,308	\$ 9,060,661
Add:		
Capital purchases with LTF and STF	290,744	109,851
Less:		
Depreciation	(1,690,517)	(1,550,683)
Fare revenues	(1,436,252)	(1,399,393)
Special events and other revenues	(92,579)	(86,888)
Federal and state operating grants	(3,718,017)	(3,195,755)
Maximum total allocation amount	3,572,687	2,937,793
TDA allocations received and accrued	5,034,776	4,603,195
Change in TDA transit allocations in unearned revenues	(1,462,089)	(1,665,402)
Allocation over/(under) maximum	\$ -	\$ -

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – FARE REVENUE RATIO

The Agency had fare revenue ratios for the fiscal year ended June 30, 2015 as computed as follows:

	<u>Fixed Route</u>	<u>Runabout</u>	<u>Paso Express</u>	<u>Paso Dial a Ride</u>
(a) Operating fare revenues	\$ 1,152,169	\$ 123,990	\$ 124,556	\$ 7,347
(b) Operating expenses, net of depreciation	<u>4,170,142</u>	<u>3,094,340</u>	<u>665,760</u>	<u>115,747</u>
(c) Fare revenue ratio [(a) / (b)]	27.63%	4.01%	18.71%	6.35%
Minimum ratio required	<u>16.70%</u>	<u>N/A</u>	<u>16.70%</u>	<u>15.00%</u>
Under minimum ratio requirement	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>8.65%</u>
	<u>Nipomo</u>	<u>Cambria Trolley</u>	<u>Avila Trolley</u>	
(a) Operating fare revenues	\$ 26,790	\$ 367	\$ 8,171	
(b) Operating expenses, net of depreciation	<u>352,581</u>	<u>5,690</u>	<u>53,788</u>	
(c) Fare revenue ratio [(a) / (b)]	7.60%	6.45%	15.19%	
Minimum ratio required	<u>10.00%</u>	<u>10.00%</u>	<u>20.00%</u>	
Under minimum ratio requirement	<u>2.40%</u>	<u>3.55%</u>	<u>4.81%</u>	

The Agency had fare revenue ratios for the fiscal year ended June 30, 2014 as computed as follows:

	<u>Fixed Route</u>	<u>Runabout</u>	
(a) Operating fare revenues	\$ 1,244,764	\$ 114,055	
(b) Operating expenses, net of depreciation	<u>3,951,819</u>	<u>2,951,891</u>	
(c) Fare revenue ratio [(a) / (b)]	31.50%	3.86%	
Minimum ratio required	<u>16.10%</u>	<u>N/A</u>	
Under minimum ratio requirement	<u>N/A</u>	<u>N/A</u>	
	<u>Nipomo</u>	<u>Cambria Trolley</u>	<u>Avila Trolley</u>
(a) Operating fare revenues	\$ 22,412	\$ 3,052	\$ 4,998
(b) Operating expenses, net of depreciation	<u>296,371</u>	<u>23,113</u>	<u>59,432</u>
(c) Fare revenue ratio [(a) / (b)]	7.56%	13.20%	8.41%
Minimum ratio required	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
Under minimum ratio requirement	<u>2.44%</u>	<u>N/A</u>	<u>1.59%</u>

The Agency was in compliance with applicable TDA regulations pertaining to acceptable fare revenue ratios for routes encompassing both urbanized and non-urbanized areas which require a minimum ratio of 16.70% blended rate as approved by San Luis Obispo Council of Governments. When the fare revenue ratio is under the minimum requirement for two consecutive years, there is a potential for a reduction in future TDA eligibility for the difference between the required minimum and actual fares in accordance with Public Utilities Code Section 99268.9 and CCR Section 6633.9, unless waived by the San Luis Obispo Council of Governments.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – LONG TERM DEBT

	Balance	Increases	Decreases	Prior-period Adjustment	Balance at June 30, 2015		
	July 1, 2014				Total	Current	Long Term
Vacation	\$ 100,246	\$ 186,418	\$ 163,933	\$	\$ 122,731	\$ -	\$ 122,731
Sick leave	27,571	45,953	41,337		32,187		32,187
Loan payable	1,357,220		543,130		814,090	200,596	613,494
Other post-employment benefits		15,458	6,200		9,258		9,258
Net pension liability	100,406	220,423	326,548	431,556	425,837		425,837
Total	\$ 1,585,443	\$ 468,252	\$ 1,081,148	\$ 431,556	\$ 1,404,103	\$ 200,596	\$ 1,203,507

NOTE 9 – LOAN PAYABLE

The Agency entered into loan with Rabobank on June 1, 2011. The original balance of the loan was \$3,082,621. A prepayment of \$799,168 in principal was made on January 29, 2014. The loan was refinanced with Rabobank for \$1,512,183 on March 24, 2014 with a fixed interest rate of 5.75%. Payment on the loan is due in variable monthly interest payments which began on April 1, 2014 and budgeted principal payments of \$100,298 beginning April 30, 2014, with all outstanding principal plus accrued unpaid interest due on April 30, 2021. The Agency's Board has budgeted to pay off the loan early with \$543,130 in principal paid for 2014-15 and 2015-16 and \$270,960 in 2016-17. The outstanding principal balance at June 30, 2015, was \$814,090.

NOTE 10 – PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	15.005%	6.25%

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Authority were \$54,251 for the fiscal year ended June 30, 2015.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2015, the Agency reported a liability of \$425,837 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2014, the Authority's proportion was 0.00684%, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Agency recognized pension expense of \$55,088. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on retirement plan investments	-	103,426
Changes in proportion and differences between District contributions and proportionate share of contributions	-	3,536
District contributions subsequent to the measurement date	74,414	-
	<u>\$ 74,414</u>	<u>\$ 106,962</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$74,414 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Amount
2016	\$ (27,120)
2017	(27,120)
2018	(26,867)
2019	(25,855)
	<u>\$ (106,962)</u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly high Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100%</u>		

- (a) An expected inflation of 2.5% was used for this period.
- (b) An expected inflation of 3.0% was used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1- percentage point higher (8.5 percent) than the current rate:

	1% Decrease <u>6.50%</u>	Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
District's proportionate share of the net pension plan liability	\$ 682,083	\$ 425,837	\$ 213,177

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to Pension Plan

At June 30, 2015, the Agency had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2015.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11– POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

In addition to the California Public Employees' Retirement System (PERS) pension benefits, as described in Note 10, the Agency provides post-retirement health benefits for management and director positions. The Agency agreed to pay PERS for the retiree and/or retiree's dependent health (medical/dental/vision) insurance premiums, disability insurance, long-term health care or life insurance premiums up to a maximum of \$3,100 per year. The benefit is available upon retirement from PERS after the age 55, and the employee must have served for five years with the Agency. The benefit extends between the date of retirement and the date of death. Currently, there are three retirees receiving benefits and five other employees that may become eligible for benefits under this program.

Funding Policy

The Agency accounts for this benefit on a pay-as-you-go basis. No funds are set aside to pay for benefits and administrative costs. These expenditures are paid as they come due. In the fiscal year, June 30, 2015, the Agency's total contributions were \$6,200.

Annual OPEB Cost and Net OPEB Obligation

The Agency's annual other post employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Agency has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Agency's annual OPEB cost for the current fiscal year, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation for the post employment healthcare benefits:

Annual OPEB cost (expense)	\$	15,458
Contributions made		(6,200)
Increase/(decrease) in net OPEB obligation		<u>9,258</u>
Net OPEB obligation, beginning of fiscal year		-
Net OPEB obligation, end of fiscal year	<u>\$</u>	<u>9,258</u>

Annual OPEB Cost and Net OPEB Obligation (Continued)

For fiscal year 2014-2015, the Agency's annual OPEB cost (expense), the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation, was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 15,458	40.0%	\$ (9,258)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress

The Funded status of the plan as of July 1, 2014, the date of the latest actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 148,961
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>148,961</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	418,002
UAAL as a percentage of covered payroll	36%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for covered group were assumed to retire at the age of 55.

Mortality – All active and inactive plan members were expected to live through the age of 80.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for development of an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

NOTE 12 – INSURANCE

The Agency is exposed to various risks of loss related to torts, theft, damage to, or destruction of an asset and errors or omissions. The Agency maintains comprehensive general liability including automobile insurance of \$20 million for buses, vans, equipment, and facilities. The Agency also purchases commercial Special Liability Insurance and Special Agency Property Insurance with limits of \$25 million per occurrence and \$100 million annual aggregate.

NOTE 13 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

At June 30, 2015, deferred inflows and outflows of resources, reported on the Statement of Net Position, consisted of the following:

Deferred Inflows of Resources	
Pensions	<u>\$ 74,414</u>
Total Deferred Inflows	<u><u>\$ 74,414</u></u>
Deferred Outflows of Resources	
Pensions	<u>\$ 106,962</u>
Total Deferred Outflows	<u><u>\$ 106,962</u></u>

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – OPERATING LEASE

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

<u>Year Ended June 30</u>	
2016	\$ 369,846
2017	<u>192,282</u>
	<u>\$ 562,128</u>

NOTE 15 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT

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

Interest earned on funds to date is \$9,253. The Agency had qualifying expenditures incurred under this program from previous allocation totaling \$467,564 which was used as local match to purchase six(6) transit coaches and is included in State capital grants in the accompanying financial statements.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$(377,305) was made which affects the statement of net position. Prior period adjustment was to record net pension liability of \$(431,556) and deferred pension outflow of resources of \$54,251, due to the implementation of GASB Statements No. 68 and No. 71.

A prior period adjustment of \$86,369 was made which affects the statement of net position. The prior period adjustment was to correct the balance of unearned TDA revenue from the prior year.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
 SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS
 OTHER THAN PENSIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The following table provides required supplementary information regarding the District's post employment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
7/1/2014	\$ -	\$ 148,965	\$ 148,965	0%	\$ 418,002	36%

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Proportion of the net pension liability	0.00684%
Proportionate share of the net pension liability	\$ 425,837
Covered-employee payroll	\$ 345,255
Proportionate share of the net pension liability as percentage of covered-employee payroll	123.34%
Plan's total pension liability	\$ 1,931,560
Plan's fiduciary net position	\$ 1,505,723
Plan fiduciary net position as a percentage of the total pension liability	77.95%

Notes to Schedule:

Changes in assumptions - In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
SCHEDULE OF CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 74,414
Contribution in relation to the actuarially determined contributions	<u>(74,414)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered- employee payroll	\$ 473,673
Contributions as a percentage of covered-employee payroll	15.71%

Notes to Schedule

Valuation Date:	6/30/2013
Methods and assumptions used to determine contribution rates:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

SUPPLEMENTARY INFORMATION SECTION

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
 SCHEDULE OF EXPENSES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Adopted Budget	Actual	County Services Actual	Variance with Budget
Administration:				
Labor	\$ 753,890	\$ 735,444	\$ -	\$ 18,446
Labor - Administration Workers Comp	42,830	33,844		8,986
Office Space Rental	474,900	427,736		47,164
Property Insurance	16,820	15,915		905
Professional Technical Services	102,090	50,897		51,193
Professional Development	25,750	23,794		1,956
Operating Expense	249,000	230,166		18,834
Marketing and Reproduction	115,330	78,107		37,223
Contingency	132,585	5,558		127,027
North County Management Contract	(39,720)	(39,720)		-
County Management Contract	(80,500)	(80,500)	80,500	(80,500)
SCT Management Contract	(78,760)	(78,760)		-
Total Administration	1,714,215	1,402,481	80,500	231,234
Service Delivery:				
Labor - Operations	3,734,110	3,447,553	159,340	127,217
Labor - Operations Worker Comp	289,780	228,983	8,299	52,498
Labor - Maintenance	889,210	849,859	41,036	(1,685)
Labor - Maintenance Workers Comp	84,810	67,017	2,558	15,235
Fuel	1,555,560	1,065,455	30,426	459,679
Insurance	435,900	446,004	8,631	(18,735)
Special Transportation (includes Senior Vans, Lucky Bucks, etc.)	134,590	95,665	73,183	(34,258)
Avila Trolley	55,000	37,382	49,829	(32,211)
Maintenance (parts, supplies, materials)	555,770	475,467	11,211	69,092
Maintenance Contract Costs	94,420	148,174	1,371	(55,125)
Total Operations	7,829,150	6,861,559	385,884	581,707
Capital/Studies:				
Computer System Maintenance/Upgrades	36,400	37,136		(736)
Miscellaneous Capital				
Facility Improvements	15,000	6,136		8,864
Maintenance Software and Maintenance Equipment	60,000	32,506		27,494
Wireless Lift	52,000	55,139		(3,139)
Specialized Maintenance Tools	52,000	20,066		31,934
Desks and Office Equipment	1,800	1,902		(102)
Vehicle ITS/Camera System	558,030	6,100		551,930
Bus Stop Improvements	73,750	5,580		68,170
Bus Rehabilitation	185,000	-		185,000
Bus Procurement Reserve/Large Capital Repairs	81,810	-		81,810
RouteMatch Dispatching Software	40,000	39,534		466
Support Vehicles	62,500	63,877		(1,377)
40' Coaches	3,865,710	3,808,026		57,684
One Dial A Ride Vehicle	89,300	-		89,300
Runabout Vehicles	572,200	487,210		84,990
Total Capital Outlay	5,745,500	4,563,212		1,182,288
Interest Expense	73,690	65,771		7,919
Loan Paydown	543,130	543,130		-
Management Contracts	198,980	198,980		-
TOTAL FUNDING USES	\$ 16,104,665	\$ 13,635,133	\$ 466,384	\$ 2,003,148
TOTAL EXPENSES, BUDGETARY BASIS		\$ 13,635,133		
ADD:				
DEPRECIATION		1,690,517		
LESS:				
CAPITALIZED EXPENSES		(4,563,212)		
LOAN PRINCIPAL PAYMENTS		(543,130)		
NON-OPERATING EXPENSES		(65,771)		
TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS		\$ 10,153,537		

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: A-3

TOPIC: **Review Results of Request for Statements of Interest to Provide Supplementary Taxicab Services**

ACTION: Receive

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: **Continue Discussions with Ventura Transit System on Partnering Opportunities**

At its November 4, 2015 meeting, the RTA Board of Directors authorized staff to issue a request for statements of interest from taxicab providers to provide supplementary taxicab services. Staff released the solicitation on November 11th via our website, and I emailed a copy to all known interested parties over the ensuing days. I also met with our Teamsters partners on November 13th to explain that RTA is investigating ways to expand access to wheelchair-accessible transportation options in our county and not seeking to replace any RTA paid driver hours with taxicab services.

Although I discussed the potential project with three interested firms, only Ventura Transit Systems responded in writing by the December 4th deadline. VTS operates wheelchair-accessible minivans in Ventura under contract to a variety of agencies, as well as in the greater Los Angeles area. It appears that some of those contracts also include the types of Federal Transit Administration stipulations that RTA would require in order to be a safe and accountable community partner. Based on my review of their submittal package, I believe VTS could ultimately help RTA in furthering transportation options in our service area – including taxicab access for persons with transportation disabilities using a mix of current ambulatory taxicabs and possible future wheelchair-accessible minivans. One possible method that I informally discussed with VTS officials is to transfer surplus wheelchair-accessible vans to VTS, subject to RTA priorities and procedures that will be considered as Agenda Item B-1 *Surplus Equipment and Supplies Disposal Procedures*.

It should be noted that, subsequent to the December 4th deadline, RTA staff participated in the kick-off meeting for a Federal Transit Administration *Mobility Services for All Americans* (MSAA) funded study on possible future technological advancements that could better integrate specialized transportation providers in San Luis Obispo County. This MSAA grant was recently awarded to Ride-On, with RTA serving as the FTA grantee. As a result of that meeting, RTA staff and officials from SLO Safe Ride agreed to discuss possibly partnering on ways to enhance mobility for RTA's customers.

Although RTA is not prepared at this time to propose contracting directly with an outside organization, the results of the impending SLOCOG *Coordinated Human Services Public Transportation Plan* and RTA's impending *Short Range Transit Plan* may include a recommendation that an agency in SLO County should consider contracting for taxicab services as a regional goal. In addition, the MSAA-funded study includes tasks to integrate taxicab and other transportation network companies (i.e., Uber) into the dispatching software currently used by both RTA and Ride-On to help when our respective agencies have temporarily exhausted all available resources.

Staff Recommendation

Receive this report. Staff will continue discussions with VTS on potential partnering opportunities, as well as engage our Teamsters partners in the discussion. If staff determines there are partnership possibilities in the short-term, we will propose the budgetary impacts as part of the FY16-17 Budget Assumptions in March 2016.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: A-4

TOPIC: Strategic Business Plan Results

ACTION: Receive

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Receive Interim Report on Performance Results Through November 30, 2015

BACKGROUND/DISCUSSION:

At its July 9, 2014 meeting, the RTA Board adopted the *RTA 2015-2017 Strategic Business Plan*. This plan was essentially an updated version of the *RTA 2011-2014 Strategic Business Plan*, and the update includes slightly revised Vision and Mission Statements, as well as “stretch” performance standards to ensure RTA staff continually seeks to improve its services.

The attached report presents our annual results from July 1, 2015 through November 30, 2015. Please note that the financial figures are unaudited estimates, but they provide a reasonable representation of each applicable financial measure. These results and the underlying *RTA 2015-17 Strategic Business Plan* will be used by the Short Range Transit Plan (SRTP) consultants as they suggest possible new goals and objectives as part of the SRTP effort. For measurement purposes, the SRTP sets the base of RTA believes it can achieve, and the SBP sets the goal of RTA strives to achieve. It may be appropriate for the Board to revisit the SBP after adoption of the SRTP in mid-2016.

Staff recommendation:

Receive the attached report on FY15-16 performance results achieved through November 30, 2015.

Report on RTA Performance Standards July 2015 through November 2015

Regional Transit Authority Standards of Excellence: Service Quality and Efficiency

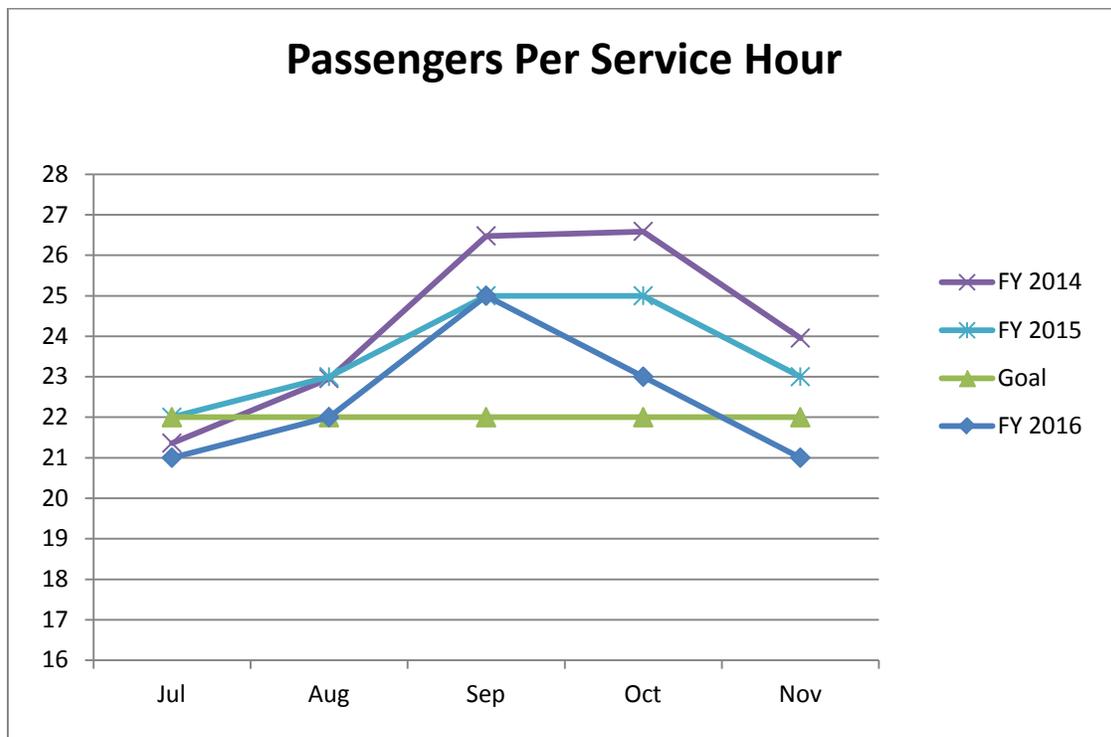
Summary: We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within the resources available.

Standard 1: Fixed Route passengers per vehicle service hour will be 22 or greater.

Measurement: Objective.

- Reviewed monthly by Operations, and reported by Executive Director at each Board meeting.

In January 2014, the RTA Board increased the standard from 21 passenger boardings per hour to 22. At 22 passengers per hour, overall productivity has declined in comparison to the past two years, although it has remained at or above the standard in three of the five months presented in the graph below. Lower fuel prices, as well as new service on Routes 9 and 10 implemented mid-month in September, are contributing to this trend.



Standard 2: Service delivery rate shall be 99% or greater.

Measurement: Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

Report on RTA Performance Standards July 2015 through November 2015

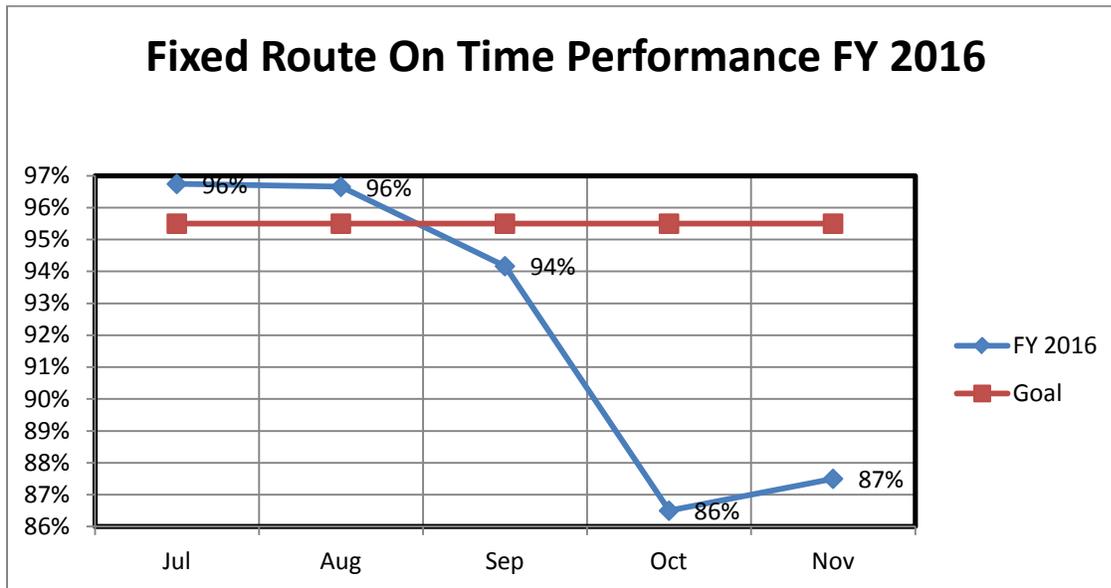
As long as a scheduled fixed route bus trip is delivered ahead of the next scheduled bus trip, then service is considered “delivered” (but that late trip will still be reported under the on-time performance measure discussed below). A typical weekday includes a total of 138 bus trips, while each Saturday includes 50 trips and each Sunday includes 32. The service delivery goal is 99% or greater. Of 16,274 trips year-to-date, RTA missed three scheduled trips, or a service delivery achievement of 99.98%.

Standard 3: System wide On-time Performance shall be 95% or greater.

Measurement: Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

Fixed route service is considered on-time if at no point the bus is six or more minutes late. With the introduction of the ITS system, early departures are now being included in the metric. In addition, every published time-point is now being considered, whereas the previous system of Bus Operator reporting only considered the metric by each entire trip. The result of the increased accuracy is a decline in the performance metric, not necessarily in the overall service quality. The goal is 95% or greater. It is recommended that we track the metric for one year, make any improvements we can, and then re-evaluate the goal.



Standard 4: Runabout On-time Performance shall be 95% or greater.

Measurement: Objective.

- Reviewed quarterly by Operations, and reported by Executive Director bi-annually to the Board.

Report on RTA Performance Standards

July 2015 through November 2015

Runabout service is considered on-time if the van arrives within 30 minutes of the appointed pick-up time. The goal is 95% or greater, and Runabout so far surpassed this goal in each month of FY2016, averaging around 98%. Staff will continue to monitor Runabout's on-time performance to ensure this trend continues.

Standard 5: RTA will make consistent efforts to explore new service and service delivery options, as well as work with regional efficiencies in the delivery of transportation to the jurisdictions

Measurement: Subjective.

- Reported by the Executive Director and Division Heads annually. Below are some interim findings:
 1. New Route 9 and 10 peak service was implemented beginning in mid-September 2015. This included one peak-period morning and one peak-period afternoon trip for each route.
 2. New San Luis Obispo Airport service between Government Center and the airport was implemented. Funding restrictions limited the number of bus stops on this new service. The ridership at the Airport is still being evaluated, and we have received requests for service at Tank Farm and Broad. As a result of continued monitoring, we may ultimately recommend the bus stop be moved from the Airport to Tank Farm and Broad.
 3. The Joint Short Range Transit Plans study effort continues. We believe this cooperative planning effort between RTA and SLO Transit will result in system improvements and optimized funding allocations. The plan is delayed a few weeks as we tackle the complication of developing the joint plans.

Standard 6: The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

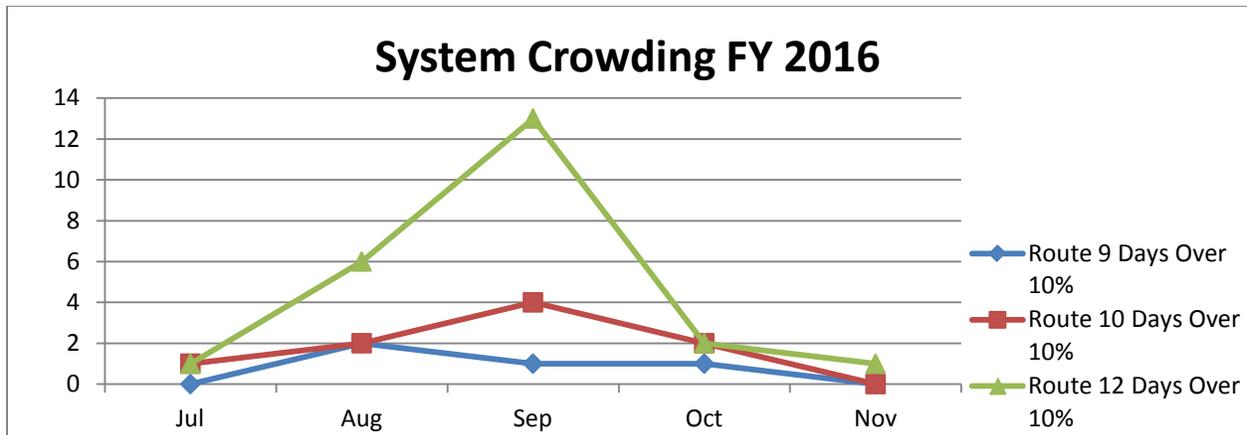
Measurement: Objective.

- Reviewed quarterly by Operations, and reported by Executive Director biannually to the Board.

The ITS data that we began collecting in October and November is telling us that previous reporting methods were giving us the number of standees without consideration of available/open seats. In short, it was not practical for Bus Operators to count available seats in relation to standees. Also, passengers are choosing to stand rather than ask someone to move over and make space. With the automated passenger counters and known bus capacities we have a more accurate measure of loads. Our current measurement at the route level may need to be changed to a trip-level accounting. For example, a trip may be experiencing crush-loads on a daily basis, but the route in general may not have more than 10% crowded trips. Trip monitoring is considered a more passenger friendly metric since it calls for additional service sooner than at a route level.

Report on RTA Performance Standards

July 2015 through November 2015



Regional Transit Authority Standards of Excellence: Revenue and Resources

We will live within our means. While providing excellent service to our customers and communities, we will do so within the financial resources available to us. The financial health of the organization will not be compromised and we will work to deliver good value for the taxpayers' investment in RTA.

Standard 1: The annual operating budget will be based upon projected revenue and the total operating cost will not exceed the budget adopted by the Board.

Measurement: Objective.

- Monthly financial statements and YTD budget expenses.

Fiscal Year 2012 Result: Operating Costs were 95% of the adopted budget

Fiscal Year 2013 Result: Operating Costs were 93% of the adopted budget

Fiscal Year 2014 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2015 Result: Operating Costs were 88% of the adopted budget

Fiscal Year 2016 Result: Operating Costs are 35.12% of the adopted budget (as of November 30, 2015, 41.67% into the fiscal year)

Budget versus actual expenses data is calculated and reviewed on a monthly basis by RTA staff. This information is reported to the Board at each meeting (typically every other month) to help inform decisions.

Standard 2: Fixed Route Farebox Recovery Ratio (FRR) shall be greater than 25%.

Measurement: Objective.

- Based upon monthly Route Productivity/Performance Report.

Fiscal Year 2012 Result: 28.81%

Fiscal Year 2013 Result: 30.82%

Fiscal Year 2014 Result: 31.50%

Fiscal Year 2015 Result: 26.40% (including Paso Express)

Report on RTA Performance Standards

July 2015 through November 2015

Fiscal Year 2016 Result: 30.72% (including Paso Express through November 30, 2015)

RTA consistently meets or exceeds this FRR goal, and ridership remains high. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, and gas prices continue to fall.

Standard 3: No significant financial audit findings.

Measurement: Objective.

- Finance and Administration will report negative audit findings (if any).

RTA is audited every year and consistently has clean reports with no significant financial audit findings. Staff strives for improved transparency and continues to implement procedures that exceed the auditors' expectations.

Standard 4: Ensure that all capital procurements provide good value to our customers and our employees.

Measurement: Subjective.

- Evaluated through bi-annual customer perception survey, feedback from communities and review of the annual capital program by staff and the Board.

The annual capital program is developed by staff and presented to the Board as part of the annual budget-making process. In addition, staff presents budget revision recommendations if conditions change.

Regional Transit Authority Standards of Excellence: Safety

We recognize the tremendous importance of safety in the operation of RTA service to our customers and communities. Therefore the safety of our customers and employees will be an organizational priority and we will be proactive in promoting system safety.

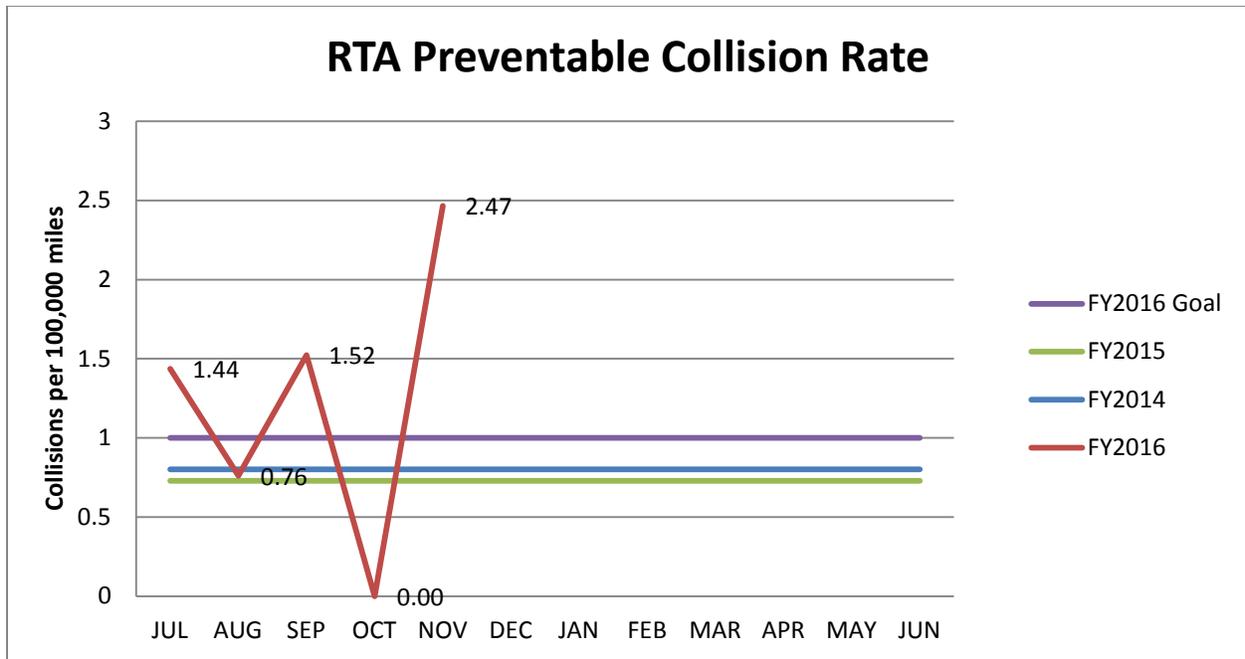
Standard 1: Rate of preventable vehicle collisions will not exceed 1.0 per 100,000 miles.

Measurement: Objective.

- Rate shall be reported by Safety and Training.

In January 2014, the RTA Board reduced the standard from 2.0 collisions per 100,000 miles to only 1.0. Year to date, RTA is close to achieving this more challenging goal with a collision rate of 1.2 per 100,000 miles.

Report on RTA Performance Standards
July 2015 through November 2015



Standard 2: Address all safety hazards indentified by the Safety Resource Committee.
Measurement: Objective.

- List shall be compiled with action items and timelines by Safety and Training.

The Safety Resource Committee has effectively resolved 31 employee suggestions during FY 2015 at its quarterly meetings. The committee started with 11 open items and ended with 6 open items. The next meeting is scheduled for January 12, 2015, with 32 new items.

Standard 3: Preventable workers compensation lost-time claims will not exceed 6 annually, and preventable medical-only claims will not exceed 10 annually.
Measurement: Objective.

- All work comp claims shall be duly investigated and reported by Finance and Administration.

Fiscal Year 2010-11 Result: 10

Fiscal Year 2011-12 Result: 16 (includes 7 medical only)

Fiscal Year 2012-13 Result: 11

Fiscal Year 2013-14 Result: 9 (includes 5 medical only)

Fiscal Year 2014-15 Result: 10 (includes 5 medical only, 5 have been closed)

Fiscal Year 2015-16 Result: none as of November 30, 2015

Fiscal Year 2014-15 was a slightly higher year for workers compensation claims but staff feels the successful change in third party administrators on July 1, 2014 because of performance

Report on RTA Performance Standards

July 2015 through November 2015

issues by the previous contractor has resulted in quicker closing of claims – which has resulted in lower overall costs. We are optimistic that claims handling has improved, which will have a positive impact on our incurred losses over time.

Standard 4: Customer and Community perception of system safety will be at least 90%.

Measurement: Objective.

- As measured by community survey, which shall be conducted at least every two years.

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the joint Short Range Transit Plan effort in March 2015; the results of this effort will be reported in the final report in April 2016.

Standard 5: Total risk management costs shall not exceed 8.5% of total operating costs.

Measurement: Objective.

- Reported monthly by Finance and Administration in financials and YTD budget reports.

Fiscal Year 2011 Result: 5.1% of total operating costs

Fiscal Year 2012 Result: 7.5% of total operating costs

Fiscal Year 2013 Result: 7.6% of total operating costs

Fiscal Year 2014 Result: 8.2% of total operating costs

Fiscal Year 2015 Result: 8.7% of total operating costs

We are well under the goal during fiscal year 2011 to 2013. Fiscal Year 2014 and 2015 results are higher as a result of significant claims that developed in prior year, as well as generally higher liability costs in the public transit market. Staff is evaluating insurance options and will include additional information with the budget assumptions and budget presentation for fiscal year 2016-17. This includes property, workers compensation, liability, and auto physical damage insurance costs.

Regional Transit Authority Standards of Excellence: Human Resources

Our employees are the foundation of the organization. We will support our employees in achieving excellence through training and development, teamwork, and continuous efforts at effective communication while treating each with integrity and dignity

Standard 1: Recruit, promote and retain highly qualified employees to achieve our service standards.

Measurement: Subjective.

- Annual assessment by Executive Director and Department Heads.

Report on RTA Performance Standards July 2015 through November 2015

The annual calendar year turnover rates for RTA are as follows:

2010 – 24%
2011 – 33%
2012 – 20%
2013 – 12%
2014 – 19%
2015 – 18%

Standard 2: Provide continuous development of organizational skills through ongoing training and development programs that result in personal and professional growth.

Measurement: Objective.

- Departments have submitted training needs with budget process.
- Maintenance: 30 Hours per technician annually.
- Operations Supervisors: 24 Hours annually.
- Bus Operators: 8 Hours Annually
- Finance and Administration: 16 Hours per employee annually.

RTA is very fortunate to have a relatively robust training budget over the last two years as we have emerged from the economic recession. It should be noted that this ongoing training is essential to what staff at RTA does on a daily basis to help both the organization and staff grow.

- Maintenance 40 Hours per technician annually – As of November 30, 2015 each technician has received 3 hours of training. During FY14-15 they averaged 108.5. It should be noted that Technicians were provided an unusually high number of vendor-provided hours as part of the Gillig low-floor bus procurements that were completed in 2013 and early 2015.
- Operations Supervisors 24 Hours annually – Supervisors averaged 15 annual training hours in FY14-15. Due to the departure of one Supervisor and another on long-term medical leave, RTA has struggled over the past year to provide the needed coverage to permit across-the-board training.
- Bus Operators must complete a State-mandated minimum of 8 hours of *Verification of Transit Training* annually, which we achieved. However, we have also recently implemented mandatory retraining after six months from when new Bus Operators are placed into revenue service.
- Finance and Administration 16 Hours per employee annually – these hours are used by each employee in various ways based on their responsibilities and in consultation with their direct supervisor. Staff believes that this standard has been met for the majority of finance and administration employees during FY14-15 and all employees will have exceeded this standard by the end of FY15-16.

Report on RTA Performance Standards July 2015 through November 2015

Standard 3: Enable our employees to achieve excellence in serving our customers by building teamwork and understanding effective communication within the organization.

Measurement: Subjective.

For the past three years, all employees must participate in a formal training program called *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers, including the most recent training in January 2015. A total of 13 RTA staff members and one SCT staff member also meet bi-weekly staff to discuss general items that may affect other departments; others are invited as needed and to address specific issues (when possible, including one Bus Operator). In February 2016 administrative staff from RTA and SCT will be participating in an all-day off-site Team Strengthening session moderated by an outside facilitator. Finally, the Executive Director and the three department heads meet weekly to ensure consistency in messaging and direction for the organization; these four employees also held an overnight retreat in July 2015 to plan for challenges and major projects facing the organization.

Standard 4: Employees will be evaluated annually in a fair and equitable way to judge performance and be provided a developmental plan for the next fiscal year.

Measurement: Objective.

- Employee merit evaluations will be provided to each employee annually with the evaluation grading measurement of attainment of department objectives developed during the budget process and achievement of RTA's Standards and RTA's KPIs.

RTA currently completes formal annual evaluations for administration and management staff. Bus Operators are evaluated based on the requirements of the collective bargaining agreement (CBA). Given that the CBA provides is some latitude for pay increases for Technicians in the shop, we instituted a formal evaluation in FY13-14. Additionally both Technicians and Bus Operators are evaluated as part of the RTA Safety Awards program on their individual anniversary dates.

Regional Transit Authority Standard of Excellence: Fleet and Facility

We will operate and maintain a modern and clean fleet and facilities that will be pleasing to our customers and a source of pride for our employees and our communities.

Standard 1: Replace 100% of all revenue vehicles no more than 40% beyond the FTA-defined useful life standard in terms of years or miles.

Measurement: Objective.

- As reported by Finance and Administration.

As of November 30, 2015, the average RTA fixed route vehicle age (including Paso Express fixed route vehicles) is just under 6 years with an average of 263,000 miles. The design life of a fixed

Report on RTA Performance Standards

July 2015 through November 2015

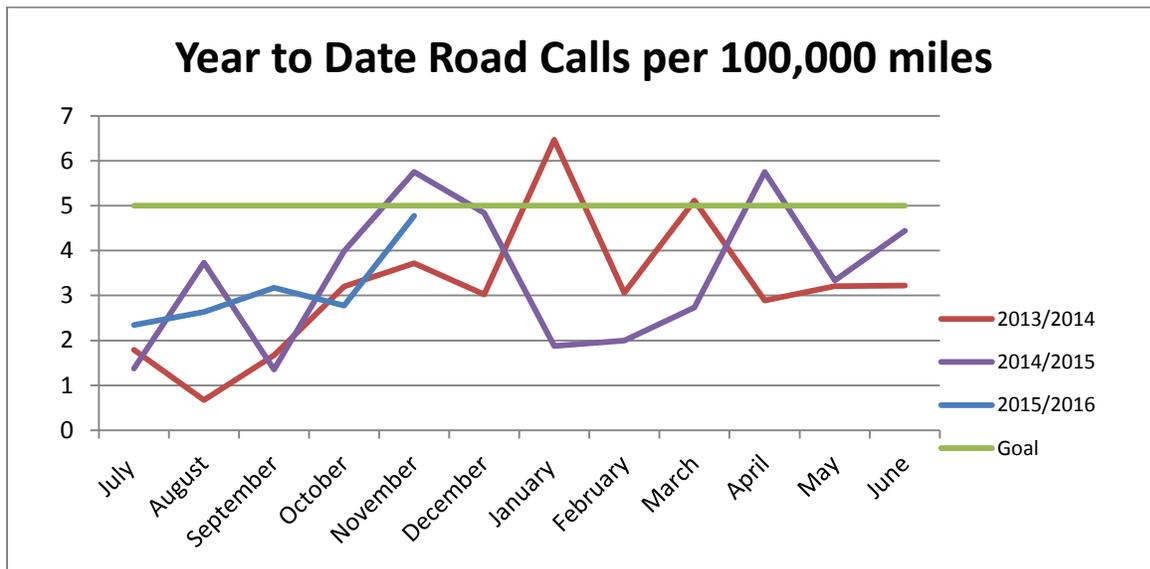
route bus is 12 years/500,000 miles. The average demand response vehicle age (including Runabout and other Dial-A-Ride vans) is less than 4 years with an average of 118,000 miles. The design life of a demand response van is 4-years/100,000 miles, so we are currently within the 40% beyond standard. The capital program is scheduled to be updated in 2015 as part of the Short Range Transit Plan update effort (the capital plan adopted by the Board as part of the previous SRTP was in July 2011).

Standard 2: Road calls will not exceed 5 per 100,000 miles of vehicle service miles. A road call is defined as all failures that affect the completion of a scheduled revenue trip or the start of the next scheduled revenue trip, including failures during deadheading and layover.

Measurement: Objective.

- As reported by the Maintenance Department.

As shown in the graph below, this standard has been achieved or surpassed in all but three months over the past three fiscal years. The year-end average was 3.17 in FY13-14, 3.31 in FY14-15 and 3.14 so far in FY15-16. For well over a year now, staff has been aligning and reporting to match the definition as listed in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



Standard 3: Maintain a clean, attractive fleet. Maintain our facilities so that they are safe and appealing to customers and employees.

Measurement: Subjective.

- As measured by employee and customer feedback.

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the joint Short Range Transit Plan in March 2015; the results of this effort will be reported in the final report in April 2016.

Report on RTA Performance Standards

July 2015 through November 2015

Standard 4: Achieve an 80% favorable rating of bus stop appearance by customers and the communities that we serve.

Measurement: Objective.

- As measured in the biannual Community Evaluation conducted by Marketing.

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the joint Short Range Transit Plan in March 2015; the results of this effort will be reported in the final report in April 2016.

Standard 5: Achieve all federal, state-mandated maintenance practices, as well as vendor recommended maintenance schedules for our fleet and facilities.

Measurement: Objective.

- No negative FTA or TDA audit findings.
- Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

There have been no negative findings in the previous FTA and TDA audits. Staff submitted information to FTA in December 2015 for a May 2016 triennial site visit.

Preventable maintenance has been completed on a timely basis with no CHP findings in 2013, 2014 and 2015. The next CHP terminal inspection is scheduled for July or August 2016.

Regional Transit Authority Standards of Excellence: Leadership

We will strive to be one of the nation's leading small transit operators. We will work to maintain collaborative relationships within the industry, our community, with our stakeholders and develop future leaders from within our organization.

Standard 1: Maintain cooperative relationships with federal, state and local funding agencies.

Measurement: Subjective.

- Will be reviewed by staff and RTA Board.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. We believe that the recent strained relationship with SCT staff has abated somewhat, and we will continue to commit RTA staff resources with a goal of further improvements. Staff is currently developing draft language on updating the 1987 SCT JPA, as well as the 2001 agreement with SCT for RTA administrative oversight duties; we plan to present draft language to the SCT Board at its January 2016 meeting and follow-up with a presentation to the RTA Board at its March 2016 meeting.

Standard 2: Develop partnerships with stakeholders, community leaders and decision makers keeping them well informed of the integral role of RTA and contributions to the communities

Report on RTA Performance Standards July 2015 through November 2015

that we serve.

Measurement: Subjective.

- To be evaluated and monitored by RTA Board.

The Executive Director and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate.

Standard 3: Promote effective internal communications and promote the values of the organization.

Measure: Subjective.

- To be evaluated by Executive Director.

This is area of organizational culture than can never be fully “completed” but is something that we continually strive to improve. As mentioned above, we invite one RTA Bus Operator and one SCT Supervisor to our bi-weekly staff meetings to ensure the strategic issues we discuss include input from both the driver group and our SCT partners. Also mentioned above is the upcoming Team Strengthening session to enhance internal communications.

Standard 4: Provide effective leadership for public transportation within the County.

Measurement: Subjective.

- To be evaluated by Executive Director and RTA Board.

The Executive Director is currently serving as Project Manager for the joint SLO Transit / RTA Short Range Transit Plan effort, an 18-month project that is slated for completion in April 2016. In addition, he has attended each SLO Transit Mass Transit Committee meeting over the past three years. To ensure that each JPA jurisdiction’s policy board is informed about regional transit issues, the Executive Director occasionally attends City Council meetings or as requested. The RTA Executive Director also attends County Supervisor agenda review meetings with the SLOCOG Executive Director to ensure we understand and support each other’s efforts. Finally, RTA staff provides comments to City and County planning departments to ensure that transit amenities are considered in planning documents and development proposals.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Add Disposal of Surplus Procedures to Purchasing Policy

ACTION: Review and Approve

PRESENTED BY: Geoff Straw, RTA Executive Director

STAFF RECOMMENDATION: Amend the RTA Purchasing Policy and Procedures Manual to add procedures for declaration of and disposal of surplus items

BACKGROUND/DISCUSSION:

To ensure continued eligibility for Federal Transit Administration reimbursement funds, RTA must ensure its procurement policy meets all federal requirements, including written procedures for declaring equipment and supplies as surplus, and for procedures for disposal of surplus items. Of particular interest are procedures for transferring surplus vehicles to other entities in RTA's service area that also provide transportation services.

The attached new chapter would amend the RTA Purchasing Policy and Procedures Manual that was originally adopted in 2008 and recently revised in November 2014.

Staff Recommendation

Amend the RTA Purchasing Policy and Procedures Manual to add procedures for declaration of and disposal of surplus items.

CHAPTER XIII

SURPLUS EQUIPMENT AND SUPPLIES DISPOSAL STANDARDS

Purpose

When equipment or supplies are no longer needed for RTA services and are declared “surplus,” it shall be disposed of according to the policies and procedures outlined below. Disposal should follow competitive sales procedures (where applicable) to ensure the highest possible return. Service life of equipment is determined by acceptable industry standards for such equipment; the service life of FTA-funded rolling stock is determined in *FTA Circular 9030 Urbanized Area Formula Program*. All net local share proceeds from the sale of transit equipment or supplies shall be deposited in RTA’s subaccount in the San Luis Obispo County Investment Pool for future transit capital needs.

Background

Since its inception, RTA has used a combination of local, state and FTA funds to procure a variety of capital items. As such, RTA must ensure that its disposal policy meets FTA requirements as outlined in *FTA Circular 5010 Grants Management*.

Declaration of Surplus

In determining whether equipment or supplies shall be deemed surplus, the Executive Director, shall recommend to the RTA Board the following findings:

- A. RTA has or soon will have no practical, efficient or appropriate use for the equipment or supplies, nor will it have such a use for the equipment or supplies in the near future.
- B. The purpose served by the equipment or supplies can be accomplished by use of a better, less costly or more efficient alternative.
- C. The purpose served by the equipment or supplies or its use no longer exists as determined by a change of policy evidenced by a resolution of the Board.
- D. The equipment is or supplies are damaged, worn out or otherwise inoperable and the cost of repairing the same is unwise or impractical.
- E. All RTA markings and other agency-specific brands are removed from the equipment or supplies, and said items are ready for immediate transfer.

The Board will declare through resolution that said equipment or supplies are considered surplus and the method of proper disposal.

Assessment of Value and Related Procedures

The Executive Director will ensure that all items deemed surplus will be assigned a current fair market value using the methods described below:

- A. Original Purchase Price of \$5,000 or Greater. Any item for which RTA paid \$5,000 or greater, or unused supplies with a total aggregate purchase price of \$5,000 or greater, will require a formal pricing analysis. The Executive Director will conduct and document discussions with at least three sellers of like items to assess fair market value, or obtain sales prices of like items that were sold in the past 12 months. If this data is not available, a straight-line depreciation method will be used. The Executive Director will devise a written report that outlines the information obtained, whether or not FTA funds were used to originally procure the item(s), and make a recommendation on an appropriate sales price. This report will be presented to the RTA Board for recommended action on disposal method.
- B. Original Purchase Price of Less Than \$5,000. Any item for which RTA paid less than \$5,000, or unused supplies with a total aggregate purchase price of less than \$5,000, will require the Executive Director to inform the RTA Board at its next regularly-scheduled meeting of the action taken by the agency.

Disposal Standards

The standards below will be used when determining how surplus equipment or supplies will be disposed and if reimbursement to FTA would be required. Records of any disposal of equipment or supplies that were originally procured using FTA funds will be maintained according to the record-keeping requirements in Chapter IX above.

- A. Surplus Equipment Over \$5,000 Value. After the service life of equipment is reached, equipment with a current market value exceeding \$5,000 per unit, or unused supplies with a total aggregate fair market value of more than \$5,000, will be sold through public auction. If FTA funds were originally used to purchase the equipment or supplies, then RTA will reimburse FTA an amount calculated by multiplying the total aggregate fair market value at the time of disposal, or the net sale proceeds, by the percentage of FTA's participation in the original grant.
- B. Surplus Less than \$5,000 Value. Equipment with a unit market value of \$5,000 or less, or supplies with a total aggregate market value of \$5,000 or less, may be sold or otherwise disposed of with no obligation to reimburse FTA. All surplus equipment and supplies valued below this threshold may be auctioned, transferred to another organization or scrapped (as described in the *Surplus Vehicle Transfer Program* and *Unsalable Surplus Equipment and Supplies* sections below).
- C. Disposal before End of Equipment Service Life. Any disposal of equipment before the end of its service life is subject to Board and FTA (if originally FTA-funded) concurrence in the method of disposal. If FTA funds were originally used to procure the equipment,

the reimbursement amount is the greater of the FTA share of the unamortized value of the remaining service life per unit, based on straight line depreciation of the original purchase price or the FTA share of the sales price, even if the unamortized value is \$5,000 or less.

- D. Unused Supplies. Disposal of unused supplies before the end of the industry standard life expectancy is determined in total aggregate fair market value and if found to exceed \$5,000, RTA shall compensate FTA for its share if FTA funds were used to originally purchase the supplies.
- E. Like-Kind Exchange Option. The FTA-approved “like-kind exchange” policy is a disposal initiative which adds the option of trading a vehicle or selling it and applying the proceeds to replacement vehicles. RTA may elect to use the trade-in value or the sales proceeds from a bus to acquire a replacement vehicle of like-kind. If RTA chooses to re-invest the proceeds, 100 percent of the net proceeds must be applied to future acquisition of replacement vehicles.
- F. Involuntary Removal. When equipment is involuntarily removed from revenue service (i.e., loss through fire, collision, etc.) prior to the expiration of its useful life, the substitution of capital assets purchased with local funds for acquired with FTA funds is permissible when:
1. Substituted equipment is or equal or greater value;
 2. Substituted equipment was procured in accordance with guidance contained in *FTA Circular 4220 Third Party Contracting Guidelines*.
 3. Useful life criteria are adjusted to coincide with the original;
 4. Equipment is to be used in the programs or projects that are consistent with the purposed for which the original equipment was procured, as prescribed in this Policy;
 5. RTA amends its property records to include the equipment, as appropriate.
- G. Trade-In. Equipment may be used as a trade-in or be sold and the proceeds used to offset the cost of replacement property, subject to FTA approval.

Surplus Vehicle Transfer Program

Although RTA’s mission is to provide safe, reliable and efficient transportation services in San Luis Obispo County, the Board also recognizes that having a wide array of transportation options in the county improves quality of life and can enhance independence for some vulnerable members of our community. As such, the Board may declare through resolution that surplus vehicles can be transferred to organizations that the Board deems vital to improving

transportation options for disabled, senior and low-income populations in the County. These organizations include, in the order of priority:

- A. Local governmental entities;
- B. Legal 501(c)3 non-profit organizations that provide transportation services in RTA's service area; and
- C. Private for-profit transportation providers that serve elderly, disabled and low-income residents and visitors solely within RTA's service area.

In order for surplus vehicles to be eligible for the Surplus Vehicle Transfer Program, the following criteria must be met:

- A. The receiving entity must declare in writing that it will use the vehicle(s) to enhance mobility options for elderly, disabled and low-income members of our community; and
- B. Surplus vehicles may or may not be in running condition; and
- C. RTA shall not perform any repairs to vehicles designated as surplus once the vehicle is removed from RTA revenue service; and
- D. Recipients of surplus vehicles assume full liability upon transfer of title; and
- E. Surplus vehicles are provided "As-Is, Where-Is" with no warranty expressed or implied as to condition or fitness of purpose.

Unsalable Surplus Equipment or Supplies

Surplus equipment or supplies which are unsalable because of obsolescence, wear and tear, or other reasons may be dismantled, if necessary, and sold as scrap. All net proceeds from the sale will be deposited in RTA's subaccount in the San Luis Obispo County Investment Pool for future transit capital needs.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: B-2

TOPIC: Seek Board Direction on Bus Yard in Paso Robles

ACTION: Review and Approve

PRESENTED BY: Geoff Straw, RTA Executive Director

STAFF RECOMMENDATION: Approve

BACKGROUND/DISCUSSION:

As mentioned in previous Board meetings, RTA's use of the City of Paso Robles-provided bus parking yard at 4th & Pine will cease when the new property owner takes over. In addition, we will lose use of the City-provided operations facility at 8th & Pine when the adjacent property owner develops their land.

At its September 2015 Board meeting, staff presented results from a request for qualifications to assist with development of a concept design for RTA partial use of County Corp Yard in Paso Robles (adjacent to northbound Spring Street onto US-101 on-ramp). The Wallace Group was selected to complete the study.

Staff met with stakeholders on September 9th to kick-off the study. The consultant followed-up with one-on-one interviews with each stakeholder, including representatives from the City (Planning and Engineering offices) and the County (Real Estate, Road, Shop, and Ag Commissioner offices). Attached is the concept layout, and staff will post the preliminary cost estimates on the RTA website when those are provided to us by the consultant in late-December or early-January – but certainly within 48 hours of the January 6 Board meeting.

Staff has programmed \$300,000 of Federal Transit Administration Section 5307 funds for tenant improvements necessary for a long-term facility. The FTA grant would require \$75,000 in local matching funds. If the Board directs staff to move forward with developing a portion of the County Corp Yard, staff will submit the FTA grant application and seek to budget the necessary local funds.

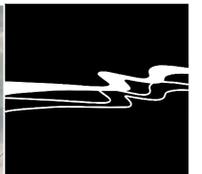
Staff Recommendation

Review the concept layout and preliminary cost estimate to improve a portion of the County Corp Yard in Paso Robles. Provide direction to the Executive Director on negotiations with the County of San Luis Obispo to determine on-going lease costs. Direct staff to submit a grant application to the FTA to fund the tenant improvements.



SITE REQUIREMENTS

- 1) 14 - 40' BUSES
- 2) 5 - 25' CUTAWAY VANS
- 3) 26 EMPLOYEE PARKING SPACES
- 4) MODULAR OFFICE:
12X12 STORAGE
DRIVER BREAK ROOM/KITCHEN
SUPERVISOR OFFICE



WALLACE GROUP®

CIVIL AND TRANSPORTATION ENGINEERING
CONSTRUCTION MANAGEMENT
LANDSCAPE ARCHITECTURE
MECHANICAL ENGINEERING
PLANNING
PUBLIC WORKS ADMINISTRATION
SURVEYING / GIS SOLUTIONS
WATER RESOURCES

612 CLARION COURT
SAN LUIS OBISPO, CA 93401
T 805 544-4011 F 805 544-4294
www.wallacegroup.us

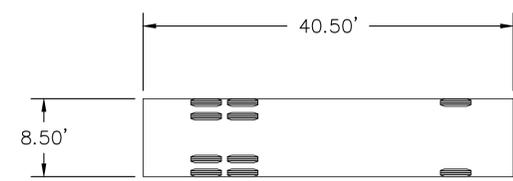


SIGNATURE _____

DATE SIGNED _____

These plans and specifications, and the ideas and designs incorporated herein, are representations of service prepared for the construction of work shown hereon and shall not be used in whole or in part for any other project without written authority of Wallace Group, a California Corporation. Copyright © 2020 Wallace Group, a California Corporation. All rights reserved. Copies of this drawing shall have this notice.

**REGIONAL TRANSIT AUTHORITY
CONCEPTUAL FLEET PARKING LOT LAYOUT
AT COUNTY CORP YARD IN PASO ROBLES**



DESIGN VEHICLE: AASHTO BUS-40

JOB #: 1307-0001
DESIGNERS: MRL / JA
DRAWN BY: MRL
DATE: 11/08/15

DRAWING NO.

1

1 OF 1 SHEETS



San Luis Obispo Regional Transit Authority

Executive Committee Meeting

Minutes 10/14/2015

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
 Rita Neal, County Counsel

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

1. Call to Order and Roll Call:

President Debbie Arnold called the meeting to order at 10:03 a.m. Silent Roll Call was taken and a quorum was present.

2. Public Comments:

Mr. Eric Greening, Atascadero, said he is looking forward to a robust Regional Transit Advisory Committee (RTAC) meeting tomorrow. He said he will be talking to the Latino Outreach Council before the meeting and will contact **Mr. Geoff Straw** regarding the Short Range Transit Plan (SRTP).

3. Information Items

A. Information Items:

A-1 Executive Director's Report

Mr. Straw said Working Paper #4 of the SRTP is out and RTAC will be discussing it tomorrow at 2 p.m. It presents an analysis of alternatives with no recommendations yet. We will be discussing where we go from here and what alternatives RTA should consider.

The Employee of the Quarter barbecue lunch will be on October 30. It will be a Halloween themed event with costumes. We just hired five new employees--four for RTA and one for South County Transit. We've had recent bus operator departures due to attrition and promotions. The new class will begin training on October 19. We also expect to do a large class in January.

Maintenance staff is working closely with vendors to install the GPS-based Intelligent Transportation System on RTA, Paso Express and SCT fixed route buses. We're doing a soft launch right now and we are looking for Beta testers. At this point, we are still on track to unveil it at the November 4th Board meeting. Phase 2 of the ITS projects will include LED/LCD screens at high-impact bus stops and terminals.

Staff is still awaiting Caltrans approval of our draft RFP for the Ticket Vending Machine. Once this is granted, we will go out to bid, evaluate proposals and seek the Board's direction for moving forward. We asked for pre-award authority from Caltrans, but we are still awaiting their response. This was funded by FTA 5339, but the funds have not yet been released.

We are spending a lot of time on a new website that should be ready in the coming weeks. We are hoping to also showcase this site at the November 4th meeting.

Staff will provide preliminary financial and operating data through August 31st at the upcoming Board meeting as well.

Mr. Straw concluded the Executive Directors report.

Vice President Jan Marx inquired about the status of the bus shelter at the downtown transit center. **Mr. Straw** said it is in process but also funded by FTA 5339, which have not been released. We have a vendor and design lined up. Our goal is to get it done in early 2016.

4. Action Items

B-1 Fiscal Year 2015-16 Budget Amendment:

Mr. Straw said the current budget was adopted with a range of assumptions. Staff is bringing back six items that are begin carried over from the previous fiscal year and one that includes repurposed funds. All adjustments were previously funded and there will be no impact on the jurisdictions. He briefly reviewed the seven items being addressed.

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.

B-2 Supplemental Taxicab Services:

Mr. Straw gave a brief overview of the Runabout Cost-Saving Measures the Board discussed at the March 6, 2013 meeting. One item not yet addressed was the possibility of implementing a subsidized taxicab service. He said he will ask the Board to allow staff to develop and issue a Request for Interest from Taxi companies to see if they are interested in providing service for us. The next step would be to issue a Request for Qualifications. Another idea is to sell retired Runabout vehicles to the Taxi companies for \$1, provided they would only use them in our area and will provide increased access for ADA riders.

Mr. Straw concluded his report.

Vice President Marx suggested staff reach out to **Ms. Jane Parker** of the Monterey County Board of Supervisors. Monterey-Salinas Transit (MST) is using taxi vouchers for seniors and people with disabilities. **Mr. Straw** discussed in what scenarios a subsidized taxicab service works, such as in-town trips for ambulatory riders.

Past President Higginbotham inquired if we will have a cap or agreed-upon fare for the rides RTA will reimburse. **Mr. Straw** said yes. This type of service will be helpful for short trips. The gold standard is where we broker the service. Staff would determine the best service and vehicle for each ride. **Past President Higginbotham** asked how we could enforce the taxi company(ies) to keep the retired Runabout vehicles in our county should we sell the vehicles to them? **Mr. Straw** said we would have to perform spot checks. We will only broker trips in this area, so that would be verifiable.

The committee discussed the likely processes for establishing the taxi voucher program. They also discussed the effects of Uber on the taxicab service and potentially for Runabout within and around the City of San Luis Obispo.

President Arnold inquired about the percentage of Runabout riders that are ambulatory and could use the taxicab option. **Mr. Straw** said the Runabout approved riders took 10,000 trips on the fixed routes during the last fiscal year. By comparison, we carried 45,000 rides on the Runabout fleet. This equals almost 25%. We will try to dig deeper into this data.

Vice President Marx suggested coordinating with senior living centers and doctors offices as a way to help lump rides together.

President Arnold opened Public Comment.

President Arnold closed Public Comment.

Past President Higginbotham moved to approve Action Agenda Item B-2 and **Vice President Marx** seconded. The motion passed on a voice vote.

5. Consent Agenda Items

C-1 Executive Committee Meeting Minutes of August 12, 2015

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

6. Agenda Review:

Mr. Straw briefly reviewed RTA Board Agenda items for the November 4th meeting. Staff will add the annual fiscal compliance audit report to the agenda. He asked for direction from the Committee on whether or not the Taxicab Service should remain on the Consent Agenda or be moved to the Action Agenda. The Committee recommended moving it to Action Agenda item B-2.

Mr. Greening observed there are many assumptions and questions about the area surrounding the parcel on Prado Road. He asked if RTA's environmental study would be a part of or independent of the study being conducted by Community Action Partnership of San Luis Obispo (CAPSLO). **Mr. Straw** said RTA's will be fully independent of CAPSLO, but with assumptions based upon their design. The projects are completely separate.

7. **Adjournment:** President Arnold adjourned the meeting at 10:41 a.m.

Respectfully Submitted,

Acknowledged by,



Anna Mafort-Lacy
Administrative Assistant



Debbie Arnold
RTA President

DRAFT
SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
MINUTES OF NOVEMBER 4, 2015
C-2

BOARD MEMBERS PRESENT:

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO (*President*)
JAN MARX, CITY OF SAN LUIS OBISPO (*Vice President*)
SHELLY HIGGINBOTHAM, CITY OF PISMO BEACH (*Past President*)
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO
JAMIE IRONS, CITY OF MORRO BAY
FRANK MECHAM, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO
TOM O'MALLEY, CITY OF ATASCADERO
LYNN COMPTON, FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO
JIM GUTHRIE, CITY OF ARROYO GRANDE
STEVE MARTIN, CITY OF PASO ROBLES

BOARD MEMBERS ABSENT:

JOHN SHOALS, CITY OF GROVER BEACH

STAFF PRESENT:

GEOFF STRAW, EXECUTIVE DIRECTOR
TANIA ARNOLD, CFO & DIRECTOR OF ADMINISTRATION
TIM MCNULTY, SAN LUIS OBISPO COUNTY COUNSEL
ANNA MAFORT-LACY, ADMINISTRATIVE ASSISTANT
MARY GARDNER, MARKETING & COMMUNITY RELATIONS MANAGER
PHIL MOORES, OPERATIONS MANAGER
OMAR MCPHERSON, GRANTS MANAGER
TRENA WILSON, ADMINISTRATIVE ASSISTANT
LESLIE SANCHEZ, HUMAN RESOURCES OFFICER
TRACEY JOHNSON, BUS OPERATOR & EMPLOYEE OF THE QUARTER

CALL TO ORDER AND ROLL CALL: President Debbie Arnold called the meeting to order at 8:33 a.m. A roll call was taken and a quorum was present.

Public Comments: **Mr. Eric Greening**, Atascadero, said he is always in a good mood when coming to morning meetings because **Ms. Tracey Johnson** is his driver. Not only does he know he can completely relax and feel safe in her care, but she always makes sure her passengers start their days in a cheerful mood. She is very deserving of the Employee of the Quarter award. Also, thank you to **Mr. Geoff Straw** for a very detailed response to the consultants working the Joint Short Range Transit Plan. It needed that attention and detail and can only improve the results.

A. INFORMATION AGENDA:

A-1 Executive Director's Report: **Mr. Straw** followed up Mr. Greening's comments by announcing the latest Employee of the Quarter winner, Mr. Johnson. She is primarily a Route 9 Express and Runabout driver who is universally liked and respected by her passengers and peers. **Mr. Phil Moores**, introduced **Ms. Johnson**, noting she received a high number of nominations. She is a highly decorated bus operator, previously winning an Outstanding Achievement Award. She lives in San Miguel and has been with RTA for over four years. She always has a smile on her face and is a master at diffusing difficult situations. **Ms. Johnson** said she always tells people how much she wanted the shirt but didn't know about being presented to the Board. She came from Los Angeles and her mother was a market analyst with NTA for over 20 years. She thanked everyone for the honor. **President Arnold** thanked her for all of her dedicated work serving the public.

Mr. Straw discussed the outcome of the family-friendly RTA and SCT Bus Roadeo, which was held on September 20. The SCT bus operator team took the overall win and **Mr. Rod Pappas** won the individual trophy.

Rabobank stopped selling bus passes on August 1, 2015. However, staff established a new pass sales outlet at the City of Paso Robles Annex. This should take some much-needed pressure off the City of Atascadero. We still don't have locations established in Nipomo or Morro Bay. We will launch the new website later this week. With its launch, people will be able to buy passes online.

A new training class of four began on October 19. Three will drive for RTA and one for SCT. They will be ready for revenue service by the fourth week of November. We continue to need drivers and will begin the next class in January.

The Regional Transportation Advisory Committee (RTAC) met on October 15. The committee recommended approving the FY15-16 budget amendment. RTAC also discussed preliminary service alternatives as part of the Joint SRTP, as **Mr. Greening** previously mentioned. The next Joint RTAC—MTC meeting will be in January 2016.

Staff met with Paso Robles stakeholders on September 9th to kick-off the concept design for partial use of the County Corp Yard. We are working with a consultant, The Wallace Group, and will bring back an update to the January Board meeting.

The Route 15 weekday service changes that begin on September 14th appear to be running smoothly. We also added additional express trips on Routes 9 and 10.

Maintenance staff is working closely with vendors to install and check the GPS-based Intelligent Transportation System on RTA, Paso Express and SCT fixed route buses. We are beginning a 30-day trial period of the ITS program. RTA recently took delivery of three cutaway vans. Two will be used for Route 15 service and one will be used for Nipomo Dial-A-Ride. Staff is finalizing the transfer of four 1999 MCI over-the-road coaches from Gold Gate Transit to RTA. They will only be used for express service and should be in revenue service by early January.

Staff is still awaiting Caltrans approval of our draft RFP for a Ticket Vending Machine system. Once approval is granted, we will issue the RFP, evaluate proposals and seek the Board's direction on moving forward.

Staff is also preparing for its Federal Transit Administration (FTA) Triennial Review. FTA will conduct a site visit during the first quarter of 2016.

Mr. Straw presented to the Board the new website, which will launch this week. It is also equipped with the ITS system, called Transit Tracker.

The SCT Board approved the change to the base cash fare, increasing it from \$1.25 to \$1.50 effective February 29, 2016. This will automatically increase the Runabout fare for riders in the SCT service area.

He pointed to the second bullet on page A-1-4, noting the year-to-date fixed route farebox recovery ratio is actually 35.09%. Preliminary financial data through September 30 shows we expended 20.9% of the non-capital budget. Fuel remains an important variance. The Runabout farebox recovery ratio is at a record high of 4.58%. Overall ridership is down 5.6%. Runabout ridership is down 1.0%.

Mr. Straw concluded his report.

President Arnold opened to Board comment.

Board Member Steve Martin inquired about marketing efforts to promote the ITS system and new website. **Mr. Straw** said we do newspapers and television advertising, post rider alerts on the bus, etc. **Ms. Mary Gardner** said the website and ITS system have not yet launched, so marketing outreach efforts have yet to begin. We have marketing, media and public relations plans. **Board Member Martin** discussed Public Service Announcements he and **Board Member Tom O'Malley** did recently, utilizing the local high school student talent to create the messages. They get class credit and turn out an excellent product. He suggested this would be a great opportunity to engage the public.

President Arnold opened public comment.

Mr. Greening said driver wages is something that should be carefully considered when planning future contracts in this strengthening economy. Drivers earn more hauling garbage than carrying people. I am thankful there are competent people like **Ms. Johnson** who enjoy interacting with their passengers and willing to work for less money. As we approach the end of the current Collective Bargaining Agreement

term, I suggest RTA preemptively think of offering drivers what they are worth. He encouraged the public and Board Members do everything we can to actively lobby, so that public transit is adequately and generously funded.

President Arnold closed public comment.

President Arnold closed Board comment.

A-2 Demonstration of GPS-based Passenger Information System: **Mr. Straw** moved to the podium so he could present the ITS system via a web-enabled device on the overhead projector. He showed how people can use their phone or tablet to determine where the bus is, by route. He also presented a sign sample that has been installed at all bus stops. Each stop has its now four-digit identification number. He showed how riders can send a text to 541-4782 and get immediate information as to when the bus will arrive at that particular bus stop. Finally, he went to the new RTA website and showed how people can seek out arrival and departure times, as well as to identify the location of the bus.

Mr. Straw concluded the report.

President Arnold opened Board comment.

President Arnold said this is an amazing system that will help people plan their trips.

President Arnold opened public comment.

Mr. Greening said this is wonderful. It meets so many rider needs and removes many uncertainties.

President Arnold closed public comment.

President Arnold closed Board comment.

A-3 FY14-15 Annual Fiscal and Compliance Audit Report: **Mr. Straw** said this will be continued to the January 2016 meeting.

B. ACTION AGENDA:

B-1 Fiscal Year 2015-16 Budget Amendment: **Mr. Straw** asked **Ms. Tania Arnold** to present this item.

Ms. Arnold said there are seven Capital and Operating Budget items listed on page B-1-1. Six are fairly small. She briefly reviewed each item. There is no impact on jurisdictions. Both the RTA Executive Committee and RTAC recommend approval.

Ms. Arnold concluded her report.

President Arnold opened Board comment.

President Arnold opened public comment.

President Arnold closed public comment.

President Arnold closed Board comment.

Board Member Bruce Gibson moved to approve staff recommendation on Agenda Item B-1. **Board Member Tom O'Malley** seconded, and the motion carried on a voice vote with **Board Member John Shoals** absent.

B-2 Authorize Request for Statements of Interest for Supplemental Taxicab Service: **Mr. Straw** reminded the Board of the range of Runabout cost-saving measures discussed at the March 6, 2013 meeting. Most have been fully or partially implemented. He briefly reviewed all 11 items, ending with the topic of the day: Implement a subsidized taxicab service. There are currently two taxicab services operating in the county. There is a wide spectrum of service levels to consider. He said a potential alternative would be to provide retired Runabout vehicles to the taxicab companies. Staff requests authorization to develop and issue a Request for Statements of Interest in providing supplementary taxicab services in the Runabout service area. Staff would summarize the statements of interest and report back to the board at its January 2016 meeting to determine if the FY16-17 budget should assume that taxicab companies could help RTA address any future increased demands for Runabout service and if any other scenarios should be considered.

Mr. Straw concluded his report.

President Arnold opened Board comment.

Board Member Higginbotham noted that in the report the taxicab company is required to maintain a business license in the City of San Luis Obispo. The contractor may be traveling throughout the county. Will they be required to maintain business licenses in all jurisdictions? **Mr. Straw** said they will be required to have licenses in all service areas.

President Arnold opened public comment.

Mr. Ron DeCarli, SLOCOG, said Taxi subsidies are not unique and were very prevalent in the South County in the 1980s. We think this is very cost-effective and strongly concur with staff recommendation.

Ms. Sara Pontecchi and **Mr. Masood Babaeian**, San Luis Obispo, came to the podium together, representing Yellow Cab and 234-Taxi, which recently merged. **Mr. Babaeian** said Yellow Cab has been in business for over 30 years and supports this item. They have operated with these kinds of subsidies in other counties, including Los Angeles and Ventura. We meet all requirements as outlined in the draft document. We have wheelchair accessible vehicles and already transport ADA riders. This additional

service we would be performing for RTA would be cheaper to operate. **Ms. Pontecchi** spoke on behalf of 234-Taxi in support of this item.

President Arnold closed public comment.

Board Member Marx spoke in support of utilizing a Taxicab service for this service.

President Arnold closed Board comment.

Board Member Frank Mecham moved to approve staff recommendation on Agenda Item B-2. **Board Member Bruce Gibson** seconded, and the motion carried on a voice vote with **Board Member John Shoals** absent.

C. CONSENT AGENDA:

- C-1 Executive Committee Meeting Minutes of August 12, 2015 (Approve)
- C-2 RTA Board Meeting Minutes of September 2, 2015 (Approve)
- C-3 Draft RTAC Meeting Minutes of October 15, 2015 (Approve)
- C-4 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)
- C-5 Resolution Authorizing Executive Director to Submit Application for State Prop 1B Funds (Approve)
- C-6 Authorize RFP to Conduct Environmental Review Services for Garage Facility Development (Approve)

Board Member Shelly Higginbotham moved to approve the Consent Agenda. **Board Member Jamie Irons** seconded, and the motion carried on a roll call vote with **Board Member John Shoals** absent.

BOARD MEMBER COMMENTS:

Board Member Marx asked if the address, 40 Prado, would continue to be used for both RTA and CAPSLO. The entire 10-acre parcel was 40 Prado, but has since been subdivided. Perhaps we should investigate getting a new address. **Mr. Tim McNulty**, County Counsel, said the City will assign street addresses to both RTA and CAPSLO properties.

Board Member Irons said he is looking forward to looking at the Disposition of Vehicles Policy coming back in January.

ADJOURNMENT: **President Arnold** adjourned the RTA meeting at **9:40 a.m.**

Respectfully Submitted,

Anna Mafort-Lacy
RTA, Administrative Assistant

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 6, 2016
STAFF REPORT**

AGENDA ITEM: C-3

TOPIC: Revised Resolution Authorizing Executive Director to Submit Application on behalf of RTA for State Proposition 1B Safety and Security Funds

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Adopt Revised Resolution

California Proposition 1B was passed by voters in November 2006. Staff estimates that up to \$213,000 is available for safety/security projects. RTA is an eligible recipient for this funding source.

Besides RTA, eligible recipients of the Proposition 1B safety/security funds include the City of Morro Bay, the City of San Luis Obispo, the City of Atascadero, the City of Paso Robles, San Luis Obispo County, and South County Transit. Grants will be due to the San Luis Obispo Council of Governments by February 1, 2016. Projects must be transit-related capital projects.

The original resolution adopted by the Board at its November 4th meeting neglected to consistently identify the funds as Proposition 1B safety and security funds. The revised resolution includes the corrected language.

Staff Recommendation

Approve the attached resolution authorizing the RTA Executive Director to submit a grant application for up to \$213,000 for potential Safety and Security Capital projects for the fiscal year 2015-16 apportionment. Please note that this amount is subject to a competitive application process for the entire region.

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 16-_____

A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
BOARD OF DIRECTORS, AUTHORIZING SUBMITTAL OF A GRANT APPLICATION
TO THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS FOR
CALIFORNIA PROPOSITION 1B SAFETY AND SECURITY PROGRAM FUNDS

WHEREAS, the San Luis Obispo Regional Transit Authority is an eligible applicant for California Proposition 1B Safety and Security Program funds; and,

WHEREAS, the San Luis Obispo Regional Transit Authority is in need of various capital-related materials, supplies, and equipment, all of which are eligible for purchase under the California Proposition 1B Fund Safety and Security Program; and

WHEREAS, the San Luis Obispo Regional Transit Authority will continue to provide public transportation services in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority is seeking grant funding to optimize the use of Transportation Development Act funds provided by the various jurisdictions included in the Joint Powers Agency Agreement; and

WHEREAS, the San Luis Obispo Regional Transit Authority is requesting up to \$213,000 for the FY15/16 funding year cycle from the Proposition 1B Fund Safety and Security Program for the purchase of various materials, supplies and equipment.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director or his designee to submit a proposal to the San Luis Obispo Council of Governments from the California Proposition 1B Fund Program of up to \$213,000 for Safety and Security capital projects for the upcoming funding cycle.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Executive Director or his designee is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 6th day of January 2016.

Debbie Arnold, President
San Luis Obispo Regional Transit Authority

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
RTA Counsel

Date: _____

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 6, 2016
STAFF REPORT**

AGENDA ITEM: C-4

TOPIC: Revised Resolution Authorizing the Executive Director to Submit an Application for Low-Carbon Transit Grant Program Funds

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Adopt Revised Resolution

The Low-Carbon Transit Operations Program (LCTOP) is one of several programs funded as part of State of California budget which have a goal of reduced greenhouse gas emissions and achievement of other benefits. These programs are funded by auction proceeds from the California Air Resource Board's Cap-and-Trade Program, with proceeds deposited into the Greenhouse Gas Reduction Fund. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund (Fund) for LCTOP, beginning in 2015-16.

There is an estimated \$291,000 available in the County in FY16-17. Eligible recipients of the LCTOP funds apportioned in San Luis Obispo County include RTA, South County Transit, SLO Transit, Paso Express, Atascadero Dial-A-Ride, Morro Bay Transit, and SLOCAT. Eligible projects will support new or expanded bus services, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project expected to reduce greenhouse gas emissions.

The original resolution adopted by the Board at its November 4th meeting identified a preliminary funding availability amount of \$100,000. The revised resolution includes the updated \$291,000 amount.

Staff Recommendation

Approve the attached revised resolution authorizing the Executive Director to submit a grant application of up to \$291,000 for the purchase of various materials, supplies, equipment, and/or operations costs.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 16-__**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY BOARD OF DIRECTORS, AUTHORIZING SUBMITTAL OF A
GRANT APPLICATION TO THE STATE OF CALIFORNIA
LOW-CARBON TRANSIT OPERATIONS PROGRAM**

WHEREAS, the San Luis Obispo Regional Transit Authority is an eligible applicant for Low-Carbon Transit Operations funds; and,

WHEREAS, the San Luis Obispo Regional Transit Authority is in need of various materials, supplies, and equipment, all of which are eligible for purchase under the Low-Carbon Transit Operations Program; and

WHEREAS, the San Luis Obispo Regional Transit Authority will continue to provide fixed route and complementary ADA services in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority is seeking grant funding to optimize the use of local Transportation Development Act funds provided by the various agencies included in the Joint Powers Agency Agreement; and

WHEREAS, the San Luis Obispo Regional Transit Authority is requesting up to **\$291,000** from the Low Carbon Transit Operations Program to support new or expanded bus services with the goal of reducing greenhouse gas emissions.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit a proposal to the State of California Low-Carbon Transit Operations Program of up to **\$291,000** for the purchase of various materials, supplies and equipment.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 6th day of January 2016.

Debbie Arnold, President
San Luis Obispo Regional Transit Authority

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

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

Date: _____

**SAN LUIS OBISPO REGIONAL TRANIST AUTHORITY
JANUARY 6, 2016
STAFF REPORT**

AGENDA ITEM: C-5

TOPIC: Resolution Authorizing Executive Director to Submit Application for Rural Transit Funds

ACTION: Approve

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Adopt Resolution

In 2003, the San Luis Obispo Council of Governments and RTA agreed to exchange Federal Transit Administration (FTA) Section 5311 funds for Transportation Development Act (TDA) funds to create the local Rural Transit Fund Program. The new program included the same eligibility of recipients and projects as the Section 5311 program, and made the access and availability of funds much easier for the rural transit operators, including RTA.

There is an estimated \$445,000 available for the 2016/2017 fiscal year. Eligible recipients of the rural transit funds include RTA, the City of Morro Bay and San Luis Obispo County. Grants are due in the San Luis Obispo Council of Governments offices by February 1, 2016.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a grant application of up to \$445,000 for the purchase of various materials, supplies, equipment, and/or operations costs.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
RESOLUTION NO. 16-_____**

**A RESOLUTION OF THE SAN LUIS OBISPO REGIONAL TRANSIT
AUTHORITY BOARD OF DIRECTORS,
AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
RURAL TRANSIT FUND PROGRAM**

WHEREAS, the San Luis Obispo Regional Transit Authority is under contract to fully administer transit services for the County of San Luis Obispo; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are eligible applicants for Rural Transit Program funds (formerly FTA Section 5311); and,

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are in need of various materials, supplies, and equipment, all of which are eligible for purchase under the Rural Transit Fund Program Policies and Procedures; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo will continue to provide transportation services, including complementary ADA service, in San Luis Obispo County; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are seeking grant funding to optimize the use of local TDA funds provided by the various agencies included in the Joint Powers Agency Agreement; and

WHEREAS, the San Luis Obispo Regional Transit Authority and the County of San Luis Obispo are requesting up to **\$445,000** from the Rural Transit Fund Program for the purchase of various materials, supplies and equipment including proposed tenant improvements for a maintenance facility.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the San Luis Obispo Regional Transit Authority Board of Directors authorizes the Executive Director to submit a proposal to the San Luis Obispo Council of Governments for the Rural Transit Fund Program of up to **\$445,000** for the purchase of various materials, supplies and equipment.

BE IT FURTHER RESOLVED, that the President of the Board is directed to sign this resolution to authorize the submittal of said funding requests.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to submit said funding requests.

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 6th day of January 2016.

Debbie Arnold, President
San Luis Obispo Regional Transit Authority

ATTEST:

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

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

Date: _____

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
JANUARY 6, 2016
STAFF REPORT

AGENDA ITEM: C-6

TOPIC: Resolution Authorizing Executive Director to Submit Application for FTA Section 5311 Funds

ACTION: Approve Resolution

PRESENTED BY: Omar McPherson, Grants Manager

STAFF RECOMMENDATION: Adopt Resolution

BACKGROUND/DISCUSSION:

Beginning in FY03-04, SLOCOG and the San Luis Obispo Regional Transit Authority (RTA) agreed to program all federal funding from the FTA Section 5311 Program to RTA. In exchange, SLOCOG programs a similar amount of Transportation Development Act (TDA) funds for rural transit operators in the county.

In connection with the exchange program, RTA must submit an annual grant application to the FTA for the Section 5311 funds. The grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by the FTA.

Once approved, the attached resolutions will become part of the grant application for FTA Section 5311 funding for FY16-17.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a grant application for the entire amount of FTA Section 5311 funds apportioned in San Luis Obispo County for the purchase of various materials, supplies, equipment, and/or operations costs.

**AUTHORIZING RESOLUTION
STATE OF CALIFORNIA
FTA SECTION 5311 PROJECT OPERATING ASSISTANCE APPLICATION**

RESOLUTION NO. 16-__

RESOLUTION AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5311 (49 U.S.C. SECTION 5311) WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support operating assistance projects for non-urbanized public transportation systems under Section 5311 of the Federal Transit Act (**FTA C 9040.1F**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, *San Luis Obispo Regional Transit Authority* (RTA) desires to apply for said financial assistance to permit operation of service in San Luis Obispo County; and

WHEREAS, *San Luis Obispo Regional Transit Authority* has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the San Luis Obispo Regional Transit Authority does hereby authorize the *Executive Director*, to file and execute applications on behalf of San Luis Obispo Regional Transit Authority with the Department to aid in the financing of capital/operating assistance projects pursuant to Section 5311 of the Federal Transit Act (**FTA C 9040.1F**), as amended.

That *Executive Director* is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That *Executive Director* is authorized to provide additional information as the Department may require in connection with the application for the Section 5311 projects.

That *Executive Director* is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5311 project(s).

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 6th day of January, 2016.

Debbie Arnold
President of the RTA Board

ATTEST:

Geoff Straw
Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 6, 2016

STAFF REPORT

AGENDA ITEM: C-7

TOPIC: Resolution Authorizing Executive Director to Submit Application for FTA Section 5339 Funds

ACTION: Approve Resolution

PRESENTED BY: Omar McPherson, Grants Manager

STAFF RECOMMENDATION: Adopt Resolution

BACKGROUND/DISCUSSION:

The *Moving Ahead for Progress in the 21st Century Act* (MAP-21) requires Metropolitan Planning Organizations to work cooperatively with public transit operators to develop Regional Transportation Plans and Transportation Improvement Programs for urbanized areas. These plans and programs are intended to further the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems. These systems should serve the mobility of people and freight, and foster economic growth and development within and through urbanized areas, while minimizing transportation-related fuel consumption and air pollution. Public transportation providers are eligible to apply for and receive Federal Transit Administration (FTA) Section 5339 funds for up to 80% of capital projects for the delivery of public mass transportation services. The FTA Section 5339 program identified in MAP-21 replaced the former discretionary FTA Section 5309 program.

The transit operators in San Luis Obispo County that are eligible to use FTA Section 5339 funds include RTA, South County Transit, San Luis Obispo County, and the Cities of Atascadero, Paso Robles and San Luis Obispo. To access the FTA Section 5339 funds, RTA must submit an annual grant application to Caltrans. Our grant application must include a resolution, approved by the RTA Board, authorizing submittal of the grant application and authorizing the Executive Director to execute and file all assurances and any other documentation required by the FTA.

Once approved, the attached resolution will become part of the grant application for FTA Section 5339 funding for the 2013-14, 2014-15 and 2015-16 fiscal years (combined) that will allow RTA to purchase two transit coaches and associated equipment as programmed in the Federal Transportation Improvement Program by SLOCOG.

Staff Recommendation

Approve the attached resolution authorizing the Executive Director to submit a grant application of up to the maximum amount available in San Luis Obispo County for the purchase of two transit coaches and related equipment.

**AUTHORIZING RESOLUTION
STATE OF CALIFORNIA
FTA SECTION 5339 PROJECT OPERATING ASSISTANCE APPLICATION**

RESOLUTION NO. 16-____

RESOLUTION AUTHORIZING THE FEDERAL FUNDING UNDER FTA SECTION 5339 WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION

WHEREAS, the U. S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration to support capital assistance projects for public transportation systems under Section 5339 of the Federal Transit Act (**FTA Circular 9030.1B**); and

WHEREAS, the California Department of Transportation (Department) has been designated by the Governor of the State of California to administer Section 5339 grants for transportation projects for bus and bus facilities; and

WHEREAS, *San Luis Obispo Regional Transit Authority* (RTA) desires to apply for said financial assistance to permit purchase of capital equipment in San Luis Obispo County; and

WHEREAS, *San Luis Obispo Regional Transit Authority* has, to the maximum extent feasible, coordinated with other transportation providers and users in the region (including social service agencies).

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the San Luis Obispo Regional Transit Authority does hereby authorize the *Executive Director*, to file and execute applications on behalf of San Luis Obispo Regional Transit Authority with the Department to aid in the financing of capital assistance projects pursuant to Section 5339 of the Federal Transit Act (**FTA Circular 9030.1B**), as amended.

That *Executive Director* is authorized to execute and file all certification of assurances, contracts or agreements or any other document required by the Department.

That *Executive Director* is authorized to provide additional information as the Department may require in connection with the application for the Section 5339 projects.

That *Executive Director* is authorized to submit and approve request for reimbursement of funds from the Department for the Section 5339 project(s).

Upon motion of Director _____, seconded by Director _____, and on the following roll call, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by the San Luis Obispo Regional Transit Authority of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 6th day of January, 2016.

Debbie Arnold
President of the RTA Board

ATTEST:

Geoff Straw
Executive Director

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
RTA Counsel

Dated: _____
(Original signature in BLUE ink)

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

JANUARY 6, 2016

STAFF REPORT

AGENDA ITEM: C-8

TOPIC: Amend Agreement for Joint Short Range Transit Plan Services

PRESENTED BY: Geoff Straw, RTA Executive Director

STAFF RECOMMENDATION: Authorize Executive Director to Execute a Contract Amendment to Expand Scope of Services

BACKGROUND/DISCUSSION:

At its September 2014 meeting, the RTA Board authorized staff to issue a Request for Proposal to Conduct Joint Short Range Transit Plan (SRTP) study. After the Study Steering Committee evaluated the proposals submitted by consultant teams and recommended LSC Transportation Consultants, the Board authorized the Executive Director at its January 2015 meeting to negotiate a contract for a not-to-exceed amount of \$190,000. This amount matches the grant agreement with Caltrans for this joint study. Staff ultimately negotiated an agreement with a not-to-exceed amount of \$154,892 in early February 2015.

This staff report focuses on two recommended amendments to the agreement with LSC Transportation Consultants. The first amendment that should be considered is an expansion of *Task 6.0 Operations Plans and Budgets* that is identified in the original scope of work. As a result of significant additional service alternatives analysis requested by Steering Committee members, I have determined that it would be in the best interest of both RTA and SLO Transit to expand the original scope of services to include an additional 24 Project Manager hours plus 40 Planner hours. At their contract rates of \$180 and \$95, respectively, this totals \$8,120 in additional staff costs. This amount fits well within the original budgeted SRTP amount, and would not require that RTA's budget be amended.

The second amendment focuses on additional work scope requested by SLO Transit and would be paid exclusively by the City of San Luis Obispo. This work focuses on a peer study of other transit agencies that serve a large university population. The costs for this additional work scope (\$11,300) would be passed through RTA from SLO City.

Staff Recommendation

Staff requests the Board's concurrence to authorize the Executive Director to execute an amendment to the Joint Short Range Transit Plan agreement with LSC

Transportation Consultants in an amount not to exceed \$19,420 as described in the attached proposals. No additional RTA funds are being requested.



**TRANSPORTATION PLANNING AND
TRAFFIC ENGINEERING CONSULTANTS**

2690 Lake Forest Road, Suite C
Post Office Box 5875
Tahoe City, California 96145
(530) 583-4053 FAX: (530) 583-5966
info@lsctahoe.com
www.lsctrans.com

October 15, 2015

Geoff Straw, Executive Director
San Luis Obispo Regional Transit Authority
179 Cross Street
San Luis Obispo, California 93401

RE: Joint Short Range Transit Plans for RTA and SLO Transit

Dear Mr. Straw:

With this letter and attached proposal, LSC Transportation Consultants, Inc. would like to respectfully request an extension of our billing authority regarding the Coordinated RTA and SLO Transit Joint Short Range Transit Plans. Specifically, these additional funds would be used to expand the evaluation of service alternatives beyond the recommended plan elements. Per the description of Task 6 in our contract (Agreement 2015-01, dated February 11, 2015), this task focuses specifically on the plan elements. Recent comments received regarding our Working Paper #4 identify the need for evaluation of additional alternatives for consideration, rather than simply the service plan. This includes additional alternatives for both RTA and for SLO Transit, such as routing alternatives and scheduling alternatives.

We estimate that the additional service alternative evaluation will require an additional 24 Project Manager hours plus 40 Planner hours. At our contract rates of \$180 and \$95, respectively, this totals \$8,120 in additional staff costs.

Thank you for your consideration of our request, and we remain committed to developing a quality plan for the City and the RTA.

Respectfully Submitted,

LSC Transportation Consultants, Inc.

by 
Gordon Shaw, PE, AICP, President



TRANSPORTATION PLANNING AND TRAFFIC ENGINEERING CONSULTANTS

2690 Lake Forest Road, Suite C
Post Office Box 5875
Tahoe City, California 96145
(530) 583-4053 • FAX: 583-5966

July 1, 2015

Mr. Gamaliel Anguiano, Transit Manager
City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401-3218

RE: University Transit Funding Survey

Dear Mr. Anguiano:

Per your request, LSC Transportation Consultants, Inc. is pleased to present our proposal to conduct a survey of existing transit funding programs at peer universities. This information is intended to provide the administration and students of California Polytechnic State University with information as to how similar academic institutions fund transit programs. Specifically, this work will provide an update of the survey of similar universities presented in the 2000 *Free-Fare Funding Analysis* prepared by Associates Consultants, Inc. It will build upon the work currently being conducted by LSC as part of the Joint RTA/SLO Short Range Transit Plan.

We propose to conduct this work under the following tasks:

Task 1 – Initial Screening

A list of at least 20 potential peer universities will first be developed, based upon the 2000 study, recent Transit Cooperative Research Program reviews of university transit funding programs, and LSC's knowledge of similar universities with transit programs. Initial contacts will be made with each to identify the following:

- Size of the university, in full-time equivalent students
- Population of the urban area
- Size of the transit program, as measured in vehicle-hours of service per year. Specifically, transit programs that only serve as parking shuttles will be excluded.

Based upon this information, 10 case studies will be identified that most closely match the characteristics of Cal Poly and the transit programs currently serving the campus.

Task 2 – Detailed Review

For each of the peer case studies, LSC will collect more detailed information, including the following:

- Current annual funding provided to support public transit services.

- Funding sources, including student fees, parking fees/fines/forfeitures, general operating funds, etc.
- Current student activity fee level (per semester or per quarter) allocated to supporting public transit services.
- Whether this fee is pro-rated based on the number of hours of coursework.
- Level of reduction of fare for students.
- Whether the reduction of fare is available to students only, or to other university staff.
- Number of routes and daily buses serving the campus.

This data will be collected through a combination of reviewing easily available information from college and transit websites, as well as interviews with staffmembers. Contact information for all persons contacted over the course of the study will be collected and provided.

Task 3 – Draft and Final Report

LSC will prepare a draft report detailing the data collected, as well as a comparison with the current agreement between the City of San Luis Obispo and Cal Poly. We would then be available to discuss our report on a conference call, and to respond to comments from City staff. After addressing any comments, a Final Report will be prepared. A conference call/web presentation will then be held to present our findings. Note that no costs associated with travel for presentations are included in this proposal.

Cost Estimate

As shown in Table A, attached, we estimate that this work will require up to \$11,300 in professional fees and other project costs. We propose to conduct this work on a time and materials basis, with a contract maximum of \$11,300 that would not be exceeded without your prior written authorization. We would be happy to consider any contract form that you would prefer.

Schedule

We would be prepared to provide a draft report within five weeks of authorization. Once comments are received, a final report can be provided within one week.



Respectfully Submitted,

LSC Transportation Consultants, Inc.

By: 
 Gordon R. Shaw, PE, AICP, Principal

TABLE A: LSC Cost Analysis Cal Poly Transit Funding Peer Survey				TOTAL HOURS	TOTAL COSTS
	Principal	Planner	Support Staff		
	\$ 190.00	\$ 95.00	\$ 55.00		
Task 1 - Initial Screening	4	12	2	18	\$ 2,010
Task 2 - Detailed Review	10	40	0	50	\$ 5,700
Task 3 - Draft and Final Report	10	12	6	28	\$ 3,370
Total	24	64	8	96	\$ 11,080
TOTAL PERSONNEL COSTS	\$ 4,560	\$ 6,080	\$ 440	96	\$ 11,080
					
Additional Expenses:					
LSC Travel					\$ 0
Printing/Copy					\$ 30
Phone/Postage/Delivery					\$ 190
<i>Subtotal Expenses</i>					<i>\$ 220</i>
TOTAL STUDY COST					\$ 11,300

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

January 6, 2016

STAFF REPORT

AGENDA ITEM: C-9

TOPIC: **Authorize Executive Director to Seek Bids and Execute Agreement for Auction Services**

PRESENTED BY: **Geoff Straw, RTA Executive Director**

STAFF RECOMMENDATION: **Authorize the Executive Director to issue a Request for Bids and to execute an Agreement for auction services at an annual cost not to exceed \$5,000**

BACKGROUND/DISCUSSION:

As discussed at November 4, 2015 Board meeting, and discussed during today's Board meeting, Agenda Item B-1 *Add Disposal of Surplus Procedures to Purchasing Policy* permits auction services to be used when disposing of surplus equipment and supplies.

Having an agreement in place for auction services will streamline the surplus process, and ensure that RTA remains in compliance. The attached draft scope of services is included in the ensuing pages of this agenda item.

Staff Recommendation

Authorize the Executive Director to issue a Request for Bids and to execute an Agreement for auction services at an annual cost not to exceed \$5,000.

PROJECT SCOPE

The auctions may consist of only vehicles, or may include vehicles and heavy equipment, and may also occasionally include a few miscellaneous items.

It is the intent of the RTA to issue, as a result of this bid solicitation, an agreement for services for a period of one (1) year with an option to renew for four (4) additional one (1) year terms.

The service provider will provide all services necessary to prepare, conduct and complete an auction of the RTA's surplus vehicles, buses, cutaway vehicles, pickup trucks, cars, and shop equipment such as vehicle lifts.

Auctioneer will be responsible for supplying all personnel, equipment and supplies necessary to conduct the auction.

The RTA will provide Titles, bills of sale, release of liability for all vehicles or on-road equipment.

The auctioneer selected will be responsible for the following duties:

- 1) Provide security for and protect RTA property between the time the items for sale are moved to the sale location and the completion of the auction (as applicable)
- 2) Arrange for statewide advertising of upcoming auctions to include vehicle disposition and photos, and the mailing of flyers.
- 3) Assign a lot number for each item to be sold, this lot number must correspond with a specified vehicle.
- 4) Verify all items to be sold against the list supplied. Verify VIN numbers on all vehicles to insure that they correspond.
- 5) Pick up and transport all vehicles, heavy equipment and any other item to the sale site, as needed. Vehicles or equipment will be picked up within two weeks of request from SLORTA and a specific pick-up time will be provided.
- 6) Minor repairs (such as of a flat tire or dead battery) may be made to vehicle to make them more sale-worthy, but no major repairs may be made without authorization by SLORTA.
- 7) Establish and staff viewing times before the vehicle/equipment sale. These times are to be shown in the auction flyer and notifications.
- 8) Conduct the auction, receive all money, and record the sale price of each item by lot number. No goods are to be released or titles transferred unless payment has been received and delivery arranged. Complete pink slips, bills of sale and Release of Liability Forms. File release of liability forms with DMV on behalf of SLORTA.
- 9) Within ten (10) working days from the auction closing date, full payment is to be made to the RTA. Accompanying the payment check shall be:

- a) A manifest that shows each lot number description of item sold, Buyer number, and the amount for which the item is sold;
 - b) A copy of the complete Release of Liability Form listing the buyer;
 - c) Ability to accept pickup request electronically. RTA can review and verify auction status and/or sales price electronically;
 - d) A summary of the Final Settlement showing gross sales, auctioneers' commission, cost of advertising and net proceeds to SLORTA; and
 - e) All lists, reports, methods of accounting, etc. shall be in a format as approved by the county in advance. Microsoft Excel software is compatible with SLORTA's computer hardware and software.
- 10) Vendor is to provide sales reports to allow SLORTA staff to track accounts electronically.
- 11) In order to bid, the Auctioneer must carry a fidelity bond on his/her employees and possess all permits and other licenses as applicable.