



AGENDA
REGIONAL TRANSIT ADVISORY COMMITTEE

Thursday, January 17, 2019
2:00 p.m. – 3:30 p.m.
San Luis Obispo Council of Governments
1114 Marsh Street
San Luis Obispo, CA 93401

Individuals wishing accessibility accommodations at this meeting under the Americans with Disabilities Act (ADA) may request such accommodations to aid hearing, visual, or mobility impairment (including Limited English Proficiency) by contacting the RTA offices at 781-4833. Please note that 48 hours advance notice will be necessary to honor your request.

1. **CALL MEETING TO ORDER, ROLL CALL**
2. **PUBLIC COMMENTS:** This portion of the agenda is set aside for any members of the public to directly address the Regional Transit Advisory Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
3. **ELECTION OF OFFICERS: Elect RTAC Chair & Vice Chair**
4. **Annual ADA Appeal Committee Assignment**
5. **A. INFORMATION AGENDA ITEMS:**
 - A-1 Executive Director's Report (Verbal)
 - A-2 Member Comments / Reports from Jurisdictions (Verbal)
 - A-3 Review FY18-19 Budget Assumptions & Discuss FY19-20 Budget Calendar (Receive)
 - A-4 RTAC Input on Holiday Service Levels (Verbal)
- B. ACTION AGENDA ITEMS:**

No Items

C. CONSENT AGENDA ITEMS:

The following item is considered routine and non-controversial by staff and will be approved by one motion if no member of the RTAC or public wishes the 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 RTAC members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

C-1 RTAC Minutes of April 17, 2018 (Approve)

D. ADJOURNMENT

Next Meeting: April 17, 2019 10 a.m. – please note date and time!

**REGIONAL TRANSIT ADVISORY COMMITTEE
JANUARY 17, 2019
STAFF REPORT**

AGENDA ITEM: A-3

TOPIC: Review FY18-19 Budget Assumptions
& Discuss FY19-20 Budget Calendar

ACTION: Receive

PRESENTED BY: Geoff Straw

STAFF RECOMMENDATION: Receive

Proposed Budget Calendar for FY19-20

February 13 Detailed budget assumptions and revenue forecast to Executive Committee.

March 6 Obtain Board concurrence on proposed draft budget assumptions.

March 31 Based on feedback from Executive Committee draft FY20 Budget Draft complete.

April 10 Draft FY20 Budget presentation to Executive Committee

April 17 Formal FY20 Budget presentation to RTAC

May 1 Final Board Budget presentation; Board adoption of FY20 Budget

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
March 7, 2018
STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2018-19 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION: Approve Budget Assumptions to Enable Staff to Begin Development of FY18-19 & FY19-20 Operating and Capital Budgets

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 18-19 Operating and Capital Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that the RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 11th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. Address SoCo Transit's request to consolidate with the RTA.
2. State Transit Assistance (STA) funds used primarily for capital projects are projected to be up slightly due to new Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds.
3. Local Transportation Funds (LTF) used for operating purposes are projected to be flat to the region.
4. Liability costs continue to escalate, despite the RTA's good safety record.
5. We continue to focus on Runabout costs, which had been escalating in recent years but have leveled off.
6. Fuel costs continue to remain low; this also results in declining ridership & fares.

Mission Statement

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

Objectives and Revenue Impacts

- 1) Maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed Route and Runabout core services.
 - a) SLOCOG is working on STA funding projections for FY17-18 that take into account new SB-1 Road Repair and Accountability Act funds. RTA received just under \$450,000 in STA capital project funding in FY17-18. Staff will work with SLOCOG staff to determine a realistic estimate for FY18-19.
 - b) Continue to monitor the results and impacts of the December 31, 2017 fare increase, both on RTA Fixed Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY17-18 budget adopted in May 2017 included \$4,488,200 in LTF operating revenues. At that same meeting, the advisory FY18-19 LTF amount was \$5,479,010. Staff is still developing estimated annual FY17-18 expenses, which impacts the carryover amount that could reasonably be identified for the FY18-19 budget.
 - d) Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding and capital funding for FY18-19 will be presented as previously presented in May 2017, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for federal transportation programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly.
 - e) FTA Section 5307 operating funding from the Santa Maria Urbanized Area for RTA Route 10 will be budgeted based on commitments with Santa Barbara County Association of Governments (SBCAG) and the City of Santa Maria. This amount is approximately \$28,000 lower than what was included in the projection for FY18-19 and staff continues discussions with SBCAG officials for Santa Maria UZA funding for RTA Route 10 operations.
 - f) Detailed miles/hours and span of service for each RTA core Fixed Route and Runabout will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services. Staff will also present a mock budget that includes SoCo Transit under a possible consolidation scenario.

- g) Staff will continue to research and evaluate new revenue resources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - h) Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the RTA reserve policy, which was originally adopted in May 2014.
- 2) Address the request for tripper fixed route bus service between Cayucos and Morro Bay High School, as was included in the SLOCOG Unmet Transit Needs process.
 - 3) Work with the SLOCOG in evaluating region-wide service efficiencies.
 - a) Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel and increasing private automobile ownership rates, which are affecting farebox recovery ratios. Other factors also include changes to the California minimum wage. We will continue discussions with SLOCOG regarding RTA's request to reduce the farebox recovery ratio in the three San Luis Obispo County urbanized areas to 15%.
 - b) Review the tasks and financial impacts included in the SoCo Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with the RTA – including SoCo Transit's request to consolidate into the RTA.
 - c) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - d) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the *2016 Short Range Transit Plan* to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
 - 4) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 - a) Staff will work with SLOCOG on appropriate projects for the Augmented STA portion of SB-1 funds for RTA projects. For FY17-18, the RTA received funding for the design and engineering of the garage facility on Elks Lane as well as approximately \$59,000 that has been added to capital replacement reserves to match federal funds for three low floor Gillig buses to be delivered in the summer of 2020. These new SB-1 funds are an important source of capital revenues for the RTA and the other transit operators in our region.
 - b) Staff will work with SLOCOG on appropriate projects for future State of Good Repair portion of SB-1 funds for RTA projects, including funding toward the

construction of the garage facility on Elks Lane, reducing the need for LTF or outside financing to fund the project.

- 5) Address projected changes in demand for Runabout service.
 - a) Runabout service hours and miles are projected to remain flat based on recent demand trends, particularly with the shift in Tri-Counties Regional Center ridership that began in February 2017. In FY13-14, the burgeoning demand would have required significant Runabout service level increases but, with a variety of measures implemented at the Board's direction, Runabout demand has decreased.
 - b) To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was added in early 2016. Staff will also provide mobility training for disabled persons who are able to use Fixed Route services for some or all of their travel needs. Staff will also work with such as the Paso Robles Independent Skills Program to assist with travel training.
 - c) Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required staff will revisit this option.
- 6) Implement the RTA's strategy to develop a long-term administrative, operations and maintenance facility.

Expenses Impacts

- 1) Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.30 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed Route vehicles.
- 2) Insurance Expenses:
 - a) CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2018 through April 30, 2019 rates. Estimates will be available from CalTIP in time to include in the RTA April 2018 draft budget. Although the number of RTA losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development, and the pool is working to ensure the stability of the pool and ensure equity between all members.
 - b) CalTIP vehicle physical damage will increase minimally due to the added asset value of newer vehicles in the fleet.

- c) As of July 1, 2017 CalTIP no longer provides employment practices liability insurance coverage as part of the premiums paid for general liability coverage. The RTA was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$25,000 with a \$50,000 self-insured retention.
- d) Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims.
- e) Property insurance will increase due to the addition of the Paso yard and because of the significant losses in the property insurance market, namely the fires and mudslides in California and hurricanes in the southern United States.
- f) For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years.

3) Staffing Expenses:

- a) The new 4-year Collective Bargaining Agreement (CBA) was ratified in November 2017, with new wage scales that began January 1, 2018. The FY18-19 budget will include significant changes in wages and benefits, primarily due to the effects of changes to the California minimum wage program.
- b) For FY18-19 core RTA services, the number of budgeted full-time positions will increase slightly, by approximately a half-time person. More specifically, in an effort to address hiring, retention and losses, a part-time position in training will be converted to a full-time position.
- c) For FY17-18, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- d) An annual inflationary adjustment based on the December 2016 to December 2017 Consumer Price Index (CPI) for non-union employees (excluding Operations Supervisors) of 3.6% will be implemented in July 2018. The Operations Supervisor classification CPI increase adjustment will be implemented in January 2019, to coincide with Bus Operator wage scale adjustments identified in the CBA. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

Proposed Budget Calendar

- February 14 Detailed budget assumptions and revenue forecast to Executive Committee
- March 7 Obtain Board concurrence on proposed draft budget assumptions
- March 7 Provide mid-year FY17-18 Budget data to Board (no additional budget amendments are being requested)
- March 31 Based on feedback from Executive Committee draft FY18-19 Budget Draft complete.
- April 11 Draft FY18-19 Budget presentation to Executive Committee
- April 17 Formal FY18-19 Budget presentation to RTAC
- May 2 Final Board Budget presentation; Board adoption of FY18-19 Budget

Staff Recommendation

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

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
REGIONAL TRANSIT ADVISORY COMMITTEE

April 17, 2018

DRAFT MINUTES

C-1

Members Present:

Eric Greening (<i>Vice Chair</i>)	Fixed Route Representative
Gamaliel Anguiano	SLO Transit
Wendy Hall	County of San Luis Obispo
Phil Moores	South County Transit (SCT)
Dawn Patterson	Atascadero Transit
Dick McKinley	City of Paso Robles

Members Absent:

Janeen Burlingame	Morro Bay Transit
Mark Sanchez	Cuesta College
Mark Dariz	Runabout/DAR Representative
Cheryl Andrus	Cal Poly
Todd Katz	Fixed Route Alternate Rep.

Staff Present:

Geoff Straw	RTA
Shelby Walker	RTA
Tania Arnold	RTA

Guest:

Mark Shaffer	Ride-On Transportation
Josh Roberts	County of San Luis Obispo

1. Call Meeting to Order, Roll Call:

Mr. Eric Greening called the meeting to order at 10:05 a.m. Roll call was taken; a quorum was present.

2. Public Comments: None

3. Election of Officers (after member comments)

ELECTION OF OFFICERS: Elect Chair: **Ms. Dawn Patterson**, nominated as **Mr. Gamaliel Anguiano** Chair and **Mr. Greening** seconded. The motion carried on a voice vote.

A. Information Items

A-1 Executive Director's Report:

Mr. Geoff Straw stated Paso Robles Bus Parking Yard is finishing up, power will go in on May 14th and EOQ ribbon cutting BBQ on April 27th. We will be able to provide bus transportation to those who would like to attend. **Mr. Greening** asked if it can be accessed by people who take the Route 9. **Mr. Dick McKinley** offered to take people from bus depot if needed. Mr. Straw continued his report by stating the SoCo Transit Board did direct staff to continue consolidation efforts. Will be presenting at each city and will be seeking input. SoCo Transit in essence would go away.

Government Center design bids are currently still being sought. Had a pre-bid meeting at the government center and there was no follow up questions. Bus operators started last week, we have two in our current training class. DMV documentation has created quite a difficult situation as well as the recreational use of marijuana is something that creates problems.

Bus garage project is still continuing, we will most likely put a RFP in May. Zero emission vehicles are going to be a requirement. We are trying to include charging abilities for our future site. There is an issue with the fact that the routes that we do the buses would not make it on those full routes off of one charge. There is an off-ramp. The number of the bills are on the bottom of the report.

Marketing, we have a new commercial and new video on our website so take a look when you can. The Avila Beach Trolley started service in the first week of April. Thanked Supervisor Adam Hill for his contribution. Did not get the grant proposal for the Bus Parking Yard. When we submitted we did not have CEQA Board approval but stated in the document that we anticipated approval.

The farebox recovery ratio has been adjusted due to the consolidation plan. Ridership is declining. Route 14 is down due to low school enrollment. Route 10 is down as well. Will provide a more robust report to the Board on May 2nd.

Mr. Straw concluded his report.

Mr. Greening asked if Runabout was down as well. **Mr. Straw** stated that yes it is. This is part in efforts of working with fellow transit agencies. **Mr. Greening** stated that there needs to be a real challenge to the electric stampede. We need to be aware that the benefits may not be as fully beneficial to the ecosystem as we think. **Mr. Straw** stated that the cost per mile on the electric bus was been stated to be lower than that of the diesel fuel. There are some real challenges that we will working through.

A-2 Member Comments/Reports from Jurisdictions (Receive):

Mr. McKinley stated that the main thing the parking in the downtown area in Paso Robles. The mobility is the main issue for those in the area. There is a discussion of possible golf carts to transport people around the area.

Mr. Phil Moores the staff at SoCo Transit is getting more comfortable with the idea of consolidation and are seeing the benefits of the consolidation. We are still hoping for the January start date of the consolidation.

Mr. Mark Shaffer stated he looking forward to the MSAA report at the RTA Board meeting. Will be working with 511 to develop a mobile app that can help riders find transportation. Working on ways to send rides to our fellow transit systems if one system can not take a ride. The project has a lofty goal of the high technology.

Mr. Anguiano stated CALACT recognized SLO Transit as a 2018 Bus System. The new buses and routes really helped make it possible. The on-time performance is up and people are enjoying the new modern buses. **Mr. Greening** stated that one thing could be an issue is with the EIR for Cal Poly with the cutting off of services on campus. Currently, there is discussion about recirculating the EIR for further comment.

Ms. Dawn Patterson stated that Atascadero has two new buses coming in May and will be hopefully running with the new software technology in July, tablets will be on the buses to help with navigating in the area. She mentioned some road projects that have created transit delays. New transit center kiosk should be arriving soon.

Mr. Josh Roberts the Board of Supervisors approved the list of roads that need to be fixed at their meeting today. Prop 69 will come to voters in June, slated to protect SB-1 dollars for transportation uses. There may be items on the November ballot that will affect SB-1 funding.

Ms. Wendy Hall waiting and excited about the government center. Also looking forward to discussing RTA budget today.

Mr. Greening no comment.

B. Action Items

B-1 Fiscal Year 2018-19 Operating and Capital Budget (Receive):

Ms. Tania Arnold stated she is pleased to present the RTA Operating and Capital Budget for FY 2018/19. The budget is balanced. Also included is FY 2019/20 advisory operating budget and fiscal year 2019/20 – 2022/23 advisory capital budget.

For RTA core services this budget includes the same service levels as currently operated with the exception of a new tripper service between Cayucos and the Morro Bay High School campus. Route 14 service will continue to operate during peak academic year travel periods between downtown San Luis Obispo and the main Cuesta College campus. The Route 15 service along the North Coast will continue to operate as a deviated fixed route service. Runabout hours and miles have declined as a result of a coordinated effort between Tri-Counties Regional Center, Ride-On and RTA that was implemented in February 2017. The premium fare charged will be monitored.

General items to note moving forward include items such as the reserve policy. Staff will be drafting a proposed amendment for the Board to review during the coming fiscal year to address the self-insured retention requirement. Separate columns are presented for the services agreements for the City of Paso Robles (Paso Express and Paso Dial-A-Ride) and County of San Luis Obispo (SLOCAT).

There are several significant assumptions regarding funding. LTF has traditionally been used to fund operations, but can be used for capital projects as well. STA can be used for capital projects and operating, although there are limitation on the amount that can be used for operating. STA funding is significantly higher than prior years due to SB-1; which included STA augmentation funds. These funds are being allocated to operating and capital which is a significant shift for RTA. RTA LTF are now budget at \$4,386,600 for fiscal year 2018/19. The advisory budget presented last May had estimated \$5,353,300. Two significant reason for that decline relates to the reduction in workers compensation insurance and STA funding being allocated to operations. Staff will be prepared to present a budget amendment in January 2019 should SB1 be repealed by voters in November 2018.

Staff also worked with SLOCOG to program Rural Transit Funds, which is higher than prior years. Federal funding apportionments are still being evaluated. Amounts for capital projects in North and South County will need to be adjusted due to reduced federal funding from the FTA Section 5307 Small Transit Intensive Cities program.

Moving on to expenses, overall administrative expenses have remained relatively flat, with increases in property insurance and professional development being offset by the welcome relief in workers compensation. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. Overall service delivery costs are up by approximately 5% as a result of many factors. One of those factors is the annual increases included in the CBA. Currently RTA's starting wage rate is \$14.30. Non-union employees, excluding Operations Supervisors will be adjusted by the CPI of 3.6% in July 2018. Operations Supervisors will be adjusted in January 2019 to coincide with the Bus Operator wage scale adjustment identified in the CBA.

Estimates for the general liability insurance is included. Should the estimate come down, staff will revise the draft for the RTA Board. Staff continues to monitor fuel prices. The capital program will include the continuation of the bus maintenance facility on Elks Lane. Some of the other capital items include are specialized maintenance equipment, support vehicle replacement, bus stop improvements (as included as part of the bus stop improvement plan adopted by the RTA Board), and miscellaneous computer equipment. In fiscal year 2018/19, funding of \$388,880 is included from the STA SB1 State of Good Repair program to keep the operations and maintenance facility on Elks Lane moving forward. To be conservative, we did not assume the same level of funding in FY19-20 to FY22-23.

Of note, a portion of the fiscal year 2017/18 capital funds will be carried over to fiscal year 2018/19. These projects are fully funded but due to timing have not been completed. For reference staff includes a five year projected capital budget. This is an important tool for staff in identifying large capital procurements. No expansion vehicles are included. The pay down for the tenant improvement loan for the current maintenance facility will be completed in fiscal year 2018/19, prior to the lease expiring in February 2022.

Moving on to the numbers, page B-1-14 and B-1-15 include an overview of the operating revenue sources, and as noted previously, separate columns for the Paso Robles and SLOCAT services. Non-TDA sources of revenue includes the use of STA SB1 Augmentation of just of \$399,000. LTF as discussed earlier is on page B-1-15 with the breakdown by jurisdiction. Funding uses are also summarized. Also included on these pages is the advisory fiscal year 2019/20 operating revenue and summary funding uses by service operated.

On page B-1-16, the capital revenue is broken out, including SLOCAT and Paso Robles for the two fiscal years, with fiscal year 2019/20 being advisory only. Page B-1-17 includes the "rollup" of all operating costs for all services, including SLOCAT and Paso Robles.

The five-year capital budget is included on page B-1-18. As mentioned previously you can see large swings in vehicle procurements. The ensuing pages include expense information by route for RTA core services as well as for the SLOCAT and Paso Robles services. These pages roll up to the operating and capital expense summaries on page B-1-16 and B-1-17. **Mr. Straw** said that on B-1-17 shows some significant increases.

Ms. Arnold concluded her report.

Mr. Greening asked about the TIGER Funding. **Ms. Arnold** stated that we will be working on those funding sources. **Mr. Greening** will the justification for the added tripper in Cayucos be presented to the

Board. It was something that was not clearly stated in the Short Range Transit Plan. **Mr. Straw** since the SRTP can not include all unknown needs, the plan states that it looks for innovative needs for service.

Mr. Anguiano moved to approve agenda item B-1. **Ms. Hall** seconded that the motion carried on a voice vote.

C. Consent Agenda Items:

C-1 RTAC Minutes of January 18, 2018 (Approve)

Mr. Moores moved to approve the minutes and **Mr. Greening** seconded. The motion carried on a voice vote. Mr. McKinley and Ms. Patterson abstained.

D. Adjournment:

Mr. Greening adjourned the meeting at 11:28 a.m.

Next RTAC Meeting: July 19, 2018 at 2:00 p.m.

Respectfully Submitted:

Shelby Walker
Administrative Assistant
San Luis Obispo Regional Transit Authority