BOARD AGENDA

Wednesday, January 16, 2019

CITY OF ARROYO GRANDE, CITY COUNCIL CHAMBERS
215 E. Branch Street. Arroyo Grande, California
1:30 p.m. to 3:00 p.m.
(Ending time is approximate)

Chairperson: vacant                        Vice Chair: vacant
Board Members:
Lynn Compton (Fourth District – SLO County)  Barbara Nicolls (Grover Beach)
Jimmy Paulding (Arroyo Grande)              Sheila Blake (Pismo Beach)

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

NOTE: Arroyo Grande City Offices are served hourly by SCT Route 24. Please call 541-2228 for more information.

FLAG SALUTE

CALL TO ORDER AND ROLL CALL

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

BOARD ADMINISTRATIVE ITEMS

ELECTION OF OFFICERS: Elect Chairperson and Vice Chairperson

A. INFORMATION AGENDA

  A-1 Administrator's Report (Receive)
  A-2 First Reading: Draft FTA Drug and Alcohol Policy, and Non-DOT Drug and Alcohol Policy and Testing Provisions Policy (Receive)
  A-3 First Reading: Draft South County Transit Employee Handbook (Receive)

South County Transit, operated by the San Luis Obispo Regional Transit Authority, is a Joint Powers Agency serving residents and visitors of: Arroyo Grande, Grover Beach, Pismo Beach, Shell Beach and Oceano
B. ACTION AGENDA

B-1 Fiscal Year 2019-20 Budget Assumptions (Approve)
B-2 Annual Fiscal Audit Fiscal Year 2017-18 (Accept)

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

C-1 SoCo Transit Minutes of September 19, 2018 (Approve)
C-2 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)
C-3 Resolution for Benefits Program (Approve)

D. DIRECTORS’ COMMENTS

E. EXECUTIVE COMMITTEE MEMBERS’ COMMENTS

ADJOURNMENT

Next South County Transit Board meeting: April 24, 2019
Newly Enacted Innovative Clean Transit Rule

On December 14th, the California Air Resources Board unanimously passed the Innovative Clean Transit rule that will phase out petroleum-fueled public transit buses in the coming decades. SoCo Transit and other agencies will be barred from purchasing any new petroleum-powered buses in 2029, and will require operation of only zero-emission buses by 2040. The move will take an estimated 14,000 petroleum-powered buses off the roads.

The good news is that, according to an environmental impact statement, the plan would lower greenhouse gas emissions 86% by 2050 compared to a business-as-usual scenario, especially if electric charging stations are powered by renewable energy. California currently has just over 130 electric buses in service, with many hundreds more on order. The long lead-time on the rule is designed to allow transit agencies to phase out existing buses over their current decade-plus lifespan.

The challenge is and will likely remain to be an issue of capital funding statewide. Although not a deal-killer for SoCo Transit routes, the limited range of battery-electric buses will be onerous for transit agencies like the RTA that operate long distances at highway speeds and over terrain as challenging as the Cuesta Grade. Rolling out this new technology will require carefully crafted policy decisions and operating plans, and we will likely require assistance from the jurisdictions to expedite implementation of on-route charging stations so that RTA buses can “top up” throughout the service day. One South County location that immediately comes to mind is the Premium Outlets passenger facility in Pismo Beach. Staff is currently crafting an RTA Policy and Procedures for the Purchase of Low- or Zero-Emission Vehicles document that we plan to present to the RTA Board at your March 2019 meeting.
Operations:

The RTA and SCT will conduct a joint Employee of the Quarter luncheon on February 1st, at the RTA operations facility in San Luis Obispo. All SoCo Transit Board and Executive Committee members are welcome to join us. Please contact me to RSVP.

The RTA is currently recruiting for a new Operations Manager, with a first review of applications set for January 21st. We wish Phil Moores the best of luck in his new role as Executive Director of the Easter Sierra Transit Authority based in Bishop, CA.

Staff is currently working with SLO County Real Estate Services to extend the lease for the SoCo Transit operating facility on 800 Roadeo Drive in Arroyo Grande. Of particular interest is recognition by the County of repairs that SoCo Transit has had to make to the property, including a recent $37,000 spent to extensively repair the pavement. Since the RTA parks one Runabout van on-site, 10% will be picked-up by the RTA. SoCo Transit was forced to use $33,300 of reserve funds to make these emergency repairs.

Marketing & Service Planning:

Despite a national outreach effort, only LSC Transportation Consultants submitted a bid for the joint Short Range Transit Plans study for SoCo Transit and the various dial-a-ride systems in the county. LSC completed the previous SRTPs for both SoCo Transit and Nipomo Dial-A-Ride in 2011; LSC also completed joint SRTPs for SLO Transit and the RTA in 2016. Despite a single bid, it was responsive and price competitive – so the agreement was signed on November 7th. On December 11th, staff conducted the kick-off meeting with the consultant team to review the data requested and to finalize project milestones, as well as an afternoon Driver Forum to solicit employee comments/ideas. Of particular note is a mid-March on-bus passenger survey that will help inform us on customer perceptions of current and potential future services. An online general public survey will also be advertised on our website and I will announce the opportunity for input at City Council meetings during public comment. Once the existing services are fully analyzed and presented, the consultant will develop service, capital, institutional and financial alternatives in late summer 2019. The study will require 16 to 18 months to complete, and it is fully funded using FTA Section 5307 funds and California STA funds.

The RTA plans to launch the Token Transit system this month throughout the region for most fixed-route services (RTA, SoCo Transit, SLO Transit, and Paso Express). This is a mobile ticketing system for iOS and Android smartphones. A rider will simply wave their phone in close proximity to the GFI electronic farebox, which will validate the payment. Riders can use a credit card to purchase bus passes, and you can purchase a pass online and send it directly to someone else’s phone. This system increases access for riders by making it easier to purchase passes at night or on weekends, and passes are immediately available versus our current online purchase process where the pass has to be mailed out. SLO Transit has been using this same system and tell us that it is working well and that their riders love it. Our web analytics show us that 78% of the visitors to our website are using a mobile device, so we are hoping that the new mobile
bus passes and online purchasing will make riding the bus easier than ever. We do not plan to eliminate pass sales outlet locations but expect the traffic at those locations will decline over time. Also, we anticipate that this system will reduce the need for the purchase and maintain additional ticket vending machines. The project is fully-funded using Proposition 1B Safety & Security bond proceeds.

Finance and Administration:

Please join me in welcoming Chelsea Sperakos to the RTA team. Chelsea is an Administrative Assistant, and she provides front-desk support duties and serves as RTA Board Secretary. Chelsea proved to be a welcoming and friendly face while working for us as a temporary employee in October and November. Her husband Mason works at the County, and she wanted me to share that she is a transplant to San Luis and she plans to live here for the rest of her life.

Staff is working with SLOCOG officials to submit Federal funding plans for incorporation into the region's Transportation Improvement Program. The good news is the SB-1 repeal effort failed, since this new program enacted in 2018 will provide much needed funding for capital replacement projects – which will help conserve previous TDA commitments. Staff will continue working on this issue with our partner transit agencies and SLOCOG, and provide updates to the Board at future meetings.

Attached are preliminary operating and financial data for the first five months of FY18-19. Graphs showing historical ridership and productivity by route are provided in the ensuing pages, followed by a table providing detailed data. In summary, ridership through November 30, 2018 is down 2.5% in comparison to the same period in FY17-18 (94,920 vs. 97,399). The greatest declines were experienced on weekday Route 24 (down 4.0%), followed by Route 21 (down 3.6%) and Route 28 (down 2.4%). Weekday Route 27 ridership was essentially the same as last year. Sunday ridership was up on all Routes, while the Saturday ridership varied across the routes. Gain was experienced on the weekday-only Route 27 service (8.7% increase), while the ridership on the remaining three routes was relatively unchanged year over year. Productivity (the average number of one-way passenger boardings per hour of service) remains within the range experienced over the past several years.

The financial results are provided in a table at the end of this report. As shown, we have expended 36.8% of our operating budget through 41.7% of the fiscal year. We are below budget in our three largest line-items – Salaries/Benefits, Maintenance, and Fuel. No budgeted capital funds have been expended to date.

STAFF RECOMMENDATION:
Accept this as an information item.
## SOUTH COUNTY TRANSIT
### 2018-19 Budget vs. Actual (unaudited)

#### Use of Resources

<table>
<thead>
<tr>
<th>FY 18/19 Adopted</th>
<th>September 2018</th>
<th>October 2018</th>
<th>November 2018</th>
<th>Year to Date</th>
<th>Percent Year to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Liability &amp; Physical Damage</td>
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<td>$9,642</td>
<td>$9,642</td>
<td>$47,813</td>
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<td>4,026</td>
<td>20,510</td>
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<td>53</td>
<td>53</td>
<td>53</td>
<td>263</td>
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<td>Rent</td>
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<td>2,550</td>
<td>2,550</td>
<td>2,550</td>
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<td>Utilities</td>
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<td>614</td>
<td>1,019</td>
<td>1,068</td>
<td>4,088</td>
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<td>Radio Expense</td>
<td>1,240</td>
<td>103</td>
<td>103</td>
<td>103</td>
<td>515</td>
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<tr>
<td>Legal Services</td>
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<td>-</td>
<td>155</td>
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<td>155</td>
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<tr>
<td>Payroll Processing</td>
<td>760</td>
<td>-</td>
<td>22</td>
<td>-</td>
<td>146</td>
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<tr>
<td>Administration - Staff Time</td>
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<td>6,759</td>
<td>6,759</td>
<td>6,759</td>
<td>33,796</td>
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<td>Finance - Staff Time</td>
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<td>1,193</td>
<td>1,193</td>
<td>1,193</td>
<td>5,967</td>
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<td>Marketing - Staff Time</td>
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<td>461</td>
<td>461</td>
<td>461</td>
<td>2,304</td>
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<td>Office Expense/Miscellaneous</td>
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<td>1,096</td>
<td>812</td>
<td>(196)</td>
<td>2,504</td>
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<td>Audit</td>
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<td>3,215</td>
<td>-</td>
<td>3,215</td>
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<td>Marketing/Community Relations/Printing</td>
<td>16,000</td>
<td>1,089</td>
<td>2,430</td>
<td>2,646</td>
<td>7,450</td>
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<td>Uniforms/Laundry/Physicals/Ads</td>
<td>5,660</td>
<td>243</td>
<td>2,843</td>
<td>216</td>
<td>3,527</td>
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<td><strong>Operating Expenditures</strong></td>
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<td>Salaries/Benefits</td>
<td>$667,510</td>
<td>$44,617</td>
<td>$60,075</td>
<td>$44,190</td>
<td>$235,833</td>
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<td>Maintenance</td>
<td>226,920</td>
<td>11,752</td>
<td>16,519</td>
<td>9,156</td>
<td>73,675</td>
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<td>Dispatch</td>
<td>23,700</td>
<td>1,975</td>
<td>1,975</td>
<td>1,975</td>
<td>9,875</td>
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<td>SCT Bus Fuel</td>
<td>201,490</td>
<td>15,625</td>
<td>16,180</td>
<td>13,694</td>
<td>79,648</td>
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<tr>
<td>Contingency</td>
<td>14,630</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>$1,477,520</td>
<td>$101,790</td>
<td>$130,010</td>
<td>$97,558</td>
<td>$544,033</td>
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<tr>
<td><strong>Capital Service</strong></td>
<td></td>
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<tr>
<td>Support Vehicle</td>
<td>$33,000</td>
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<td>-</td>
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<tr>
<td>Short Range Transit Plan</td>
<td>105,000</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Facility Improvements/Bus Stop Amenities</td>
<td>43,410</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Transit Center Improvements</td>
<td>93,750</td>
<td>-</td>
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<tr>
<td><strong>Total Capital Service</strong></td>
<td>$275,160</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td><strong>Total Use of Resources</strong></td>
<td>$1,752,680</td>
<td>$101,790</td>
<td>$130,010</td>
<td>$97,558</td>
<td>$544,033</td>
</tr>
</tbody>
</table>
## SOUTH COUNTY TRANSIT
### OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
#### YEAR TO DATE THRU NOVEMBER 2018

<table>
<thead>
<tr>
<th>Route</th>
<th>Pismo &amp; Shell Beach</th>
<th>Grover B. A.G. Village, Pismo &amp; A.G.</th>
<th>Grover B. AG, Oceano Clockwise</th>
<th>Grover B. AG, Oceano Counter CW</th>
<th>Total Weekday Service</th>
<th>Avila Beach Trolley</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>FARES</td>
<td>$12,419</td>
<td>$10,668</td>
<td>$13,191</td>
<td>$13,943</td>
<td>$50,221</td>
<td>$6,935</td>
</tr>
<tr>
<td><strong>TOTAL ROUTE REVENUES</strong></td>
<td>$12,419</td>
<td>$10,668</td>
<td>$13,191</td>
<td>$13,943</td>
<td>$50,221</td>
<td>$6,935</td>
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<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
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<tr>
<td>ADMINISTRATION</td>
<td>$8,399</td>
<td>$8,131</td>
<td>$8,867</td>
<td>$9,414</td>
<td>$34,810</td>
<td>$2,340</td>
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<tr>
<td>OPERATIONS/CONTINGENCY</td>
<td>62,469</td>
<td>60,465</td>
<td>65,799</td>
<td>69,863</td>
<td>258,596</td>
<td>17,631</td>
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<tr>
<td>FUEL</td>
<td>17,105</td>
<td>13,084</td>
<td>13,960</td>
<td>14,540</td>
<td>58,689</td>
<td>5,894</td>
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<td>INSURANCE</td>
<td>14,766</td>
<td>11,293</td>
<td>12,049</td>
<td>12,565</td>
<td>50,673</td>
<td>4,880</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$104,621</td>
<td>$94,794</td>
<td>$102,690</td>
<td>$108,526</td>
<td>$410,632</td>
<td>$30,744</td>
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<td>FAREBOX RATIO</td>
<td>11.87%</td>
<td>11.25%</td>
<td>12.85%</td>
<td>12.85%</td>
<td>12.23%</td>
<td>22.56%</td>
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<tr>
<td><strong>SERVICE MILES</strong></td>
<td>21,331.8</td>
<td>16,315.3</td>
<td>17,410.3</td>
<td>18,132.1</td>
<td>73,189.5</td>
<td>7,452.3</td>
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<tr>
<td><strong>SERVICE HOURS</strong></td>
<td>1,123.0</td>
<td>1,086.0</td>
<td>1,179.1</td>
<td>1,252.5</td>
<td>4,640.7</td>
<td>347.1</td>
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<td><strong>RIDERSHIP (Automatic Counters)</strong></td>
<td>20,457</td>
<td>20,341</td>
<td>14,259</td>
<td>21,806</td>
<td>76,863</td>
<td>5,171</td>
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<td>RIDERS PER MILE</td>
<td>1.0</td>
<td>1.2</td>
<td>0.8</td>
<td>1.2</td>
<td>1.1</td>
<td>0.7</td>
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<tr>
<td>RIDERS PER HOUR</td>
<td>18.2</td>
<td>18.7</td>
<td>12.1</td>
<td>17.4</td>
<td>16.6</td>
<td>14.9</td>
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<tr>
<td>COST PER PASSENGER</td>
<td>$5.11</td>
<td>$4.66</td>
<td>$7.20</td>
<td>$4.98</td>
<td>$5.34</td>
<td>$5.95</td>
</tr>
<tr>
<td>SUBSIDY PER PASSENGER</td>
<td>$4.51</td>
<td>$4.14</td>
<td>$4.28</td>
<td>$4.34</td>
<td>$4.69</td>
<td>$4.60</td>
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<tr>
<td><strong>RIDERSHIP (GFI Fareboxes)</strong></td>
<td>16,510</td>
<td>15,701</td>
<td>12,932</td>
<td>16,350</td>
<td>61,493</td>
<td>5,171</td>
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<tr>
<td>RIDERS PER MILE</td>
<td>0.77</td>
<td>0.96</td>
<td>0.74</td>
<td>0.90</td>
<td>0.84</td>
<td>0.69</td>
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<tr>
<td>RIDERS PER HOUR</td>
<td>14.70</td>
<td>14.46</td>
<td>10.97</td>
<td>13.05</td>
<td>13.25</td>
<td>14.90</td>
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<tr>
<td>COST PER PASSENGER</td>
<td>$5.34</td>
<td>$6.04</td>
<td>$7.94</td>
<td>$6.64</td>
<td>$6.68</td>
<td>$5.95</td>
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<tr>
<td>SUBSIDY PER PASSENGER</td>
<td>$5.58</td>
<td>$5.36</td>
<td>$6.92</td>
<td>$5.78</td>
<td>$5.86</td>
<td>$4.60</td>
</tr>
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G:\OWP 2018-2019\SCT\Financial Administration\Financial Monitoring\Financial Statements & Mgmt Reports\SCT monthly financial summary by route 1819 with APC

12/21/2018 10:44 AM
# SOUTH COUNTY TRANSIT
## OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS
### YEAR TO DATE THRU NOVEMBER 2018

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<thead>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>FARES</strong></td>
<td>$2,121</td>
<td>$1,622</td>
<td>$1,898</td>
<td>$1,510</td>
<td>$2,273</td>
<td>$2,468</td>
<td>$11,892</td>
<td>$62,113</td>
<td>$69,048</td>
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<tr>
<td><strong>TOTAL ROUTE REVENUES</strong></td>
<td>$2,121</td>
<td>$1,622</td>
<td>$1,898</td>
<td>$1,510</td>
<td>$2,273</td>
<td>$2,468</td>
<td>$11,892</td>
<td>$62,113</td>
<td>$69,048</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>ADMINISTRATION</strong></td>
<td>$1,463</td>
<td>$1,393</td>
<td>$1,478</td>
<td>$1,390</td>
<td>$1,505</td>
<td>$1,404</td>
<td>$8,633</td>
<td>$43,443</td>
<td>$45,782</td>
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<td>$10,943</td>
<td>$10,327</td>
<td>$11,138</td>
<td>$10,432</td>
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<td>$340,262</td>
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<td>$2,364</td>
<td>$2,274</td>
<td>$15,065</td>
<td>$73,754</td>
<td>$79,648</td>
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<tr>
<td><strong>INSURANCE</strong></td>
<td>$2,592</td>
<td>$2,505</td>
<td>$2,006</td>
<td>$1,919</td>
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<td>$1,965</td>
<td>$13,034</td>
<td>$63,707</td>
<td>$68,587</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
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<td>$17,454</td>
<td>$17,071</td>
<td>$16,156</td>
<td>$17,391</td>
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SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
SEPTEMBER 5, 2018  
STAFF REPORT

AGENDA ITEM: A-2

TOPIC: Drug & Alcohol Testing Program Update

ACTION: Adopt Updated Policies

PRESENTED BY: Geoff Straw, Executive Director

STAFF RECOMMENDATION: Accept Draft and Provide Comment

BACKGROUND/DISCUSSION:

As required under U.S. Department of Transportation regulations, each recipient of FTA funds must adopt a compliant Drug and Alcohol Testing policy. The last update to the Drug and Alcohol Testing Policy was in 2009.

The U.S. DOT recently amended its regulations, and the attached Safety-Sensitive Employee Drug and Alcohol Policy meets the new requirements. Covered employees include everyone who operates a revenue vehicle or a non-revenue vehicle that requires a Commercial Driver’s License, and those employees who control/dispatch a revenue vehicle. Covered employees also include those who maintain revenue service vehicles or equipment. In short, our Bus Operators, Supervisors, Technicians, Utility Workers, and Trainers are subject to this policy.

Also attached is a Non-DOT Drug and Alcohol Policy and Testing Provisions Policy that ensures a drug- and alcohol-free workplace by requiring non safety-sensitive employees to comply with the policy. This policy covers all employees who are not subject to the Safety-Sensitive Employee Drug and Alcohol Policy; South County Transit does not currently have any employees that would be subject to the Non-DOT Drug and Alcohol Policy and Testing Provisions Policy.

Staff Recommendation

Accept the attached Draft Safety-Sensitive Employee Drug and Alcohol Policy and the Non-DOT Drug and Alcohol Policy and Testing Provisions Policy and provide comment. Bring back to the Board for adoption in April 2019.
South County Transit

Safety-Sensitive Employee Drug and Alcohol Policy

Effective as of xx/xx/xx
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1. Purpose of Policy

South County Transit (SoCo Transit) provides public transit services for the residents of Southern San Luis Obispo County. Part of SoCo Transit’s mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees and the public.

This policy complies with 49 CFR Part 655, as amended and 49 CFR Part 40, as amended, for safety-sensitive employees at SoCo Transit. Copies of Parts 655 and 40 are available in the RTA Operations Manager’s office and can be found on the internet at the Federal Transit Administration (FTA) Drug and Alcohol Program website http://transit-safety.fta.dot.gov/DrugAndAlcohol/.

All covered employees are required to submit to drug and alcohol tests as a condition of employment in accordance with 49 CFR Part 655.

Portions of this policy are not FTA-mandated, but reflect the SoCo Transit’s policy. These additional provisions are identified by underlined text.

In addition, the DOT has published 49 CFR Part 32, implementing the Drug-Free Workplace Act of 1988, which requires the establishment of drug-free workplace policies and the reporting of certain drug-related offenses to the FTA.

All SoCo Transit employees – whether safety-sensitive or not – are subject to the provisions of the Drug-Free Workplace Act of 1988.

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplaces. An employee who is convicted of any criminal drug statute for a violation occurring in the workplace shall notify the Operations Manager no later than five days after such conviction.

2. Covered Employees

This policy applies to every person, including an applicant or transferee, who performs or will perform a “safety-sensitive function” as defined in Part 655, section 655.4.

You are a covered employee if you perform any of the following:

- Operating a revenue service vehicle, in or out of revenue service
- Operating a non-revenue vehicle requiring a commercial driver’s license
- Controlling movement or dispatch of a revenue service vehicle
- Maintaining (including repairs, overhaul and rebuilding) of a revenue service vehicle or equipment used in revenue service
A volunteer is a covered employee if:

- The volunteer is required to have a commercial driver’s license to operate the vehicle, or
- The volunteer performs a safety-sensitive function and receives remuneration in excess of his or her actual expenses incurred.

See Addendum A for a list of covered positions by job title.

3. Prohibited Behavior

Use of illegal drugs is prohibited at all times. All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body at or above the minimum thresholds defined in Part 40. Prohibited drugs include:

- marijuana
- cocaine
- phencyclidine (PCP)
- opioids
- amphetamines

All covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater.

All covered employees are prohibited from consuming alcohol while performing safety-sensitive job functions, or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. If the on-call employee claims the ability to perform his or her safety-sensitive function, he or she must take an alcohol test with a result of less than 0.02 prior to performance.

All covered employees are prohibited from consuming alcohol within four (4) hours prior to the performance of safety-sensitive job functions.

All covered employees are prohibited from consuming alcohol for eight (8) hours following involvement in an accident or until he or she submits to the post-accident drug and alcohol test, whichever occurs first.

4. Consequences for Violations

4.1 FTA Consequences

Following a positive drug or alcohol (BAC at or above 0.04) test result or test refusal, the employee will be immediately removed from safety-sensitive duty and referred to a Substance Abuse Professional.
Following a BAC of 0.02 or greater, but less than 0.04, the employee will be immediately removed from safety-sensitive duties for at least eight hours or the duration of the workday, whichever is longer, unless a retest results in the employee’s alcohol concentration being less than 0.02.

4.2 SoCo Transit Consequences

Positive Alcohol Test Results:
Under SoCo Transit’s sole authority, when a covered employee receives a confirmatory alcohol test result within the prohibited timeframes, the following disciplinary action will occur:

- A confirmed BAC of 0.04 or greater: Termination

The employee will not be permitted to return to service or resume their duties and will be referred to the SAP. The employee will not be permitted to drive their own vehicle, and an alternate means of transportation will be utilized.

- A confirmed BAC of 0.02 or greater but less than 0.04:

If after the initial test confirming a BAC between .02 and .039, the confirmation test after the fifteen-minute wait period is still between .02 and .039, the employee is terminated. If the confirmation test is under .02, the employee will be immediately removed from his/her safety-sensitive duties and placed on paid administrative leave. The employee will remain off duty until their next scheduled duty period, but not less than 8 hours following the administration of the test.

Positive Prohibited Drug Test Results:
Under SoCo Transit’s sole authority, all covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body above the minimum thresholds defined in CFR 49 Part 40.

Under SoCo Transit’s sole authority, following a positive drug test result or refusal to test, the following disciplinary action will occur for covered employees:

- Job Applicants (applying for covered positions only): Not Hired

- Employee: Termination

When positive drug results are received from the Medical Review Officer (MRO), the Designated Employer Representative (DER) or Drug and Alcohol Program Manager (DAPM) in his/her absence will immediately notify the Executive Director, Deputy Director, Operations Manager, Maintenance Manager, and Marketing Manager. The employee will not be permitted to return to service or resume their duties and will be referred to the SAP.
Commercial Driver’s License Suspension Due To a DUI Conviction:

Under the sole authority of SoCo Transit, if a covered employee’s commercial driver’s license (CDL) is suspended for more than 30 days due to a DWI/DUI, whether stemming from the operation of a SoCo Transit vehicle or a privately owned vehicle the following disciplinary action will occur:

- **Employee: Termination**

Zero Tolerance

Per the SoCo Transit policy, any employee who tests positive for drugs or alcohol (BAC at or above 0.04) or refuses to test will be referred to a Substance Abuse Professional (SAP) and terminated from employment.

5. Circumstances for Testing

All covered employees under SoCo Transit authority may be subject to testing for reasonable suspicion, post-accident, random, or return to duty/follow-up using non-DOT testing forms.

5.1 Pre-Employment Testing

A negative pre-employment drug test result is required before an employee can first perform safety-sensitive functions. If a pre-employment test is cancelled, the individual will be required to undergo another test and successfully pass with a verified negative result before performing safety-sensitive functions.

If a covered employee has not performed a safety-sensitive function for 90 or more consecutive calendar days, and has not been in the random testing pool during that time, the employee must take and pass a pre-employment test before he or she can return to a safety-sensitive function.

A covered employee or applicant who has previously failed or refused a DOT pre-employment drug and/or alcohol test must provide proof of having successfully completed a referral, evaluation, and treatment plan meeting DOT requirements. Under SoCo Transit authority, failure of a pre-employment drug and/or alcohol test will disqualify an applicant for employment for a period of at least two years.

5.2 Reasonable Suspicion Testing

All covered employees shall be subject to a drug and/or alcohol test when SoCo Transit has reasonable suspicion to believe that the covered employee has used a prohibited drug and/or engaged in alcohol misuse. A reasonable suspicion referral for testing will be made by a trained supervisor or other trained company official based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the covered employee.
Covered employees may be subject to reasonable suspicion drug testing any time while on duty. Covered employees may be subject to reasonable suspicion alcohol testing while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. Under SoCo Transit’s authority, an alcohol or drug test can be performed any time a covered employee is on duty. In addition to the definition of reasonable suspicion described in paragraph one of this section, an alcohol and/or drug test can be administered if SoCo Transit receives a formal report from a reliable source of an employee’s drug use or alcohol misuse, or the employee exhibits a pattern of poor judgement indicative of drug use or alcohol misuse. Anonymous reports alone shall not be considered a reliable source for the purposes of tests performed outside the definition of reasonable suspicion in paragraph one of this section. All tests performed outside of the definition of paragraph one of this section will be conducted using non-DOT drug and alcohol testing forms.

SoCo Transit requires that a covered employee who is required to submit to a reasonable suspicion controlled substance and/or alcohol test of this policy not be assigned to operate any SoCo Transit vehicle and/or perform safety-sensitive functions pending the outcome of such test. SoCo Transit’s policy is that such employee will be placed on paid administrative leave pending the results of the drug and/or alcohol testing.

5.3 Post-Accident Testing
Covered employees shall be subject to post-accident drug and alcohol testing under the following circumstances:

**Fatal Accidents**
As soon as practicable following a collision that results in the loss of a human life, drug and alcohol tests will be conducted on each surviving covered employee operating the public transportation vehicle at the time of the collision. In addition, any other covered employee whose performance could have contributed to the collision, as determined by SoCo Transit using the best information available at the time of the decision, will be tested.

**Non-fatal Accidents**
As soon as practicable following a collision or passenger injury not involving the loss of a human life, drug and alcohol tests will be conducted on each covered employee operating the public transportation vehicle at the time of the accident if at least one of the following conditions is met:

a. The collision or passenger injury that results in injuries requiring immediate medical treatment away from the scene, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.

b. One or more vehicles incurs disabling damage and must be towed away from the scene, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.
c. The vehicle is a rail car, trolley car or bus, or vessel, and is removed from operation, unless the covered employee can be completely discounted as a contributing factor to the collision or passenger injury.

In addition, any other covered employee whose performance could have contributed to the collision or passenger injury, as determined by SoCo Transit using the best information available at the time of the decision, will be tested.

A covered employee subject to post-accident testing must remain readily available, or it is considered a refusal to test. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following a collision or to prohibit a covered employee from leaving the scene of a collision for the period necessary to obtain assistance in responding to the collision or to obtain necessary emergency medical care.

5.4 Random Testing
Random drug and alcohol tests are unannounced and unpredictable, and the dates for administering random tests are spread reasonably throughout the calendar year. Random testing will be conducted at all times of the day when safety-sensitive functions are performed.

Testing rates will meet or exceed the minimum annual percentage rate set each year by the FTA administrator. The current year testing rates can be viewed online at www.transportation.gov/odapc/random-testing-rates.

The selection of employees for random drug and alcohol testing will be made by a scientifically valid method, such as a random number table or a computer-based random number generator. Under the selection process used, each covered employee will have an equal chance of being tested each time selections are made.

A covered employee may only be randomly tested for alcohol misuse while the employee is performing safety-sensitive functions, just before the employee is to perform safety-sensitive functions, or just after the employee has ceased performing such functions. A covered employee may be randomly tested for prohibited drug use anytime while on duty.

Each covered employee who is notified of selection for random drug or random alcohol testing must immediately proceed to the designated testing site.

Random Testing – End of Shift: Random testing may occur anytime an employee is on duty so long as the employee is notified prior to the end of the shift. Employees who provide advance, verifiable notice of scheduled medical or childcare commitments will be random drug tested no later than three hours before the end of their shift and random alcohol tested no later than 30 minutes before the end of their shift. Verifiable documentation of a previously scheduled medical or childcare commitment, for the period immediately following an employee’s shift, must be provided four hours before the end of the shift.
6. Testing Procedures

All FTA drug and alcohol testing will be conducted in accordance with 49 CFR Part 40, as amended.

6.1 Dilute Urine Specimen

If there is a negative dilute test result, SoCo Transit will conduct one additional retest. The result of the second test will be the test of record.

Dilute negative results with a creatinine level greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL require an immediate recollection under direct observation (see 49 CFR Part 40, section 40.67).

6.2 Split Specimen Test

In the event of a verified positive test result, or a verified adulterated or substituted result, the employee, at his or her own expense, can request that the split specimen be tested at a second laboratory. SoCo Transit guarantees that the split specimen test will be conducted in a timely fashion.

7. Test Refusals

As a covered employee, you have refused to test if you:

a. Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by SoCo Transit.
b. Fail to remain at the testing site until the testing process is complete. An employee who leaves the testing site before the testing process commences for a pre-employment test has not refused to test.
c. Fail to attempt to provide a breath or urine specimen. An employee who does not provide a urine or breath specimen because he or she has left the testing site before the testing process commenced for a pre-employment test has not refused to test.
d. In the case of a directly-observed or monitored urine drug collection, fail to permit monitoring or observation of your provision of a specimen.
e. Fail to provide a sufficient quantity of urine or breath without a valid medical explanation.
f. Fail or decline to take a second test as directed by the collector or SoCo Transit for drug testing.
g. Fail to undergo a medical evaluation as required by the MRO or SoCo Transit's DER.
h. Fail to cooperate with any part of the testing process.
i. Fail to follow an observer's instructions to raise and lower clothing and turn around during a directly-observed test.
j. Possess or wear a prosthetic or other device used to tamper with the collection process.
k. Admit to the adulteration or substitution of a specimen to the collector or MRO.
l. Refuse to sign the certification at Step 2 of the Alcohol Testing Form (ATF).
m. Fail to remain readily available following an accident.

As a covered employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

As a covered employee, if you refuse to take a drug and/or alcohol test, you incur the same consequences as testing positive: you will be immediately removed from performing safety-sensitive functions, referred to a SAP, and terminated. Under SoCo Transit’s authority, refusal to submit to a Federal drug or alcohol test or refusal to submit to a non-federal drug or alcohol test shall be considered a positive test result and a direct act of insubordination, and shall result in termination of employment and a referral to a substance abuse counselor.

8. Voluntary Self-Referral

Any covered employee who has a drug and/or alcohol abuse problem and has not been selected for reasonable suspicion, random or post-accident testing or has not refused a drug or alcohol test may voluntarily refer herself or himself to the DAPM or DER listed in Addendum B, who will refer the individual to a substance abuse counselor for evaluation and treatment.

The substance abuse counselor will evaluate the employee and make a specific recommendation regarding the appropriate treatment. Employees are encouraged to voluntarily seek professional substance abuse assistance before any substance use or dependence affects job performance.

Any safety-sensitive employee who admits to a drug and/or alcohol problem will immediately be removed from his/her safety-sensitive function and will not be allowed to perform such function until successful completion of a prescribed rehabilitation program. To qualify for this confidential program, the employee must agree to the following, which shall be placed in writing and signed by all parties involved:

a. Agreement to enter into and successfully complete a drug treatment program prescribed by an Employee Assistance Program (EAP) Counselor or employer approved counseling professional.

b. Comply with all directions given by the EAP Counselor, or employer approved counseling professional, including, but not limited to, attendance at all required meetings.

c. Sign a limited authorization for release of information that enables the EAP Counselor, or employer approved counseling professional, to report the employee’s progress and any violations of this agreement to a designated SoCo Transit representative.

d. Successfully pass a non-DOT drug and alcohol screen prior to returning to work.

e. Comply with follow-up testing requirements including unannounced drug and/or alcohol testing following their return-to-duty test. The follow-up testing must be done for one to five years including a minimum of six test the first year.
9. Prescription Drug Use

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. Medical advice should be sought, as appropriate, while taking such medication and before performing safety-sensitive duties. All covered employees are required to inform their physician or medical professional that their job includes the operation and/or supervision of commercial vehicles and that they are subject to random drug testing under the FTA Drug and Alcohol Program. Using expired medications or illegal use of prescription medication will result in termination.

10. Contact Person

For questions about SoCo Transit’s anti-drug and alcohol misuse program, see Addendum B.
ADDENDUM A

Safety-Sensitive Covered Positions

The job descriptions of all SoCo Transit employees have been reviewed to identify those who perform safety-sensitive functions as a requirement of their positions. The job titles of each SoCo Transit position meeting the FTA criteria of a covered employee, and a numeric code identifying the primary type of safety-sensitive function required to be performed by the employee, are listed below:

- Operates a revenue service vehicle whether in or out of service: 001
- Maintains a revenue service vehicle or maintains equipment used in revenue service: 002
- Controls dispatch or movement of a revenue service vehicle: 003

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<tr>
<td>Utility Worker</td>
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<tr>
<td>Operations Supervisor</td>
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<td>Lead Operations Supervisor</td>
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Addendum B

Program Contacts

Drug and Alcohol Program Manager (DAPM):
   Operations Manager
   805-781-4467

Designated Employer Representatives (DER):
   Tanya Ramirez, Operations Supervisor
   tramirez@slorta.org
   805-781-1274

   ***, Human Resources Officer
   ***@slorta.org
   805-781-1292
Addendum C

Service Vendors

A. Collection Sites

Family & Industrial Medical Center
47 Santa Rosa St.
San Luis Obispo, CA 93405
P: 805-542-9891 F: 805-542-9952

MedPost Urgent Care
500 1st Street
Paso Robles, CA 93446
Phone: (805) 226-4222

Star Drug Testing
1223 Higuera, Ste. 102
San Luis Obispo, CA 93401
805-782-0903

After Hours:
Star Drug Testing
Pete Dominguez
3850 Ramada Dr. Suite C-4
Paso Robles, CA 93446
Regular hours: 805-434-1477
After hours: 805-423-4311

B. Laboratories

Alere Toxicology Services, Inc.
Phone: (504) 934-8295 FAX: (504) 361-8298

MEDTOX Scientific, Inc. (Headquarters)
402 West County Road D
St. Paul, MN 55112
Phone: (800) 832-3244, FAX (651) 636-7466

C. Medical Review Officers

Brian Heinen, Sr., M.D.
151 Leon St.
Eunice, LA 70535
Phone: (337) 457-0493

D. Substance Abuse Professionals

Beverly J. Ford, Ph.D.  Michael Roth, SAP
805-542-0100  559-907-3346
Addendum D

Drug Free Workplace Policy

SoCo Transit complies with the Drug Free Workplace Act of 1988 that requires recipients of Federal funds to certify that they provide drug-free workplaces for their employees.

- Each employee is required to notify SoCo Transit management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.

- SoCo Transit must notify the federal government of each violation within 10 days of notification of a conviction.

- SoCo Transit must impose sanctions on the employee within 30 days following notification of a conviction.

SoCo Transit intends to have a workplace that is 100% free from drug or alcohol abuse. Employees are prohibited from engaging in unlawfully manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Employees are subject to termination of employment for any of the acts described in this section.

The passage of Proposition 64 legalized the recreational use of marijuana in the state of California. Proposition 64 also expressly recognizes the right of employers to maintain drug-free workplaces and to prohibit the use of illegal drugs by their employees. Under Federal law, marijuana remains classified as a Schedule I drug, a controlled substance with the high potential for abuse, and is therefore illegal to possess or use. SoCo Transit is a recipient of funding from the FTA, an agency of the U.S. Department of Transportation, and as such SoCo Transit is required to follow rule 49 CFR Part 655 (Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations) and rule 49 CFR Part 40 (Procedures for Transportation Workplace Drug and Alcohol Testing Programs). SoCo Transit complies with the Federal Drug Free Workplace Act of 1988 and Omnibus Transportation Employees Testing Act of 1991. SoCo Transit will continue to enforce this Drug and Alcohol Policy and will remain a Drug Free Workplace. All policies concerning marijuana remain in force, and any employee who has a positive drug test for marijuana, regardless of proposition 64, will constitute violation of SoCo Transit policies and will be subject to termination of employment.
Addendum E

Employee Acknowledgement

By signing this acknowledgement, you accept the receipt of SoCo Transit Drug and Alcohol Policy for safety-sensitive positions, which also includes the Drug Free Workplace Policy. Further, you agree to read and follow the policy as a condition of employment. Any questions that you have about this policy can be answered by persons on the contact list in Addendum B.

___________________________  ________________
Print Name                     Signature     Date

* SoCo Transit Supervisor, detach signed Addendum E and place in employees’ personnel file.
SOUTH COUNTY TRANSIT
NON-DOT DRUG AND ALCOHOL POLICY AND TESTING PROVISIONS POLICY

South County Transit (SoCo Transit) recognizes that the abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee’s co-workers, and the general public. SoCo Transit also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. SoCo Transit has, therefore, adopted this drug and alcohol testing policy for all employees who are not covered by U.S. Department of Transportation (DOT) regulations. Employees covered under DOT regulations are covered by a separate Safety-Sensitive Employee Drug and Alcohol Policy.

Nothing in this Non-DOT Drug and Alcohol Policy and Testing Provisions Policy is intended, nor should it be construed by the employee, to alter the employment relationship between SoCo Transit and its employees. Either SoCo Transit or the Non-DOT employee may terminate the employment relationship with or without cause, and with or without notice, at any time. SoCo Transit also reserves the right to modify or terminate the provisions of this testing policy at any time, with or without prior notice.

I. DEFINITIONS

The following terms, when used in the Non-DOT Drug and Alcohol Policy and Testing Provisions Policy, are defined as follows:


B. “Non-DOT Employee” – For purposes of this Non-DOT Drug and Alcohol Policy and Testing Provisions Policy only, employee is a person employed by SoCo Transit whose job does not require a commercial driver’s license and who is not subject to drug and alcohol testing under federal Department of Transportation regulations.

C. “Prospective employee” – A person who applies, whether orally or in writing, for employment with SoCo Transit for a job that does not require a commercial driver’s license and would not subject the prospective employee to drug and alcohol testing under federal DOT regulations.

D. “Reasonable suspicion drug and alcohol testing” – Testing based upon evidence that an employee is using or has used alcohol and/or drugs in violation of this policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. For purposes of this policy, facts and inferences may be based upon, but are not limited to, any of the following:

i. observable phenomena while at work such as direct observation of drug use or alcohol abuse or of the physical symptoms or manifestations of being impaired due to alcohol or drug use;

ii. abnormal conduct or erratic behavior while at work or a significant deterioration in work performance;

iii. a report of alcohol or drug use provided by a reliable and credible source;

iv. evidence that an individual has tampered with any alcohol or drug test during the individual’s employment with the current employer;

v. evidence that an employee has caused an incident or collision while at work which resulted in an injury to a person that, if suffered by an employee, a record or report could be required by CalOSHA, or resulted in damage to property, including to
equipment, in an amount reasonably estimated at the time of the accident to exceed one thousand ($1,000) dollars;

vi. evidence that an employee has manufactured, sold, distributed, solicited, possessed, used, or transferred drugs while working or while on the employer’s premises or while operating any of the employer’s vehicles, machinery, or equipment.

E. “Sample” – A sample from the human body capable of revealing the presence of alcohol and/or drugs or their metabolites. “Sample” does not include blood, except in circumstances where a blood test was administered by or at the direction of a person providing treatment to an employee involved in a workplace incident or collision. A blood sample cannot be administered at the request or suggestion of the employer.

F. “Legal drug” – A prescription medication prescribed for the employee consuming the medication, and being taken in the amount prescribed by the employee’s treating physician, and in accordance with the prescribed directions, or over-the-counter medication being taken and used for its intended purpose and in accordance with any applicable directions.

G. “Under the influence of alcohol” – Being under the influence of alcohol shall mean having an alcohol concentration level of .04 grams of alcohol, or greater, per two hundred ten liters of breath, or its equivalent.

II. PROHIBITED CONDUCT

SoCo Transit strictly prohibits the use, possession, consumption, sale, solicitation, transfer (or any attempt to sell, solicit, or transfer) of alcohol or any illegal or unauthorized drug including any “look alike” substance, or being under the influence of alcohol or any illegal or unauthorized drug, during work time, while conducting any type of business on SoCo Transit’s behalf, or while on SoCo Transit’s premises or property. Any employee engaging in such activity shall be subject to discipline up to and including the immediate termination of their employment with SoCo Transit pursuant to the terms of applicable state law.

An employee may use, possess, and be under the influence of a legal drug while on SoCo Transit’s premises or property or during working time provided the prescription or over-the-counter drug will not impair the employee’s work performance or present a safety risk to the employee, others or property. SoCo Transit reserves the right to take appropriate action (including relieving the employee from his/her work duties) if an employee’s use of legal drugs either impairs or is likely to impair the employee’s ability to perform his or her work assignments.

Failure to submit to any drug or alcohol testing under this policy including, but not necessarily limited to, an employee’s failure to report in a timely manner to a collection site, sign any required consent form or otherwise fully cooperate in the collection of any authorized sample, is strictly prohibited, and will result in termination.

Any action taken against an employee or prospective employee pursuant to this policy based on a drug or alcohol test will be based only on the results of that test or the employee’s refusal to submit to the test.
III. WHEN DRUG OR ALCOHOL TESTING MAY BE CONDUCTED

SoCo Transit reserves the right to conduct any form of drug or alcohol testing permitted under State and Federal law. The testing methods SoCo Transit uses to test employees for drug or alcohol use include, but are not necessarily limited to, the following methods:

A. Pre-Employment Drug Testing

Prospective employees, who are determined to be minimally qualified and who have passed at least the first round of applicant screening, or to whom a conditional offer of employment has been made, may be required to submit to pre-employment drug testing. If drug testing is required as part of the hiring process, prospective employees must obtain a negative test result to be considered qualified for employment with SoCo Transit. If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Amphetamines
- Marijuana
- Opioids
- Phencyclidine (PCP)

Prospective employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

A prospective employee who receives a confirmed positive drug test result will not be considered qualified for employment at SoCo Transit and will not be allowed to re-apply or be considered for a position with SoCo Transit or any of its affiliates for a period of two years. A prospective employee's refusal to submit to drug testing shall be viewed as a confirmed positive drug test. A prospective employee's negative dilute test will be deemed as a negative drug test. A past employee rehired within two years will not need to complete another pre-employment drug test.

B. Post-Incident/Collision Drug and Alcohol Testing

SoCo Transit may conduct drug and alcohol testing when investigating any incident in the work place, provided the incident results in an injury to any employee (including the employee causing the incident), or causes damage to property or equipment in an amount reasonably estimated at the time of the incident to exceed one thousand dollars ($1,000). For purposes of this policy, the term “injury” is an abnormal condition or disorder. Injuries include cases such as, but not limited to, a cut, fracture, sprain or amputation as noted by the Occupational Safety and Health Administration (OSHA) [29 CFR 1904.46].

A test result indicating an alcohol concentration level of greater than .04 grams of alcohol per two hundred ten liters of breath, or its equivalent, shall be considered a positive test result within the meaning of this policy. Any employee who refuses to submit to testing under this provision will be deemed to have received a confirmed positive drug test. Reasonable suspicion testing is defined in Section I(D) of this policy.
If drug testing is required, the testing shall screen for the presence of the following substances or similar substances:

- Cocaine
- Amphetamines
- Marijuana
- Opioids
- Phencyclidine (PCP)

Employees will be given an opportunity to provide any information which may be considered relevant to the test, including identifying prescription or non-prescription drugs currently or recently used, or other relevant medical information.

Alcohol breath tests shall be conducted pursuant to the requirements governing evidential breath testing devices, alcohol screening devices and the qualifications for personnel administering the initial confirmatory test consistent with regulations adopted as of January 1, 1999 by the United States Department of Transportation governing alcohol testing required to be conducted pursuant to the Federal Omnibus Transportation Employee Testing Act of 1993. If SoCo Transit elects to use a breath test for purposes of determining the presence of alcohol, it will not provide for a split specimen at the time the sample is collected and it will not be reviewed by the Medical Review Officer.

If the employee being tested holds a position involving duties which could subject the employee, others, or property to injury or damage, the employee will be removed from his or her normal work duties and may be placed in a job (if available) that will not subject the employee, others, or property to injury or damage until the results of the reasonable suspicion drug test are received. If the employee’s reasonable suspicion drug test is confirmed positive in violation of this policy, the employee will be discharged immediately.

C. Reasonable Suspicion Drug and Alcohol Testing
Any employee for whom a reasonable suspicion exists that the employee is under the influence of alcohol or an illegal or unauthorized substance will be subject to alcohol or drug testing using the same testing procedures described in the Post-Incident/Collision Drug and Alcohol Testing section above.

D. Rehabilitation Testing
Pursuant only to Section VII of this Policy, SoCo Transit may conduct drug or alcohol testing of employees during, and after completion of, drug or alcohol rehabilitation.

IV. DISCIPLINARY ACTION

A. Positive Drug Test
Use of non-prescribed legal or illegal drugs on SoCo Transit time will result in termination from SoCo Transit.

B. Positive Alcohol Test
If a test of any employee results in an alcohol concentration of 0.04 or greater, the employee will be suspended for the remainder of his/her shift, and referred to an appropriate substance abuse counselor for assessment and enrollment in a treatment and rehabilitation program, and may be terminated.
Consumption of alcohol on SoCo Transit time will result in termination from SoCo Transit.

V. TREATMENT AND REHABILITATION PROGRAM

A. Employees referred to the treatment and rehabilitation program as a result of Medical Review Officer (MRO) verified positive drug test or breath test showing an alcohol concentration of 0.04 or greater, must immediately cease any substance abuse, must be subject to testing before returning to duty, must subject themselves to periodic unannounced testing for a period of not to exceed sixty months with at least six periodic unannounced tests in the first 12 months following the return to duty, and must comply with all other conditions of the treatment and counseling program recommended by the substance abuse professional.

B. An employee required to take time off in order to participate in a rehabilitation program will be permitted to use accrued sick leave, vacation time, and/or unpaid leave as provided under the Family and Medical Leave Act.

C. Participation in or seeking substance abuse treatment and rehabilitation will not result in disciplinary action; other than those actions outlined in this policy, however, non-covered duties may be assigned at the discretion of the SoCo Transit Administrator until it is determined that the employee may return to duty. Successful completion of the prescribed treatment and rehabilitation program will be required for the employee to continue employment with SoCo Transit.

D. If an employee had a positive test for drugs or alcohol and is undergoing substance abuse treatment and counseling or has returned to duty upon successfully completing such treatment and rehabilitation, and a second test is verified by the MRO as positive, the employee will be terminated from SoCo Transit.

E. Any employee who refuses to report for assessment, evaluation, and/or referral for treatment with a substance abuse counselor will be terminated from SoCo Transit.

F. Any employee who, after assessment by a substance abuse counselor, is referred for rehabilitation and the employee refuses to enter or successfully complete such a rehabilitation program will be terminated by SoCo Transit.

G. Any employee who refuses to provide an adequate breath volume for alcohol testing or refuses to provide an adequate urine sample without a valid medical explanation after he/she received notice of the requirement to be tested, or who engages in conduct that clearly obstructs the testing procedure, will be terminated from SoCo Transit.

H. Employees who undergo substance abuse treatment and counseling under this policy and who continue to work must meet all established standards of conduct and job performance.

VI. EMPLOYEE ASSISTANCE PROGRAM

SoCo Transit maintains an employee assistance program to assist employees with personal or behavior problems. See Human Resources for additional resources available.

VII. CONFIDENTIALITY

SoCo Transit shall regard as confidential all communications it receives that pertain to the drug or alcohol test results of an employee or prospective employee, or any information SoCo Transit otherwise receives through its drug and alcohol testing program. SoCo Transit, however, reserves the right to disclose the results of a drug or alcohol test, or other related information, under the following circumstances:
A. In an administrative SoCo Transit or judicial proceeding under workers’ compensation laws, or unemployment compensation laws, or under common or statutory laws where any action taken by SoCo Transit based on a positive test result as defined by this policy is either relevant or challenged.

B. To any federal or other unit of the federal government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract.

C. To any state authorized to license individuals if the employee tested is licensed by that SoCo Transit and the rules of that SoCo Transit require such disclosure.

D. To a substance abuse evaluation or treatment facility or professional for the purpose of evaluation or treatment of the employee.

VIII. ACCESS TO RECORDS

Employees or prospective employees who are subject to a drug or alcohol test pursuant to this policy, and for whom a positive test result is obtained, shall be given access to any records relating to the employee’s drug or alcohol test, including records of the laboratory where the testing was conducted, and any records relating to the medical review officer selected by SoCo Transit to interpret the test result.

Notwithstanding the above, a prospective employee shall be entitled to records under this section only if the prospective employee requests the records within fifteen calendar days from the date SoCo Transit provides the prospective employee with written notice of his or her test result as required by state or federal law. SoCo Transit shall not release any records concerning a positive test result obtained by a prospective employee unless the records are requested within that fifteen-day period.

All requests for drug or alcohol testing records shall be made in writing and addressed to the attention of the RTA Human Resources Department.
NON-DOT ALCOHOL AND DRUG TESTING POLICY ACKNOWLEDGMENT

By my signature below, I acknowledge that I have received and understand that I must review the Non-DOT Drug and Alcohol Policy and Testing Provisions Policy and that I voluntarily agree to comply with this policy as a condition of employment or selection for employment. I understand that my compliance with this policy is a continuing condition of my employment.

All employees of SoCo Transit subject to the Non-DOT Drug and Alcohol Policy and Testing Provisions Policy are employed “at will.” “At will” Employees have the right to terminate their employment at any time for any reason and the San Luis Obispo Regional Transit Authority retains a similar right to terminate the employment relationship at any time with or without cause. All statements contained in this policy shall be interpreted consistent with this termination policy and no officer or employee has any authority to modify this statement in any way.

I recognize that either SoCo Transit or I may terminate the employment relationship at any time for any reason.

_____________________________________________
Print Name

_____________________________________________
Employee Signature

_____________________________________________
Date
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AGENDA ITEM: A-3

TOPIC: Draft South County Transit Employee Handbook

ACTION: Receive

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Receive

BACKGROUND/DISCUSSION:

The previous South County Area Transit Employee Handbook adopted in <<DATE>>, with various policy and procedure revisions having been issued in the intervening years. The RTA underwent an extensive process to revise its employee handbook after working with our cohorts at other transit agencies, Teamsters Local 986, and the RTA jurisdictions to update our documents into a consolidated new draft Employee Handbook. The RTA provided the draft to each of the City Managers along with County Human Resources for review and comment, and the RTA Employee Handbook was adopted by the RTA Board on July 11, 2018.

Now that the RTA’s process has been completed, staff is recommending a revised South County Transit Employee Handbook be reviewed by the SoCo Transit jurisdictions. Staff is providing this as an information item today, with feedback and revisions planned for consideration at the April 24, 2019 SoCo Transit Board meeting.

Due to the large file size, the document has been also made available online under Agency Reports at http://www.slorta.org/about-rta/agency-reports/. Paper copies can also be requested by calling the RTA Administrative Office at 805-781-4833.

Staff Recommendation
Receive the draft Employee Handbook, and request feedback and revisions be provided to the South County Transit Board for consideration for adoption in April 2019.
Welcome Aboard!

Whether you have just joined our staff or have been at South County Transit (SoCo Transit) for a while, we are confident that you will find our company a dynamic and rewarding place in which to work. We consider the employees of SoCo Transit to be one of our most valuable resources, and we look forward to a productive and successful relationship. This Handbook has been written to serve as the guide for the employer/employee relationship.

The Handbook begins with a summary of SoCo Transit’s Strategic Business Plan, which includes our Vision, Mission Statement and Goals. We have selected you to be part of the SoCo Transit Team primarily because of your skills, knowledge and abilities that you have demonstrated to us when we were considering you for a position at SoCo Transit. You are also part of the SoCo Team because we believe that you can substantially contribute to our mission of providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

It is great to have you a part of our team!

Sincerely,

Geoff Straw
Administrator
SOUTH COUNTY TRANSIT
VISION, MISSION, STRATEGIC DIRECTION & GOALS

VISION
The SoCo Transit of the future will help meet residents’ and visitor’s diverse transportation needs in the Five Cities Area.

Vision Elements
- Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
- Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
- Secure reliable funding.
- Implement an Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
- Develop a well-executed image-building campaign with a single face for public transportation.

MISSION
South County Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Areas.

STRATEGIC DIRECTION
- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled (VMT).
- Improve SoCo Transit’s farebox recovery ratio to avoid Transportation Development Act (TDA) penalties
- Embrace technological improvements that will positively impact efficiency and quality of service.
**SOUTH COUNTY TRANSIT VALUES**

**Commitment to Serve**

Provide valuable services to the public and direct our energies in strengthening our relationships with our customers and the community while maintaining responsible ethical fiscal management.

**Leadership**

Be trustworthy, credible, confident, progressive and influential in all we do.

**Teamwork**

Work together with trust, support and mutual cooperation and respect. Provide an environment that fosters frank and open communication. Have fun in our daily activities and keep issues in perspective. Have pride in our accomplishments while taking on our challenges with spirit and vigor.

**Integrity**

Promote honesty, loyalty, dignity, respect, decency, fairness, courtesy, responsibility, and character.

**Human Development**

Provide the appropriate resources and environment for employees to be successful, motivate individuals to take initiative and to be creative in all of our efforts.
SOUTH COUNTY TRANSIT
EMPLOYEE POLICIES AND PROCEDURES HANDBOOK

Article 1 Introduction
Article 2 Employment
Article 3 Compensation and Benefits
Article 4 Equal Opportunity / Discrimination and Harassment Prevention
Article 5 Recruitment and Selection
Article 6 Performance Evaluation
Article 7 Disciplinary Actions

Appendix A: SoCo Transit Job Classifications (provided electronically at www.slorta.org)
ARTICLE 1
INTRODUCTION

Section 1.1 Employee Policies & Procedures Handbook

The purpose of this handbook is to provide the South County Transit (SoCo Transit) staff with guidance on major aspects of SoCo Transit’s policies and procedures. It shall be the duty of all SoCo Transit employees to comply with and support the provisions of this Handbook, all laws and regulations, and any internal management memoranda as the SoCo Administrator shall issue.

This Handbook supersedes and replaces all previous personnel policies, practices, work rules and guidelines. SoCo Transit reserves full discretion to add to, modify, or delete provisions of this Handbook, or the policies and procedures on which they may be based, at any time, in accordance with the amendment procedure contained herein. In the event of any change to the policies set forth herein, all employees will receive notification from the SoCo Transit Administrator or designee detailing the changes made.

This Handbook has been reviewed and adopted by the SoCo Transit Board of Directors (the Board). If any part of these policies and procedures is deemed illegal, unenforceable, or void for any reason, it will not affect the validity of the remaining portion. As a condition of employment, each employee is required to review the policies and procedures and execute the acknowledgment of receipt at the end of the Handbook.

Section 1.2 Applicability

This Employee Handbook applies to all employees of SoCo Transit and its affiliates.

Section 1.3 Adopting Authority

The Employee Policies & Procedures contained herein have been adopted by the SoCo Transit Board of Directors <DATE> and any subsequent amendments.

Section 1.4 References to County Ordinance and Reliance on County Policies

SoCo Transit is an independent agency separate from the County of San Luis Obispo (the County) and is not subject to the County Civil Service ordinances. Nonetheless, in recognition of the SoCo Transit Board’s direction for consistency between many SoCo Transit and County employee policies, and a desire to minimize the length and level of detail in this document where possible, certain sections of the County’s ordinances are referred to herein and incorporated by reference when applicable. As referenced throughout the Handbook, the County Human Resources Department serves as the “third party contractor providing human resource services to SoCo Transit” and provides expertise on personnel matters as needed. Any
conflicts between the County’s ordinances and these Employee Policies and Procedures shall be construed in favor of the Policies and Procedures.

**Section 1.5 Role in San Luis Obispo County Emergency Response Plan**

Employees of SoCo Transit will participate in a supporting role as part of the San Luis Obispo County Nuclear Power Plant Emergency Response Plan as set forth in the Standard Operating Procedures for County Public Works and Transportation. In addition, employees of SoCo Transit will support the San Luis Obispo County Emergency Operations Plan transportation tasks.

**Section 1.6 Amendments to This Policy**

All amendments to the policies in this document shall be made only through the approval of the SoCo Transit Board. All amendments must be consistent with the requirements of applicable statutes. Immediate changes required by statute will be made by the Administrator and ratified at the next available SoCo Transit Board meeting. The SoCo Transit Administrator or designee also has the authority to issue day-to-day operational guidelines through Transportation, Maintenance and Administrative Bulletins, which are not required to be amended into the Handbook. Bulletins are distributed to SoCo Transit employees and posted at SoCo Transit operating facilities.
ARTICLE 2
EMPLOYMENT

Section 2.1. Employee Status

2.1.1 Definitions:

2.1.1.1 Regularly Scheduled: The employee status designations described below will be determined by averaging the number of weekly hours worked during the previous four (4) pay periods and will include an analysis of the average number of weekly hours SoCo Transit expects the employee to work over the ensuing four (4) pay periods.

2.1.1.2 Full-Time Employee: An employee who is regularly scheduled to work more than 35 hours per pay period week. SoCo Transit designated Full-Time employees are eligible for benefits as described in this Handbook.

2.1.1.3 Part-Time Employee: An employee who is regularly scheduled to work less than 30 hours per pay period week and who regularly works more than 20 hours over two consecutive pay periods.

2.1.1.4 Casual Employee: An employee who is not promised a regular schedule with regular hours each week.

2.1.2 Terms of Employment

There are two terms of Employment at SoCo Transit: At-will and Agreement.

2.1.2.1 At-will: SoCo Transit or the employee may terminate the employment relationship “at will” and there is no expressed or implied property right to a position with SoCo Transit. SoCo Transit retains the right to demote, discipline, change job duties, or alter the terms of employment, at any time, as provided herein. No one other than the SoCo Transit Board has the authority to alter this arrangement, to enter into a verbal or written agreement for employment for a specified period of time, or to make any agreement contrary to this policy. Any such agreement must be in writing and approved by the SoCo Transit Board.

There may be times when the business needs or interests of SoCo Transit or its Member Jurisdictions become inconsistent with your experience, skills, talents, abilities, or desires. There may also be situations in which efforts to train, support, or encourage you to become more successful in the workplace are unsuccessful. In such circumstances, particularly when your continued employment may have a negative impact on co-workers, SoCo Transit, or the public, SoCo Transit retains the right to terminate your employment, with or without “cause” and with or without notice, depending on the facts and circumstances of a given situation.
At‐will status means that an employee may be terminated for any lawful reason, even if it doesn’t rise to the level of “cause,” which is misconduct or a willful violation of workplace standards of behavior. For example, an at‐will employee may be terminated for performance‐based reasons after provided with direction and an opportunity to improve, even if the performance deficiency does not constitute misconduct.

This policy may not be modified by the conduct of any employee or agent of SoCo Transit or by any verbal representation of any manager. No employee other than the Board or Administrator can modify this policy in any manner or enter into any agreement that is contrary to this policy unless it is in writing and signed by the Administrator and subsequently reported to the SoCo Transit Board at its next regularly‐scheduled meeting.

2.1.2.2 Collective Bargaining Agreement (CBA): an agreement between SoCo Transit and a trade union setting forth the terms and conditions of employment or containing provisions in regard to rates of pay, hours of work and other working conditions.

2.1.3 Resignations

Employees who choose to leave our employment are asked to give as much notice as possible.

Terminating employees will be asked to participate in an exit interview. The purpose of the interview is to be certain the reasons for the employee’s termination are not founded on a misunderstanding or erroneous situation and also assist in helping increase SoCo Transit’s retention efforts by identifying reasons employees are voluntarily separating. The interview will also cover what compensation the employee will be paid upon separation and when termination of benefits will occur.

Employees are expected to turn in all property assigned to them at the time of separation.

2.1.3.1 Return of Property: SoCo Transit may loan you property, materials or written information to help you do your job. You are responsible for protecting and controlling any property we loan you. You must also return any property given to you promptly upon request. If you terminate your employment at SoCo Transit, you must return all organization property at the time of separation.

The following are items that may be issued to you (not all employees will receive each and every item):

- Badges
- Keys
- Cell Phones
- Protective Equipment
- Security Passwords
- Tools
- Uniforms
- Credit Card(s)
If you do not return our property and if the law allows, we may take money from your regular or final paycheck to cover the current replacement cost of all unreturned or damaged property. We may also take legal action to secure SoCo property.

2.1.4 Re-employment Policy

Employees who left our employment in good standing will be considered for open positions along with other applicants.

Section 2.2 Immigration Control and Enforcement Policy

Our policy to fully comply with the regulations of the Immigration Reform and Control Act of 1986 (as amended) enforced by the Department of Homeland Security. We will hire only American citizens and non-citizens who are authorized to work in the United States. The law requires SoCo Transit to do five things:

1. All new employees must complete Section 1 of the I-9 form within three business days of hire.
2. Check documents establishing employees’ identity and eligibility to work.
3. The authorized SoCo Transit employee examining the documents must complete Section 2 of the I-9 Form and the Certification Section.
4. Retain the form for at least three years or until one year after the person leaves our employment.
5. Present the form for inspection to the Department of Homeland Security or Department of Labor officer upon request.

If an employee is hired for less than three days, Form I-9 still must be completed before the end of the employee’s first working day. The I-9 Form contains instructions for completion. The employee assigned to this task must follow those instructions completely. I-9 Forms are to be kept separate from all other personnel records.
Section 2.3  Management Authority

2.3.1 Introduction

The SoCo Transit Administrator is appointed by the SoCo Transit Board and is responsible for administration of and adherence to the personnel system, and may delegate any such powers and duties to any other officer or employee. The SoCo Transit Administrator, or designee, shall have the authority to appoint, promote, transfer, discipline and terminate any employee of SoCo Transit in accordance with the procedures set forth herein. SoCo Transit, acting by and through the SoCo Transit Administrator, reserves to itself the exclusive authority to: determine the administrative goals and objectives of the agency; set standards of performance; determine the procedures and standards of selection for employment and promotion; direct employees; take disciplinary action; lay off employees due to lack of work, funding, or other legitimate reasons; maintain the efficiency of SoCo Transit’s activities; determine the methods, means, and personnel by which SoCo Transit’s activities are to be conducted; determine the content of position classifications; and exercise control and discretion over the organization and the equipment and technology required to perform its goals and objectives. The SoCo Transit Administrator may report to the Board or the Executive Committee of the Board on the status of personnel issues and relations within SoCo Transit.

2.3.2 Change in Employment Assignments (refer to CBA for those covered)

SoCo Transit reserves the right to change the job assignment of any employee within their current job classification at any time.

2.3.3 Hiring Powers

The SoCo Transit Administrator and any other positions designated by the Board are hired by, and serve at the pleasure of, the Board pursuant to Contracts for Employment. All other employees of SoCo Transit are hired by the SoCo Transit Administrator and are subject to the policies and procedures contained in this Handbook, as well as all other SoCo Transit policies, rules, practices and procedures.

2.3.4 Reduction in Work Force (Layoff) (reference the CBA for those covered)

Whenever, in the judgment of the SoCo Transit Administrator and/or the SoCo Transit Board, it becomes necessary to reduce the number of positions, the Board may abolish a position or positions, and if necessary reduce personnel by laying off employees.

Determination of which classifications to reduce shall be at the sole discretion of the SoCo Transit Board or in accordance with contract agreements.
2.3.4.1 Determination of which employees to lay off shall be at the sole discretion of the SoCo Transit Administrator, based first on financial, organizational and programmatic needs.

2.3.4.2 Written Notice: Written notice of layoff shall be served on affected employees in person or by certified letter mailed to the last address on file with SoCo Transit. Notice will be served or mailed at least thirty (30) calendar days prior to the effective date of the separation. Notice shall be deemed served upon personal service or, in the case of certified mail, upon mailing.

Section 2.4 Medical Qualification

2.4.1 Medical Standards Policy

Employees shall meet the medical standards of the position to which they are appointed and are required to perform the essential functions of their position with or without reasonable accommodation. Application and interpretation of this article shall be subject to the provisions of the Americans with Disabilities Act, California Fair Employment and Housing Act, and all other related statutes and regulations.

2.4.2 New Employee Medical Qualification

After receiving a conditional offer of employment and prior to starting work, candidates who will control the movement of a SoCo Transit revenue vehicle shall be required to take and pass a qualifying medical examination as a condition of employment. Qualifying medical examinations shall be made at the expense of SoCo Transit.

2.4.3 Medical Standards

Minimum medical standards for each position shall be maintained in writing by Human Resources and kept updated for all job classifications. Positions within a classification may have additional standards, which may be identified at the time of a medical evaluation.

2.4.4 Current Employee Medical Examination

Employees whose position entails the movement or control of a SoCo Transit revenue vehicle will be required to maintain a valid Medical Examiner’s Certificate in order to remain in compliance with Commercial Drivers’ License and other requirements. This Certificate will be maintained at the SoCo Transit’s expense. If a first medical examination results in a medical disqualification, a current employee may request that a second qualifying medical examination be performed by a different medical examiner at their expense.

In addition, a current SoCo Transit employee may be required to submit to a medical examination when the SoCo Transit Administrator, or designee, reasonably believes that a medical or psychological condition is affecting an employee’s ability to perform the essential
functions of the job, when an employee is re-assigned or promoted to a position which has substantially different essential functions that warrant a determination of medical qualification, or upon return from a medical leave of absence. If upon return from a medical leave of absence, the employee will be on an administrative leave of absence until the initial exam and initial results are provided. Final determination regarding medical qualification shall rest with the SoCo Transit Administrator, or designee.

2.4.5 Medical Disqualification

2.4.5.1 Candidates for Employment: A candidate for employment who fails to meet the medical standards of the position applied for shall be disqualified and their name removed from the eligible list for the job. Human Resources shall notify the candidate in writing of the disqualification and such notification shall include a general statement describing the reason for disqualification.

2.4.5.2 Current Employees: A current employee who fails to meet the medical standards of their position as demonstrated during a periodic medical recertification shall be placed on an unpaid leave of absence to provide an opportunity to obtain a valid medical certificate. If the employee is unable to obtain a valid medical upon the end of the leave of absence, the SoCo Transit will conduct an Interactive Process to evaluate potential reasonable accommodations, if any.

If the findings from this fitness for duty examination demonstrate a failure to meet the medical standards of their position, the employee shall be placed on an unpaid leave of absence to provide an opportunity to obtain a valid fitness for duty certification. If the employee is unable to obtain a valid fitness for duty certification by the end of the leave of absence, the SoCo Transit will conduct an Interactive Process to evaluate potential reasonable accommodations, if any. An employee who refuses to participate in a fitness for duty examination will be disqualified and their employment terminated without fault.

Compliance with the Americans with Disabilities Act and the California Fair Employment & Housing Act shall be evaluated prior to any such termination decision. Employees who are terminated for medical disqualification shall be issued a Notice of Termination by Medical Disqualification, which shall be served upon the employee in-person, by certified mail, or by other means confirming delivery. Service of the order shall be deemed complete upon personal service or, in the case of certified mail, upon mailing.

2.4.6 Review of Medical Disqualification (refer to the CBA for those covered)

Candidates for employment who fail a qualifying medical examination and are disqualified for employment shall have no contractual rights to appeal the final determination. Current at-will
SoCo Transit employees who fail a qualifying medical examination and are terminated due to medical disqualification have no rights to appeal the final determination.

Section 2.5 Personnel Records

2.5.1 Official Personnel Records

The SoCo Transit Administrator, or his or her designee, shall be responsible for maintaining a paper or electronic official personnel file for each employee.

2.5.1.1 Content of Official Personnel File: The file shall include, but not be limited to the following information:

a. Original application materials.
b. Employment contracts, if applicable.
c. Information regarding change of Employee Status or Classification.
d. Performance Evaluations.
e. Payroll withholding authorizations.
f. W-4 form.
g. Disciplinary and other performance memoranda.
h. Letters of appreciation.
i. Copies of Licensure and Certificates required for employee’s position (Training File).
j. Academic or training certificates related to employee’s position (Training File).

2.5.1.2 Excluded Content: The following documents shall not be placed in an employee’s official personnel file:

a. I-9 Forms.
b. Any medical evaluation information, medical notes from a physician or documentation regarding an employee’s medical condition or fitness for duty.
c. Any medical information pertaining to leaves of absence, requested or approved.
d. Any documentation with EEO statistics or other protected status information.
e. Any documentation prohibited from an employee’s file by federal or state law.

2.5.2 Confidential Medical File

Medical information must not be placed in an employee’s official personnel file or training file. Human Resources shall maintain a confidential medical file for each employee that is kept
physically separate from the employee’s official personnel file and training file. The confidential medical file shall contain the following:

a. Family/Medical leave or pregnancy-disability leave request forms if the employee has disclosed the nature of his or her illness.
b. Return to work releases with any information regarding the employee’s condition, prognosis or prescribed medications or specific treatment regimens.
c. Workers’ compensation records.
d. Medical information about the employee related to reasonable accommodation under the Americans with Disabilities Act or Fair Employment and Housing Act.
e. Any documentation related to a fitness for duty examination or determination.
f. Any other medical information.

2.5.2.1 HIPAA and CMIA: SoCo Transit will follow the Health Insurance Portability and Accountability Act (HIPAA) and the California Confidentiality of Medical Information Act (CMIA) privacy and security provisions which apply to Protected Health Information (PHI) maintained by the organization.

2.5.3 Employee Review of Personnel File

Employees or their authorized representatives have the right to review the contents of their official personnel file by providing Human Resources with a written request. Human Resources will provide access to the file within five (5) work days at SoCo Transit Administrative office or other appropriate location. Employees or their representatives do not have the right to review the contents of the confidential medical file; SoCo Transit will produce confidential medical files sought through an administrative or judicial process and with the employee’s express authorization. SoCo Transit shall keep a record of inspections of employee records by persons other than SoCo Transit Administrator or his or her authorized designee. Such record shall include employee name, date, name and signature of person reviewing the employee file.

2.5.4 Personal Data Changes

It is important that SoCo Transit maintain certain personal information about its employees. Employees are responsible to inform Human Resources whenever there is a change in mailing address, telephone numbers, marital status, dependents’ information, educational accomplishments, and other possibly related information.

SoCo Transit also maintains information about who to contact in case of an emergency. If an employee needs to change personal information or has questions about what information is required, the employee should contact Human Resources.
2.5.5 Confidentiality of Employee Records

The confidentiality of employee records shall be maintained by designated SoCo Transit personnel. These records shall only be made available to individuals specifically authorized by this policy or by the SoCo Transit Administrator.

Personnel files are the property of SoCo Transit and may not be removed from SoCo Transit premises without written authorization from the SoCo Transit Administrator.

2.5.6 Employment References

It is the policy of SoCo Transit that professional or character references will not be given for current and former employees except by the SoCo Transit Administrator or his or her designee. Reference requests should be referred to and handled by Human Resources. Responses to requests will include dates of employment, title, classification and rate of pay (if accompanied by a signed authorization by the former or current employee to release such information) only.

Section 2.6 Work Regulations

2.6.1 Attendance/Punctuality Policy (reference the CBA for those covered)

We expect employees to be reliable and punctual. Employees should report for work on time and as scheduled. If an employee cannot report to work as scheduled, the employee must notify his or her immediate supervisor as soon as possible.

Unplanned absences can disrupt work, inconvenience other employees, and affect productivity. Employees who demonstrated poor attendance record or excessive tardiness may be subject to disciplinary action, up to and including termination of employment. Disciplinary action will begin with the fourth (4) counted unexcused absence or tardiness within a floating 180-day period. This policy will be interpreted and enforced consistently with the Federal Family & Medical Leave Act (FMLA), the California Family Rights Act (CFRA), the California Fair Employment and Housing Act and pregnancy disability leave provisions, for employees who use authorized intermittent leave.

2.6.2 Personal Telephone Calls (reference the CBA for those covered)

Personal telephone calls whether on SoCo Transit office phones or personal mobile phones are to be limited to essential matters and kept as brief as possible. Under no circumstances may an employee use a mobile phone or other personal electronic device while sitting in the driver’s seat of a moving vehicle or while a vehicle is stopped in the lane of travel. Continued excessive use of phones for personal matters is subject to disciplinary action.
2.6.3 Smoking and Use of Tobacco Products

SoCo Transit prohibits the use of tobacco products or the use of smokeless ("vaping") products in the workplace, including without limitation marijuana. Smoking is prohibited within the confines of any SoCo Transit office and prohibited within 25 feet of SoCo Transit buildings, bus stops or vehicles. Smoking will be permitted out of doors only in an area designated by the SoCo Transit Administrator or City Ordinances. Cigarettes or other smoking devices or materials are to be extinguished and properly disposed of prior to entering any SoCo Transit office or vehicle.

2.6.4 Dress and Grooming Standards

SoCo Transit considers the presentation of SoCo Transit’s image to its clients, customers and the public to be extremely important. Accordingly, it is expected that employees will wear apparel provided or approved by SoCo Transit while on-duty for those covered by the CBA and Operations Supervisors who will be interacting with the public. Each employee is expected to be neat and clean in appearance, with clean SoCo Transit apparel and good personal hygiene. Non-CBA covered employees are expected to be in business casual attire with name badges on while at work.

2.6.5 Employment of Relatives

SoCo Transit will require a cooperatively developed supervisory plan with the SoCo Transit Administrator or his or her designee for any employee promoted into a supervisory position that oversees a relative, or member of his or her household. SoCo Transit will not hire someone in a position where he or she is directly or indirectly supervised by a relative or member of his or her household. “Relatives” are defined as husband, wife, son or daughter (including in-laws and step children), father or mother (including in-laws and step parents), brother or sister (including in-laws and step siblings), grandchild or grandparents and persons related by marriage or domestic partnership.

2.6.6 Use of Technology, Networks and Internet Policy

Employees using SoCo Transit computing and information resources are expected to act in a responsible and professional manner by complying with all policies, relevant laws, and contractual agreements related to computers, SoCo Transit issued mobile devices, networks, software, computer information and data to which an employee has access. Employees shall comply with acceptable use technology-related policies adopted by SoCo Transit.

Internet access is provided to individuals based upon business needs that benefit the organization through connection to worldwide information resources. Wireless accessibility via personal devices (smartphones, tablets etc.) will not be provided to employees unless
authorized by the SoCo Transit Administrator. Employees have a responsibility to maintain and enhance SoCo Transit’s public image while accessing the Internet by following these guidelines:

a. Employees using Internet access via our hardware and software are representing the organization. As such, their conduct should be ethical and lawful at all times. Channels may be accessed for official organizational business to gain technical or analytical information and to establish business contacts.

b. Internet access should not be used for personal gain or advancement of personal views, for solicitation of non-SoCo Transit business, or result in the disruption of our organizational network operation or interfere with personal productivity at work.

c. Employees are responsible for the content of text, audio, or images they place or send over the Internet. Fraudulent, harassing, or obscene messages are prohibited. Messages transmitted for SoCo Transit business purposes on the Internet should be identified with the employee’s name. Employees may not obscure the origin of messages and the information published should not violate or infringe upon the rights of others. Abusive, profane or offensive language transmitted through the system is strictly prohibited.

d. Employees may not download software without the express acknowledgement and support of the Network Administrator to ensure that proper licenses are obtained and viruses are not transmitted.

e. Employees may not send or upload any copyrighted materials, trade secrets, proprietary information, or similar materials to third parties. Employees may not violate the copyright laws in regard to receipt/download of materials available on the Internet by copying and disseminating information, except for purposes falling under the category of “fair use”.

f. Messages created, sent, or retrieved over the Internet are the property of the SoCo Transit and should be considered public information. SoCo Transit reserves the right to access and monitor messages and files on the computer system at any time. Communications can be disclosed to law enforcement officials or other third parties without prior consent of the sender or the receiver. More details are outlined in the Public Records Act.

g. Harassment of any kind is strictly prohibited. Messages with derogatory or inflammatory remarks regarding race, religion, national origin or citizenship, sexual orientation, gender identity or expression, disability, or other protected attributes may not be transmitted.

Violations of this Policy may result in disciplinary action up to and including termination and illegal activities may result in prosecution by legal authorities.
2.6.6.1 Personal Blogs/Social Networking

a. Employees are not allowed to use organization-owned equipment, including computers, organization licensed software or other electronic devices, equipment or facilities on organization time to conduct personal blogging or social network activities.

b. Employees may not use the organization logo or trademark on their personal blogs or networks.

c. Employees may not post photographs or videos of other employees or their family members, customers, or vendors on personal posts without their permission.

d. Employees are not to link from a personal blog or social network to the organization’s internal or external websites.

e. Employees are responsible for their commentary on blogs and social networks. Employees can be held personally liable for comments that are slanderous, obscene, defamatory or libelous by any offended party. Posts that include illegal content may result in prosecution by legal authorities.

Employees who have any questions regarding the proper use of social networking/blogging should contact their supervisor, manager, or director. Violations of this Policy may result in disciplinary action up to and including termination.

2.6.7 Conflicts of Interest

Employees are expected to devote their best efforts and attention to the performance of their jobs. Employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between the employee’s personal interests and the interests of SoCo Transit. A conflict of interest exists where the employee’s loyalties or actions are divided between SoCo Transit’s interests and those of another, such as a business, individual or another public agency with which SoCo Transit’s interests may conflict. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity or relationship constitutes a conflict of interest should refer to the Conflict of Interest Policy and discuss it with their immediate supervisor or the SoCo Transit Administrator for clarification.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts, from which employees should refrain, include the following:

a. Accepting personal gifts or entertainment (including meals) from individuals, other public agencies, customers, suppliers, or potential suppliers;

b. Working for any individual, business or entity with which SoCo Transit’s interests may conflict, including those listed above;
c. Having a direct or indirect financial interest in or relationship with any individual, business or entity with which SoCo Transit’s interests may conflict, or with whom SoCo Transit has a business relationship, including those listed above;
d. Engaging in self-employment in competition with SoCo Transit;
e. Using proprietary or confidential SoCo Transit information for personal gain or to SoCo Transit’s detriment;
f. Using SoCo Transit assets or labor for personal use;
g. Acquiring any interest in property or assets of any kind, including a service-related business, for the purpose of selling or leasing the property, assets or services to SoCo Transit;
h. Unauthorized commitment of SoCo Transit financial or staff resources or other support to any outside activity, organization, or person;
i. Developing a personal relationship with a subordinate employee of SoCo Transit that might interfere with the exercise of impartial judgment in decisions affecting SoCo Transit or any employees of SoCo Transit. If an employee or someone with whom an employee has a close relationship (a family member or close companion) has a financial or employment relationship with a supplier, potential supplier, customer, business, individual or another public agency, with which SoCo Transit’s interests conflict the employee must disclose this fact in writing to the SoCo Transit Administrator. Employees should be aware that if they enter into a personal relationship with a subordinate employee or with an employee of a supplier, potential supplier, customer, business, individual or another public agency, with which SoCo Transit’s interests conflict, a conflict of interest may exist which requires full disclosure to SoCo Transit.

Employees planning to engage in outside employment must first disclose such employment to the SoCo Transit Administrator to ensure it does not pose a conflict of interest or is otherwise incompatible with SoCo Transit or its mission. Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exception, will result in discipline, up to and including termination of employment.

No employee shall use the authority, information or privileges associated with his or her position for personal gain. Evidence of using a position for personal gain may be interpreted as a breach of terms of employment and serve as a basis for discipline up to and including termination.

2.6.8 Safety

The Occupational Safety and Health Act (OSHA) require all employers to provide a safe and healthful workplace for their employees. In this regard, it is important that adequate policies and procedures be developed and adhered to in order to ensure safe, efficient operating conditions, thereby safeguarding employees and facilities.
Our organization will not knowingly permit unsafe conditions to exist, nor will it permit employees to indulge in unsafe acts. In-depth information is outlined in the System Safety Program Plan (SSPP). SoCo Transit SSPP includes an Injury and Illness Prevention Plan. Violations of organization rules and regulations will result in disciplinary action. The organization believes that the safety of employees and physical property can best be ensured by a meaningful safety program.

2.6.9 Security/Violence in the Workplace

As detailed in the SoCo Transit Policy Against Workplace Violence, SoCo Transit will not tolerate violent acts or threats of violence, whether verbal, written, or implied, towards employees by other SoCo Transit employees, customers or members of the public. For purposes of this policy, “violence” includes any willful touching of a person in a harmful, threatening or unwanted way. A “threat” of violence includes any statement, course of conduct or other action that would cause a reasonable person to believe that violence may occur. Any incident of violence or threat of violence by any SoCo Transit personnel or any other person should be reported promptly to the employee’s supervisor, Human Resources or the SoCo Transit Administrator. Supervisors or any other employee of SoCo Transit who receive complaints or who observe conduct in violation of this policy shall inform Human Resources and the SoCo Transit Administrator immediately.

2.6.10 Drug-Free Workplace Policy

SoCo Transit recognizes that the abuse of alcohol and use of illegal drugs by any employee threatens the health and safety of that employee, the employee’s co-workers, and the general public. SoCo Transit also recognizes that employees should be able to work in an alcohol and drug-free environment, and to work with other employees who are alcohol and drug-free. SoCo Transit has, therefore, adopted drug and alcohol testing policies for all employees and prospective employees. Refer to the SoCo Transit Drug & Alcohol Policy, Program and Procedures and the SoCo Transit Non-DOT Drug and Alcohol Policy and Testing Provisions for more information.

2.6.11 Vehicle Collision and Incident Reporting (reference the CBA for those covered)

Every employee shall make one (1) report for each vehicle collision or safety incident occurring during the employee’s run or shift, as required by SoCo Transit. Such report shall be made not later than the completion of the employee’s run or shift.

SoCo Transit pays 100% of the premium on insurance provided by our Workers’ Compensation program. This law was designed to provide employees with benefits for any injury which an employee incurs arising out of their employment with the organization.

Under the provisions of the law, if an employee is injured while at work for the organization, this injury must be reported immediately to his or her supervisor, no matter how slight it might
Failure to do so could result in a denial by the insurer of any claim an employee may submit for Workers’ Compensation benefits. Even late reported injuries may result in delay or denial of Workers’ Compensation benefits.

2.6.11.1 Paid Time to Complete Report: Employees who are required to make a report shall be allowed up to twenty (20) minutes of paid time, except that no allowance shall be granted when said report can be completed in time already being paid on the date report is being made. In the event travel is required, the employee shall be paid travel time (scheduled running time) and same shall be subject to the overtime provision (if applicable). Other reports and interviews required by SoCo Transit shall be paid for at the straight time rate.

2.6.11.2 Determination of Preventability: Vehicle collisions and safety incidents will be reviewed by the Operations Manager or designated Safety Committee. Where a collision or incident is determined to have been preventable, the employee will be notified in writing within ten (10) work days from the date of SoCo Transit knowledge of a collision or incident (except in rare cases, such as insufficient information for the decision of preventability to be made). Discipline may apply if the employee’s conduct that led to the collision or incident was found to be improper. Any determination of preventability or disciplinary action will be based on the circumstances of the incident but will not adversely affect the processing of any Workers’ Compensation claim or industrial injury benefits. Determinations of whether or not a claim of industrial injury is compensable under applicable workers’ compensation standards will be made by SoCo’s third-party claims administrator.

2.6.12 Solicitation Prohibited

Employees are prohibited from soliciting (personally or via electronic mail or text messaging) for membership, pledges, subscriptions, the collection of money or for any other unauthorized purpose anywhere on SoCo Transit property during work time, especially those of a partisan or political nature. “Work time” includes time spent in actual performance of job duties but does not include lunch periods or breaks. Non-working employees may not solicit or distribute to working employees. Persons who are not employed by Soco Transit may not solicit or distribute for membership, pledges, subscriptions, literature or petitions on SoCo Transit’s premises at any time for any reason. Employees are prohibited from distributing, circulating or posting (on non-general purpose bulletin boards, refrigerators, walls, etc.) literature, petitions or other materials at any time for any purpose without the prior approval of the SoCo Transit Administrator or his or her designee.
2.6.13 Visitors at Work

Visitors, including an employee’s family members, who wish to see an employee during working hours, must first check in at the front office. Visitors may be required to sign in and receive a visitor’s badge. If a visit involves an emergency, the employee will be notified immediately, and will receive all possible cooperation from management.

Visitors should not disrupt business. Please remind your friends and relatives that unless there is an emergency involved, they should not disturb you while you are working. Refer to the Transporting Family and Friends Bulletin if they will be using SoCo Transit as their way of transportation.

Section 2.7 Work Week and Work Schedules

2.7.1 Workweek Defined

For the purposes of payroll and the Fair Labor Standards Act salary calculation, the workweek shall begin at 12:00 am on Sunday and will end at 11:59 pm on Saturday.

2.7.2 Assignment of Work Schedules (refer to the CBA for those covered)

For at-will employees, the SoCo Transit Administrator or his or her designee has sole discretion to assign the work schedule of all employees working for SoCo Transit. To the extent possible, at least 24-hours advance notice shall be provided for any short-term or temporary reassignment of work schedule; at least 7 days advance notice shall be provided for any long-term reassignment of work schedule.

2.7.3 Break and Meal Periods (refer to the CBA for those covered)

SoCo Transit will design shifts to comply with regulations regarding wages, hours and working conditions.

2.7.3.1 Break Periods: For all at-will employees, California law states employers need only to provide rest breaks, but not ensure that rest breaks are taken. Every employer must authorize and permit nonexempt employees to take rest breaks, which if practicable should be in the middle of each work period. The rest break must be based on the total hours worked daily at the rate of 10 minutes rest time per four hours of work. Rest breaks need not be allowed for employees whose total work time is less than 3 1/2 hours per day.

2.7.3.2 Meal Periods: For all at-will employees, no employee should work more than five hours without having a meal period of at least 30 minutes, except when a work period of not more than six hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee in writing. Employees shall be
relieved from all duties during their meal period. If the employee is not relieved of all
duty during a meal period, the meal period shall be considered an “on duty” meal
period and is counted as time worked. On-duty meal periods should be noted on time
records for the applicable pay period. We encourage all employees to take their meal
period and be relieved from duty during that period.

2.7.4 Work Schedule During a Holiday Week (refer to the CBA for those covered)

During any week in which a holiday occurs, all full-time employees shall receive pay for all hours
worked in addition to Holiday pay (if applicable).

2.7.5 Overtime

Nonexempt status employees shall receive pay calculated at time and one-half (1½) for all
authorized overtime worked during the pay period. Exempt employees are not eligible for
overtime pay.

2.7.5.1 Overtime Defined: Overtime and overtime pay shall be defined and calculated
pursuant to the provisions of the Fair Labor Standards Act. In general, “overtime” means
the time spent in the performance of work ordered or authorized by the Supervisor
which is in excess of forty (40) productive hours worked in any work week. Productive
hours include only regular time worked and does not include holidays, vacation, PTO,
sick, administrative, personal, or other authorized leave.

2.7.5.2 Prior Authorization: Nonexempt employees may only work overtime that has
been approved in advance by their Supervisor. In the rare event that overtime must be
worked and prior approval is not feasible, the employee shall notify their Supervisor as
soon as reasonable.

2.7.5.3 Travel: Employees traveling to and from locations outside of San Luis Obispo
County that involve SoCo Transit matters in which the employee is required to attend as
a condition of his or her employment are expected to do so within the hours available
during a normal 40-hour work week, if feasible and practical. If not feasible or practical,
and travel time results in greater than 40 hours worked, such time will be compensated
with paid time off or other pay as specified above. Seminars, conferences and related
events are generally considered to be a privilege and not a condition of employment,
unless the employee is expressly directed by a Supervisor to attend or participate.

Employees who wish to attend such events are expected to arrange for transportation
and travel time during normal SoCo Transit working hours to the extent possible, or on
their own non-compensable time outside of normal working hours. If warranted by
circumstances, the SoCo Transit Administrator is authorized to approve, in advance, paid
time for such travel on a case-by-case basis.
2.7.6 Miss-Outs and Work Assignment (refer to the CBA for those covered)

A “miss-out” is defined to be: Each failure of any employee to report for duty at the proper time and at the proper place at which his or her assigned duties are scheduled to start. An employee who fails to report for their assignment at the proper time and place, or who fails to provide timely advance notice of for use of authorized intermittent leave, shall be charged with a miss-out. Disciplinary action up to and including termination is determined and enforced by each Department.

2.7.6.1 Waiver: The department manager may waive the imposition of a disciplinary penalty for a “miss-out” as hereinabove provided whenever, in his or her opinion, a valid reason for such “miss-out” exists.

2.7.7 Emergency Call-Back Minimum Hours (refer to the CBA for those covered)

Whenever an employee has completed a normally scheduled shift and has left the worksite and their supervisor or designee calls the employee back to work when not regularly scheduled to be on duty, compensation will be for a minimum of half of their regularly scheduled shift.

On an unscheduled emergency, an employee shall receive a minimum of (1) one hour pay at the applicable overtime rate (if applicable).

2.7.8 Premium Pay (refer to the CBA for those covered)

A Bus Operator who is assigned by the SoCo Transit Supervisor to work with a trainee, fill in as Dispatcher or Scheduler or other SoCo Transit Administrator-approved duties will be paid a premium, in addition to the employee’s hourly wage rate, while performing these duties.

2.7.9 Driver’s Log

Those employees who obtain and Commercial Driver’s License (CDL) are required to keep a log of hours worked per the Federal Motor Carrier laws. A log is required under the following conditions.

1. On duty twelve (12) hours or more in a day: When an employee works more than twelve (12) hours in a day they fail to meet the exception in CCR Title 13, Div. 2, Chap. 6.5, Art. 3, Sec. 1212(e) and therefore must complete a log.
2. Days a CDL employee works two (2) jobs in one day: A log is required in this case so that the CDL employee can demonstrate to each employer AND the CHP that they are not in violation.
ARTICLE 3
COMPENSATION, BENEFITS AND LEAVES

Section 3.1 Compensation

3.1.1 Regulation of Compensation by the SoCo Transit Board (refer to the CBA for those covered)

Compensation of all employees of SoCo Transit shall be determined by the SoCo Transit Board of Directors except as otherwise required by law. Human Resources shall maintain a salary table that includes all active classification titles and a corresponding seven step pay scale for each classification. A copy of the job classifications is included as Appendix A, which may be updated annually during the budget-making process. The SoCo Transit Board of Directors shall establish the first step for each classification in the table, also known as the salary range. Employees shall be paid a base salary, no less than Step 1 and no greater than Step 7 of the salary range approved by the SoCo Transit Board for the classification to which they are appointed.

3.1.2 Administration of the compensation plan

The SoCo Transit Administrator shall have discretion to set the salary of an employee at any step within the salary range approved by the SoCo Transit Board for the classification to which the employee is appointed, subject to the following conditions:

3.1.2.1 Any employee who is promoted to a classification with a higher salary range shall receive a salary increase to a step in the new salary range that is not less than the pay previously received. In no case shall the new salary exceed the highest step of the salary range.

3.1.2.2 Market adjustments are done on a position-by-position basis based upon market data and could result in pay adjustments for the individuals in those positions at anytime. The market adjustment is not intended to compensate employees for general inflation or cost of living increases. Market adjustments require approval of the SoCo Transit Board as part of an amendment to Appendix B.

3.1.2.3 Upon receiving a “Satisfactory” or better performance evaluation, the SoCo Transit Administrator may grant an employee a salary increase to the next step in the salary range. In no case shall the new salary exceed the highest step of the salary range. The performance evaluation may be a regular evaluation or probationary evaluation.

3.1.2.4 Upon receiving an overall “Unsatisfactory” performance evaluation, the SoCo Transit Administrator may lock an employee’s salary at his or her current salary until the employee’s performance is improved to “Satisfactory” or better. The performance evaluation may be a regular evaluation or probationary evaluation. An ensuing
“Unsatisfactory” performance evaluation shall be subject to the provisions of Article 7 (Disciplinary Actions) of this policy.

3.1.2.5 An employee who voluntarily demotes to avoid layoff or voluntarily demotes due to personal reasons may be placed by the SoCo Transit Administrator at any step in the salary range of the new classification not to exceed their current step without a concurrent performance evaluation.

3.1.3 Compensation – Payment Procedures (refer to the CBA for those covered)

Policies and procedures for payment of compensation can be summarized as follows:

3.1.3.1 Time-Keeping: All employees (exempt and nonexempt) are required to record their hours worked. The SoCo Transit Administrator will designate those nonexempt employee classifications that are required to clock in and out at the beginning and end of their shift and for their lunches. If for any reason an employee is unable to use the time clock, the employee must submit an Exception Timesheet with the clock in/out times listed. For exempt employees time-keeping is for business purposes unrelated to compensation for hours worked, whereas nonexempt are paid only for hours worked.

3.1.3.2 Biweekly Payment: SoCo Transit will make every effort to issue the payroll every other Thursday starting no later 5:00 AM. In the event a Holiday falls on a Friday, SoCo Transit will make every effort to issue the payroll on the previous day. However, should a system breakdown occur, the payroll will be issued no later than the following Wednesday. No loss in pay will result should this occur.

3.1.4 Direct Deposit

Employees are encouraged to participate in SoCo Transit’s direct deposit of wages program. Human Resources will make the arrangement for direct deposit with any credit union or bank that has electronic transmission capability. Your entire paycheck, or a specified amount, can be deposited. Human Resources will provide the necessary forms upon request.

3.1.5 Final/Termination Paycheck

Final paychecks will be issued as part of the normal payroll cycle. SoCo Transit will attempt to accommodate early release of final/termination paychecks, including accrued but unused vacation, when it is able.
**Section 3.2 Employee Benefits**

**3.2.1 Vacation Policy** (reference the CBA for those covered)

Paid vacation is one of the ways SoCo Transit recognizes length of service and performance. Employees covered by a CBA are provided vacation time as outlined in the agreement.

Eligible employees earn paid vacation based on length of continuous service, starting with their first year and increasing throughout their service in a pre-determined accrual formula. Please contact your immediate supervisor for more details.

**VACATION ACCRUAL SCHEDULE:**

<table>
<thead>
<tr>
<th>Service Time</th>
<th>Days/year</th>
<th>Accrual Rate</th>
<th>Max Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>first year</td>
<td>10</td>
<td>3.08</td>
<td>160</td>
</tr>
<tr>
<td>second year</td>
<td>11</td>
<td>3.38</td>
<td>176</td>
</tr>
<tr>
<td>third year</td>
<td>12</td>
<td>3.69</td>
<td>192</td>
</tr>
<tr>
<td>fourth year</td>
<td>13</td>
<td>4.00</td>
<td>208</td>
</tr>
<tr>
<td>fifth year</td>
<td>15</td>
<td>4.62</td>
<td>240</td>
</tr>
<tr>
<td>sixth &amp; seventh year</td>
<td>16</td>
<td>4.92</td>
<td>256</td>
</tr>
<tr>
<td>eighth &amp; ninth year</td>
<td>17</td>
<td>5.23</td>
<td>272</td>
</tr>
<tr>
<td>tenth &amp; eleventh year</td>
<td>18</td>
<td>5.54</td>
<td>288</td>
</tr>
<tr>
<td>twelfth &amp; thirteenth year</td>
<td>19</td>
<td>5.85</td>
<td>304</td>
</tr>
<tr>
<td>fourteenth + year</td>
<td>20</td>
<td>6.15</td>
<td>320</td>
</tr>
</tbody>
</table>

Employees shall not carry a vacation balance of more than two times their annual rate from one fiscal year to the next. Balances in excess will be forfeited at the end of the calendar year. Vacation time may be taken at the request of the employee with the prior approval of his or her manager/supervisor. Vacation time may be approved or denied based on business needs at the time.

All accrued vacation provided by the policy that has not been taken at the time of termination will be paid to the employee. The right to vacation constitutes deferred wages for services rendered. Employment contracts and organization policies may not provide for forfeiture of vested paid time.

**3.2.2.1 Maximum Vacation Accrual:** The vacation accrual year will be January to December. Employees may accumulate vacation time from one year to the next year up to the maximum hours outlined in the table above. Should an employee’s vacation bank exceed this amount, they will cease to accrue hours over maximum not taken at the end of the calendar year. An employee who has had scheduled vacation canceled due to scheduling conflicts will be given an opportunity to schedule the unused vacation in the following vacation accrual year.
3.2.2 **Vacation Usage** (refer to the CBA for those covered)

3.2.2.1 Use of Vacation Pay: All requests for scheduled use of vacation pay shall be considered and granted at the discretion of the department manager/supervisor. All requests for scheduled vacation shall be made in writing. Requests for the scheduled use of vacation of one day or less shall be made a minimum of two work days prior to the start of the time-off. Requests for the scheduled use of vacation of two or three days shall be made at least one week prior to the start of the employee’s time-off. Requests of more than three days shall be made at least twice as many work days prior to the vacation days being requested (e.g., one week of vacation must be requested at least two weeks in advance). The advance notice requirement may be waived, if warranted, at the discretion of the department manager/supervisor on a case-by-case basis. To the extent possible, the use of vacation during periods of sick leave shall be made with a minimum of two hours’ notice to the department manager/supervisor when all sick leave available has been exhausted.

3.2.2.2 Vacation Cash-out: After one year of service with SoCo Transit, employees are eligible to cash-out a portion of their vacation time accrued. A vacation balance in excess of 120 hours may be cashed out during the last pay date of each calendar year. Vacation cash-out eligible employees are required to inform Human Resources one (1) week prior to the last pay date of each calendar year of their request to cash-out and the amount.

3.2.2.3 Vacation Donation: vacation donation allows a qualified employee to voluntarily donate vacation to another qualified employee who is unable to work because of an extended serious illness or injury. The procedure to initiate this process involves sharing the donating employee’s intentions with their supervisor and Human Resources. The vacation donation will be limited to 50% of accrued vacation. SoCo Transit will ensure that donated vacation pay will only be used for medical sick leave purposes. Donating employees may only donate hours from their account when it is in excess of sixty (60) hours and only those hours that are in an excess of sixty (60). Donations will be calculated based on the donating and recipient’s pay rates. Contact Human Resources for more information regarding donating or applying to receive donated vacation leave.

3.2.2.4 Limitation on Vacation Pay Usage: Vacation shall be paid at the employee’s basic straight-time rate on a regularly scheduled workday, but not to exceed scheduled hours per day. Vacation payments to employees who are covered under California Workers’ Compensation or disability insurance will be reduced by the amount of disability benefits payable under such plan. In no event will an employee receive pay in excess of his or her regular pay. Vacation pay shall not duplicate any other SoCo Transit pay.

3.2.2.5 Vacation Pay Cannot Cause Overtime: Vacation time taken cannot be used to put an employee into an overtime pay status.
3.2.3 **Sick Leave** (refer to the CBA for those covered)

SoCo Transit provides paid sick time benefits to eligible employees who are temporarily absent due to illness or injury.

3.2.3.1 ELIGIBILITY: All full and part-time employees are eligible. Employees covered by a CBA should refer to the agreement.

All full-time employees accrue sick time benefits at the rate of 12 days per year. Employees shall use paid earned sick time for personal sick time off or FMLA/CFRA leave to care for eligible dependents. See section 3.2.10 for more information.

An employee who is unable to report to work because of an illness or injury should notify his or her supervisor before the scheduled start of his or her workday, if possible. The employee’s supervisor must also be contacted on each additional day of absence. Before an employee can return to work after a sick leave absence of five (5) calendar days or more, you must provide a doctor’s statement releasing to return to full or modified duty.

An employee on sick leave for an extended absence because of an illness or injury must apply for any other available compensation and benefits, such as workers’ compensation and/or disability. Sick leave benefits will be used to supplement any payments that an employee is eligible to receive from workers’ compensation or SoCo provided disability insurance program(s). The combination of these disability payments and sick leave may not exceed normal weekly pay.

Sick time is not eligible for cash out.

3.2.4 **Holidays** (refer to the CBA for those covered)

SoCo Transit recognizes the following seven holidays: Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving Day (admin staff only), Christmas Day, and New Year’s Day.

3.2.4.1 Full-Time Employee Eligibility: All eligible full-time employees shall receive eight (8) hours at their regular straight time rate of pay for the applicable Holidays outlined above, provided such employee completes their work assignment on their last scheduled or assigned work day prior to such holiday and their first scheduled or assigned work day after such holidays. Those employees who are scheduled to work and are late on the day before or the day after the holiday will be paid for the holiday time provided the employee reports within one (1) hour of his or her report time and in proper uniform. Holiday time shall not be counted when computing overtime pay.
3.2.4.2 Pay Rate for Holidays Worked: If an employee works on a SoCo Transit recognized holiday, that employee will be paid eight hours Holiday pay plus the Holiday rate (time and a half) applicable for the actual hours worked.

3.2.4.3 Day Shifting: For Administrative staff, in the event one of the holidays mentioned in this section falls on a Sunday, the Monday following the Sunday shall be the holiday. Should a holiday fall on a Saturday, the preceding Friday shall be the holiday. Fixed date holidays (New Year’s Day, Christmas Day and Independence Day) are exempt from the day shifting. Please contact your supervisor to verify eligibility.

3.2.4.4 Floating Holidays: Eligible full-time employees receive six (6) floating holidays January 1st of each year. Floating holidays are to be used within the calendar year. If you do not use all floating holidays provided, you will lose them by December 31st of each year. Floating holidays do not roll over from year to year and are not paid out upon termination of employment with SoCo Transit.

3.2.5 Salary Reduction (125) Plan (Pre-Tax Premiums Deductions)

Pre-Tax Premiums is a voluntary program that allows employees to pay the premiums for medical, vision and dental benefits with pre-tax dollars. Under Section 125 of the Internal Revenue Code, an employee may annually elect to reduce his or her taxable salary by the amount paid towards medical, dental and vision premiums. Participation in the salary reduction plan can result in an employee paying less federal, state and Medicare taxes.

Because of the tax savings employees receive, the federal government places certain restrictions on what an employee can and cannot do under this plan. This is an irrevocable choice, meaning that an employee wishing to change a decision to have premiums deducted pre-tax, as well as canceling or changing the benefits associated with these deductions, is not allowed until the next open enrollment period unless an employee experiences a qualifying event as defined in federal law.

3.2.6 Health, Dental, Vision and Life Insurance (refer to the CBA for those covered)

SoCo Transit shall provide the administration of the Group Insurance Plan using Human Resources staff resources or contracted third-party resources.

3.2.6.1 Eligibility: Eligible full-time employees shall be any full-time employee as defined in Section 2.1.1.

3.2.6.2 Coverage Levels: SoCo Transit will cover a portion or all of the medical plan monthly premium offered to each full-time employee for the employee-only option. Unless otherwise stated in your offer letter, SoCo Transit will pay for 95% of the monthly premiums to provide the base healthcare plan (as of January 1, 2018, this plan is known as the “Solutions PPO Plan”) for the employee. The employee will be responsible for the
remaining 5% through payroll deductions, as well as 100% of the additional monthly premiums should the employee choose a richer medical plan. See Human Resources for more information. In addition, SoCo Transit will cover 100% of the dental plan and vision plans for employee-only options unless otherwise stated in your offer letter. Should the employee wish to cover their spouse and/or dependents, the employee shall do so solely at their expense through payroll deductions. Refer to your offer letter for coverage information.

SoCo Transit may change insurance carriers at any time, and will strive to provide a comparable level of insurance benefits if a change is necessary.

3.2.6.3 Medical: The medical insurance plan at SoCo Transit offers employees and dependents access to medical care insurance benefits. Only Full-Time employees are eligible to participate in the medical insurance plan.

Eligible employees may participate in the medical insurance plan subject to the terms and conditions of the agreement between SoCo Transit and the insurance carrier.

You will find details of the medical insurance plan in the Summary Plan Description (SPD) posted on SoCo Transit payroll website. When you become eligible, you will receive your SPD and rate information prior to the enrollment date. For questions about medical insurance, contact Human Resources for additional information.

3.2.6.4 Dental: SoCo Transit offers dental coverage for full-time employees.

3.2.6.5 Vision: SoCo Transit offers vision coverage for full-time employees.

3.2.6.6 Incidental Benefit for Opting Out: SoCo Transit designated full-time benefitted employees who can demonstrate during Open Enrollment that they have Affordable Care Act (ACA) qualifying Medical benefits, as well as Dental and Vision Benefits, through another means and who do not elect to receive Medical, Dental and Vision Benefits through SoCo Transit may “opt out” of these benefits and shall receive an incidental payment of $175 monthly in lieu of the contribution as defined above.

Full-Time Benefited employees who can demonstrate during Open Enrollment that they have ACA-qualifying Medical Benefits through another means and who do not elect to receive Medical Benefits through SoCo Transit may “opt out” of the medical benefit and shall receive an incidental payment of $125 monthly in lieu of the contribution as defined above.

3.2.6.7 Life Insurance: SoCo Transit offers a basic life insurance plan for eligible full-time employees. The basic life insurance plan includes Accidental Death and Dismemberment (AD&D) insurance. AD&D provides benefits in case an accident causes a serious injury or
death. Full-time employees may enroll in a supplemental life insurance plan at their own cost, subject to provider approval. There are more details about our basic life insurance plan in the Summary Plan Description. If you have questions about our life insurance plan, contact the Human Resources for more information.

3.2.7 **457 Savings Plan** (refer to the CBA for those covered)

The 457 plan is a type of nonqualified, tax advantaged deferred-compensation retirement plan that is available for governmental and certain non-governmental employers in the United States. The employer provides the plan and the employee defers compensation into it on a pre-tax basis. Employees elect how much salary to contribute and to direct the investment so that each employee can tailor his or her own retirement package to meet his or her individual needs.

SoCo Transit has established a 457 plan to provide eligible employees with the potential for financial security in their retirement. Employees should refer to their employment offer letter for specific information.

Employees become eligible for the 457 plan on the first of the month following the employee’s full-time hire date. Eligible employees may participate in the 457 plan subject to all terms and conditions of the plan.

SoCo Transit will also contribute an additional amount to each employee’s 457 contribution based on the table below. Complete details of the 457 plan are described in the Summary Plan Description, and Human Resources can provide more information about the 457 plan.

<table>
<thead>
<tr>
<th>Service Time</th>
<th>Employer Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year*</td>
<td>2.00%</td>
</tr>
<tr>
<td>Second year*</td>
<td>2.20%</td>
</tr>
<tr>
<td>Third year*</td>
<td>2.42%</td>
</tr>
<tr>
<td>Fourth year*</td>
<td>2.66%</td>
</tr>
<tr>
<td>Fifth year*</td>
<td>2.93%</td>
</tr>
<tr>
<td>Sixth year*</td>
<td>3.22%</td>
</tr>
<tr>
<td>Seventh + years*</td>
<td>3.54%</td>
</tr>
</tbody>
</table>

*The structure is based on years in the eligible position
3.2.8 Uniform Policy (reference the CBA for those covered)

SoCo Transit allows the supervisors to wear SoCo Transit company provided uniform (shirt and pants) or wear business casual attire when not operating a SoCo Transit vehicle. Supervisors who wear an approved SoCo Transit uniform more than 50% of the time will be eligible to receive SoCo Transit company provided uniform annually. Supervisors may choose to purchase their own approved pants and will receive a $100 annual uniform allowance.

Supervisors who choose to wear business casual attire are not eligible for the $100 annual uniform allowance.

3.2.9 Employee Assistance Program (EAP)

SoCo Transit EAP is designed to provide confidential assistance to employees who are having personal or work related problems by providing professional consultation, assessment, and referral. The EAP is available to all employees and their families on the first day of employment at no charge and can assist with most personal problems affecting the quality of life at home and on the job. Contact Human Resources for further details.

3.2.10 Wellness Program

In accordance with SoCo Transit’s commitment to health and safety, we have established a Voluntary Wellness Program for the following purposes:

a. To maintain and enhance employee interest in health and safety issues.
b. To ensure that managers, supervisors and employees are aware through training activities that they are responsible for the prevention of workplace accidents.
c. To help make health and safety activities an integral part of the organization’s operating procedures, culture and programs.
d. To provide an opportunity for discussion of health and safety problems and possible solutions.
e. To inform and educate employees and supervisors about health and safety issues and research findings, etc.
f. To help reduce the risk of workplace injuries and illness.
g. To help ensure compliance with federal and state health and safety standards.

For additional information about SoCo Transit wellness programs, see Human Resources.

3.2.11 Suggestion Program

We have a suggestion program at the SoCo Transit. All employees are eligible to participate in the suggestion program.

A suggestion is an idea that will help SoCo Transit solve a problem, reduce costs, improve
operations or procedures, enhance customer service, eliminate waste or spoilage, or make SoCo Transit a better or safer place to work. A suggestion should identify the problem and offer possible ideas for solving or improving an issue or provide a possible solution. A suggestion should not focus on personal attributes of co-workers or management.

Employees should submit suggestions to a supervisor, manager, or director. After it is reviewed, it will be forwarded to the appropriate parties for possible implementation.

3.2.12 Jury Duty (refer to the CBA for those covered)

SoCo Transit encourages employees to fulfill civic responsibilities by serving jury duty when required. If an employee receives a jury duty summons, it should be presented to his or her immediate supervisor as soon as possible so that arrangements can be made to accommodate the employee’s possible absence from work.

Should any full-time employee be required to serve on a jury duty, said employee will be paid his or her regular straight time rate of pay on a basis of eight (8) hours per day, less jury duty compensation, for a period of time not to exceed one (1) week excluding Saturdays and Sundays in a floating one (1) year period.

3.2.13 Voting

SoCo Transit encourages employees to fulfill civic responsibilities by voting in elections. Generally, the polls are open for several hours in the morning and evening and we expect that employees will be able to vote either before or after work hours. If an employee does not have sufficient time before or after work, the employee may request up to two hours off without loss of pay for the express purpose of voting. This time needs to be requested in advance.

3.2.14 Bereavement (refer to the CBA for those covered)

Bereavement leave is provided to full-time employees in the event of the death of an employee’s: Father, Mother, Brother, Sister, Spouse, Child, Step-Father, Step-Mother, Step-Child, Father-in-law, Mother-in-law, Son-in-law, Daughter-in-law, Brother-in-Law, Sister-in-law, Grandchild, Grandparent and domestic partners registered with the State of California.

Paid time off will be given up to a maximum of three (3) eight (8) hour days for full-time employees.

If more than three (3) days are needed, the employee is permitted to take personal days, vacation days, or leave without pay, with the approval of the employee’s immediate supervisor. Part-time and temporary employees may take unpaid bereavement leave.

3.2.15 Unemployment Insurance
If an employee’s employment is terminated, the employee may be eligible to receive unemployment insurance. The terminated employee must file a claim with the local Employment Development Department office in order to collect this benefit. If terminated, the employee should inquire about unemployment insurance at the time of separation from SoCo Transit. The full cost of unemployment insurance is paid by SoCo Transit.

3.2.16 Social Security/Medicare/Medicaid

SoCo Transit participates in the provisions of the Social Security, Medicare and Medicaid programs. Employees’ contributions are deducted from each paycheck and SoCo Transit contributes as established by federal law at the applicable wage base.
Section 3.3 Leaves of Absences

3.3.1 Family and Medical Leave Act (FMLA)

Under the provisions of the federal Family and Medical Leave Act (FMLA), eligible employees are entitled to take 12 weeks of family/medical leave within a rolling 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within 1 year of the child’s birth or placement);
- To care for the employee’s spouse, child, or parent who has a qualifying serious health condition;
- For the employee’s own qualifying serious health condition that makes the employee unable to perform the employee’s job;

For qualifying exigencies, as defined in the FMLA, related to the foreign deployment of a military member who is the employee’s spouse, child, or parent.

- An eligible employee who is a covered service member’s spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the service member with a serious injury or illness.

The rolling 12-month period is measured backward from the date of the most recent use of leave for a covered FMLA event. This means that each time an employee requests a leave under the provisions of this policy, the available time for a leave of absence will be the balance of the total 12 weeks that has not been used during the 12-month period immediately preceding the commencement of leave.

3.3.1.1 Eligibility: To be eligible for leave, an employee must meet following requirements:

- Have worked for the employer for at least 12 months (52 weeks, not necessarily consecutively);
- Have at least 1,250 hours of service in the 12 months immediately preceding the use of the leave; and
- Work at a location where the employer has at least 20 employees within 75 miles of the employee’s worksite.

3.3.1.2 Serious Health Condition: The term “serious health condition” means an illness, injury, impairment or physical or mental condition that involves inpatient care in a hospital, hospice or residential medical care facility or continuing treatment by a health care provider which prevents an employee from performing the essential functions of
his or her job or prevents a close family member from performing the functions of their job or attending school. An employee should contact his or her immediate supervisor to determine what qualifies as a serious health condition.

3.3.1.3 Notice Requirements: An employee requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days’ notice of foreseeable need for a leave of absence may delay the start of such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible. If timely notice is not given, the period of delay counts as a non-FMLA absence.

If the need for a leave is not foreseeable or is an emergency situation, the employee must provide at least verbal notification to his or her immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA, as well as the duration and timing of the leave.

3.3.1.4 Certification of the Need for Leave: Any employee who needs to have an FMLA-covered medical leave of absence must present certification completed by the employee’s health care provider verifying the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under the circumstances. Human Resources has certification forms available for an employee to have completed by his or her health care provider. Failure to provide certification may result in the employee’s leave being delayed, denied, or revoked. Note: SoCo Transit reserves the right to a second or third medical certification at our expense.

SoCo Transit also reserves the right to require recertification of the continuance of a serious health condition every six (6) months. Recertification may also be required if:

1. An employee requests an extension of leave;
2. Circumstances described by the original certification have changed significantly;
3. We receive information that casts doubt upon the continuing validity of the certification; or
4. An employee is unable to return to work because of the continuation, recurrence, or on-set of a serious health condition.

3.3.1.5 Intermittent Leave: Generally, FMLA leave must be taken in a single block. Under certain circumstances, however, FMLA leave may be taken on a reduced work schedule basis if the employee and the organization can agree on the schedule requested by the employee.
If intermittent leave is considered medically necessary for the employee or seriously ill family member, the requesting employee produces the required certification by a health care provider that there is a medical need for a leave of absence and that the medical need is best accommodated through an intermittent leave or reduced work schedule. SoCo Transit reserves the right to require a second or third medical opinion in appropriate cases where authorized to do so by the FMLA.

If medical leave is requested on an intermittent or reduced work schedule basis, SoCo Transit may, at the discretion of the SoCo Transit Administrator, transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee’s regular position. Any such transfer will be to a job that offers pay and benefits that are equivalent to those available in the employee’s regular job. Employees on authorized intermittent leave with episodic or unforeseeable intermittent absences will not be required to transfer to an alternative job.

A fitness for duty certification can be required every thirty (30) days in the case of intermittent or reduced schedule leaves if reasonable safety concerns exist. The employee has fifteen (15) days to provide this certification.

3.3.1.6 FMLA Leave is Unpaid Leave: Employees on approved FMLA leave of absence will be required to use any earned, unused vacation and sick days during the approved leave of absence unless the leave is for the employee’s own serious health condition. Employees must follow the same terms and conditions of SoCo Transit’s leave policy as those employees not on FMLA. SoCo Transit and employee may mutually agree to supplement worker’s compensation or other disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

3.3.1.7 Spouse Aggregation: In the case where both an employee and his or her spouse are employed by SoCo Transit, the aggregate number of weeks to which both employees are entitled because of the birth or placement of a child or to care for a parent with a serious health condition will be limited to twelve (12) workweeks during any twelve (12) month period. This limitation does not apply in instances where leave is taken because of an employee’s own serious health condition or to care for a spouse or child with a serious health condition.

3.3.1.8 Health Insurance: FMLA is benefit protected leave and SoCo Transit will continue to pay its customary portion of group medical insurance coverage. An employee away from work due to FMLA leave may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:
Discloses the amount that the employee must remit on a timely basis to retain the coverage; and

Indicates that the employee understands his or her insurance premium payment obligations.

If the FMLA leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee’s failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved FMLA leave, he or she may be required to repay the organization for the insurance premiums it paid.

3.3.1.9 Health Insurance Continuation – COBRA: The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If an employee continues insurance under COBRA, the employee will pay the full cost of the insurance at SoCo Transit’s group rates plus an administration fee. When an employee is eligible for SoCo Transit’s health insurance plan, the employee will receive a written notice describing COBRA rights, applicable deadlines, and what to do if to take continuation coverage under COBRA. As such, it is important that the employee read it carefully and maintain it with insurance documents/records. Employees should contact your Human Resources with any questions regarding COBRA.

3.3.1.10 Benefits During Leave: Employees on a FMLA-related leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. Vacation and sick pay will begin accruing when the employee returns to work.

3.3.2 California Family Rights Act (CFRA)

Under the provisions of the California Family Rights Act (CFRA), eligible employees are entitled to take 12 weeks of family leave within a rolling 12-month period for the following reasons:

• The birth of a child or placement of a child for adoption or foster care;
• To bond with a child (leave must be taken within 1 year of the child’s birth or placement);
• To care for the employee’s spouse, domestic partner, child, or parent who has a qualifying serious health condition;
• For the employee’s own qualifying serious health condition that makes the employee unable to perform the employee’s job;
The rolling 12-month period is measured backward from the date of the most recent use of leave for a covered CFRA event. This means that each time an employee requests a leave under the provisions of this policy, the available time for a leave of absence will be the balance of the total 12 weeks that has not been used during the 12-month period immediately preceding the commencement of leave.

3.3.2.1 Eligibility: To be eligible for leave, an employee must meet following requirements:

- Have worked for the employer for at least 12 months (52 weeks, not necessarily consecutively);
- Have at least 1,250 hours of service in the 12 months immediately preceding the beginning of the leave; and
- Work at a location where the employer has at least 20 employees within 75 miles of the employee’s worksite.

3.3.2.2 Serious Health Condition: The term “serious health condition” means an illness, injury, impairment or physical or mental condition that involves continuing treatment by a health care provider which prevents an employee from performing the functions of his or her job or prevents the family member from performing the functions of his or her job or attending school. Employees should contact his or her immediate supervisor with any questions regarding what qualifies as a serious health condition.

3.3.2.3 Notice Requirements: An employee requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days’ notice of foreseeable need for a leave of absence may delay the start of such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible. If timely notice is not given, the period of delay counts as a non-CFRA absence.

If the need for a leave is not foreseeable or is an emergency situation or providing notice is not practicable, the employee must provide at least verbal notification to their immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA and the duration and timing of the leave.

3.3.2.4 Certification of the Need for Leave: Any employee who needs to have a CFRA-covered medical leave of absence must present certification by a health care provider of the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under
the circumstances. Human Resources has forms available for an employee to have completed by their health care provider. Failure to provide certification may result in the employee’s leave being delayed, denied, or revoked. Note: We reserve the right to a second or third medical certification at our expense.

We also reserve the right to require recertification of the continuance of a serious health condition every six (6) months. Recertification may also be required if:

- The duration for the leave, as stated on the certification has expired and the employee requests an extension of leave;
- An employee is unable to return to work because of the continuation, recurrence, or on-set of a serious health condition.

3.3.2.5 Intermittent Leave: Generally, CFRA leave must be taken in a single block. Under certain circumstances, however, CFRA leave may be taken on a reduced work schedule basis if the employee and the organization can agree on the schedule requested by the employee.

If intermittent leave is considered medically necessary for self or seriously ill family member, the requesting employee produces the required certification that there is a medical need for a leave of absence and that the medical need is best accommodated through an intermittent leave or reduced work schedule, intermittent leave will be approved. SoCo Transit reserves the right to require a second or third medical opinion in appropriate cases where authorized to do so by the CFRA, including circumstances where SoCo Transit has an objective, good faith reason to question the validity of the certification.

If medical leave is requested on an intermittent or reduced work schedule basis, the organization may, at the discretion of management, transfer the employee temporarily to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee’s regular position. Any such transfer will be to a job that offers pay and benefits that are equivalent to those available in the employee’s regular job. Employees on unforeseeable intermittent leave will not be required to transfer to an alternative job.

A fitness for duty certification can be required every thirty (30) days in the case of intermittent or reduced schedule leaves if reasonable safety concerns exist. The employee has fifteen (15) days to provide this certification.

3.3.2.6 CFRA Leave is Unpaid Leave: Employees on approved CFRA leave of absence will be required to use any earned, unused vacation and/or sick days during the approved leave of absence unless the leave is for the employee’s own serious health condition. If the employee is receiving partial wage replacement other than industrial injury benefits
from a third-party source (private disability insurance), the employee may mutually agree with SoCo Transit to apply paid leave accruals. Employees must follow the same terms and conditions of our leave policy as those employees not on CFRA. SoCo Transit and the employee may mutually agree to supplement worker’s compensation or other disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

3.3.2.7 Parent Aggregation: In the case where both parents are employed by SoCo Transit, the aggregate number of weeks to which both employees are entitled because of the birth or placement of a child or to care for a parent with a serious health condition will be limited to twelve (12) workweeks during any twelve (12) month period. This limitation does not apply in instances where leave is taken because of an employee’s own serious health condition or to care for a spouse, registered domestic partner, or child with a serious health condition.

3.3.2.8 Health Insurance: CFRA is benefit-protected leave and SoCo Transit will continue to make its customary payment for the employee’s group benefits. Employees remain responsible to cover their customary personal contributions in order to keep their benefits in effect. An employee away from work due to CFRA leave may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:

- Discloses the amount that the employee must remit on a timely basis to retain the coverage; and
- Indicates that the employee understands his or her insurance premium payment obligations.

If the CFRA leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee’s failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved CFRA leave, he or she may be required to repay the organization for the insurance premiums it paid.

3.3.2.9 Health Insurance Continuation – COBRA: The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If you continue your insurance under COBRA, you will pay the full cost of the insurance at our group rates plus an administration fee. When you are eligible for our health insurance plan, you will receive a written notice describing your COBRA rights. This
notice contains important information about your rights, strict deadlines to elect continuation coverage, and what to do if you need COBRA so it is important that you read it carefully and maintain it with your insurance documents. If you have any questions regarding COBRA, please contact your Human Resources.

3.3.2.10 Benefits During Leave: Employees on a CFRA-related leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. Vacation and sick pay will begin accruing when the employee returns to work.

3.3.3 Pregnancy Disability Leave (PDL)

A pregnancy disability is a physical or mental condition related to pregnancy or childbirth that prevents you from performing essential duties of your job, or if your job would cause undue risk to you or your pregnancy’s successful completion. Your health care provider should determine whether or not you have a pregnancy disability.

Pregnancy-related disability leave (“PDL”), as part of the California Fair Employment and Housing Act, may be taken for the duration of the disability up to four months (17.3 weeks) for each pregnancy. PDL may be used in a continuous block of leave, or applied intermittently when the need for intermittent or reduced schedule leave is medically verified by the employee’s health care provider. This assumes that the employee is disabled by childbirth or related medical conditions for four months. Pregnancy-related disability leave is counted towards an employee’s FMLA entitlement and SoCo Transit will always apply PDL and FMLA concurrently. When an employee is no longer eligible for PDL, there is continued leave available for “Baby Bonding” under CFRA.

3.3.3.1 Eligibility: All employees who experience disabilities relating to pregnancy, childbirth or related medical conditions (meaning a physical or mental condition intrinsic to pregnancy or childbirth) may request leave or a reasonable accommodation under this policy.

3.3.3.3 Transfer and accommodation: SoCo Transit also provides reasonable accommodations, to the extent required by law, for conditions related to pregnancy, childbirth or related medical conditions. In addition, a transfer to a less strenuous or hazardous position or duties may be available pursuant to an employee’s request, if such a transfer is medically advisable. Employees requesting a leave or reasonable accommodation should promptly notify human resources.

3.3.3.3 Notice Requirements: Anyone requesting a leave of absence under this policy should see his or her supervisor and complete the proper leave request form. Where the need for leave is known in advance, the request must be submitted at least thirty (30) days prior to the desired beginning of the leave of absence. Failure to give at least thirty (30) days’ notice of foreseeable need for a leave of absence may delay the start of
such leave until thirty (30) days after the date the notice is received by the organization. If the request is less than thirty (30) days, the employee may be required to give an explanation of why advance notice was not feasible.

If the need for a leave is not foreseeable, is an emergency situation or is not practicable, the employee must provide at least verbal notification to their immediate supervisor as soon as possible and must follow our call-in procedures. Employees must supply sufficient information to enable SoCo Transit to determine if the leave qualifies for FMLA and the duration and timing of the leave.

3.3.3.4 Certification of the Need for Leave: Any employee who needs to have a PDL-covered medical leave of absence must present certification of the need for a leave of absence along with the leave request form. This certification must be provided within fifteen (15) days of the request unless it is not feasible under the circumstances. Human Resources has forms available for an employee to have completed by their health care provider. Failure to provide certification may result in the employee’s leave being delayed, denied, or revoked. Note: We reserve the right to a second or third medical certification at our expense.

3.3.3.5 PDL Leave is Unpaid Leave: Pregnancy-related disability leaves are unpaid. An employee who is granted a pregnancy-related disability leave may elect to use any accrued but unused paid time off benefits (i.e. vacation or sick leave) during the period of the leave. Any portion of a leave that occurs after all paid time off benefits have been exhausted is without pay. Any unpaid or paid portions of this leave policy shall be added together and will not extend the 4-month (17.3 weeks) total leave period limitation allowed under this pregnancy-related disability leave policy. Employees may mutually agree to supplement disability benefits with any other form of paid time off benefits the employee may be entitled to, if state law permits.

3.3.3.6 Health Insurance: PDL is benefit-protected leave. SoCo Transit will continue to pay its customary premium payments for the employee’s health insurance benefit for a maximum of four months of PDL, and a maximum of 12 weeks of CFRA child bonding leave. Employees are responsible for their customary personal premium payment for their own or family coverage, including any additional premium due to adding a new child to the employee’s family plan. An employee away from work due to PDL leave, and any CFRA child bonding leave that is taken consecutively to PDL, may continue medical insurance coverage while on leave by timely payment of his or her portion of the monthly insurance premium on the same day such payment would be required if payment were made by payroll deduction. Where the need for family leave of absence is foreseeable, the employee will be asked to sign an agreement before the leave of absence begins that:

- Discloses the amount that the employee must remit on a timely basis to retain the coverage; and
Indicates that the employee understands his or her insurance premium payment obligations.

If the PDL leave is not foreseeable, this agreement must be signed as soon as possible after the leave begins. An employee’s failure to pay premiums within thirty days of the due date for such premiums will result in the loss of his or her insurance coverage. If an employee does not return to work at the end of an approved PDL leave, he or she may be required to repay the organization for the insurance premiums it paid.

3.3.3.7 Health Insurance Continuation – COBRA: The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) was enacted to ensure that employees and their dependents can continue their health insurance once they are no longer eligible under our health plan.

If you continue your insurance under COBRA, you will pay the full cost of the insurance at our group rates plus an administration fee. When you are eligible for our health insurance plan, you will receive a written notice describing your COBRA rights. This notice contains important information about your rights, strict deadlines to elect continuation coverage, and what to do if you need COBRA so it is important that you read it carefully and maintain it with your insurance documents. If you have any questions regarding COBRA, please contact your Human Resources.

3.3.3.8 Benefits During Leave: Employees on a pregnancy-related disability leave do not accrue benefits, including holiday pay, while on unpaid leave. Employees will not accrue vacation and sick pay while on unpaid leave. Vacation and sick pay will begin accruing when the employee returns to work.

3.3.3.9 Lactation Policy: We will accommodate employees who desire to express breast milk during working hours by providing a reasonable amount of break time to be used for this purpose and provide a room for a mother who desires to express milk in private. In the event that an employee requires additional time, other than the scheduled rest or meal periods, additional unpaid time off will be provided for this purpose.

3.3.4 Worker’s Compensation

SoCo Transit carries workers’ compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical, and hospital treatment in addition to disability payments, as provided by law, for work-related injuries. Compensation payments begin from the first day of an employee’s hospitalization or after the third day following injury if an employee is not hospitalized. The cost of this coverage is paid completely by SoCo Transit.

3.3.4.1 Duty to Report: If an employee is injured while working, he or she must report it immediately to his or her supervisor, regardless of how minor the injury may appear to
be. Failure to immediately report an on-the-job injury may result in disciplinary action up to and including termination.

3.3.4.2 Limit of Liability: SoCo Transit and its worker’s compensation insurance carrier are not liable for the payment of any benefits for an injury that arises out of an employee’s voluntary participation in any off-duty recreational, social, or athletic activity which is not a part of the employee’s work-related duties. The workers’ compensation insurance carrier determines whether the claim is covered under worker’s compensation.

3.3.5 Personal Leave of Absence Without Pay (refer to the CBA for those covered)

A Personal Leave of Absence (LOA) is an unpaid absence of five (5) or more consecutive days. The general intent of SoCo Transit’s LOA policy is to provide extended time off for illnesses and other reasonable conditions that prevent an employee from reporting to work. With the exception of FMLA, CFRA and PDL, in no case shall a personal LOA be granted for more than 30 days. An important point to remember about a LOA is that, with certain exceptions such as leaves for military duty or jury duty purposes, SoCo Transit provides no assurances or guarantees that a job will be held open until an employee returns.

3.3.5.1 Request for LOA: The granting of an LOA shall be at the sole discretion of the SoCo Transit Administrator or designee. All requests for LOA shall be in writing and shall include a description of the reason for the request. The advance timing of the request shall follow the protocol required for scheduled use of vacation leave, unless the request is for a medical or emergency purpose.

3.3.5.2 Impact on Health Insurance: Full-time employees who have SoCo Transit funded health and other insurance must make financial arrangements with Human Resources if he or she wishes to maintain insurance coverage during an LOA that extends beyond authorized job protected leave, such as FMLA, CFRA and PDL. During periods when no wages are earned, a personal premium payment plan can be worked out to keep the insurance coverage in force. Unless special arrangements are made, insurance coverage will be canceled on the last day of any month where there is no income and no personal payment is made.

3.3.5.3 Return to Work: When an employee is on an LOA for greater than 30 days, the employee must complete a retraining regimen approved by the Manager, Safety and Training.

3.3.5.4 Gainful Occupation: An employee, who accepts gainful occupation while on a leave of absence or sick leave, terminates his or her employment with SoCo Transit unless otherwise mutually agreed to between SoCo Transit and the employee.
3.3.6 Kin Care

Under California Labor Code Section 233, Kin Care is a right granted to eligible employees under the California Labor Code. Kin Care authorizes employees to use up to one-half of the sick leave that they accrue annually to take time off to care for a sick family member. Kin Care is a protected leave.

A portion of the employee’s current sick leave (up to 50%) may be applied as Kin Care for family care leave for a close family member.

Up to half an employee’s annual accrual of sick leave may be used for care of children, siblings, parents (be they natural, adoptive, step, foster of the employee or their current spouse, if the employee is married), and spouse in a 12-month period beginning January 1st and ending December 31st.

3.3.7 Military Service Leave (USERRA) and California Military & Veterans Code

The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and other federal and state laws provide for certain LOA rights if an employee is called to active duty military service. In accordance with federal and state laws, this leave allows for five years of leave time and reinstatement rights. Under USERRA, employees returning from military service will be placed in the position they would have attained had they remained continuously employed, or a comparable position depending upon the length of military service. This leave is unpaid, but job protected and benefit protected.

Leave may also be available under the California Military & Veterans Code, if an employee is ordered to military service, including temporary military duty ordered for purposes of active military training, inactive duty training, encampment, naval cruises, special exercises, or similar activities. The leave is unpaid, but job protected and benefit protected, with full reinstatement rights. In certain situations, public employees may be eligible for civilian pay, based upon specific eligibility requirements. Employees ordered to active or reserve service should consult Human Resources about eligibility and leave options.

An employee who is a member of the reserve corps of the armed forces, of the National Guard or the Naval Militia and who has one full year of continuous service immediately preceding the leave, and who takes temporary military leave of 180 days or less (including ordered travel time) shall be maintained in his or her position. Upon the employee’s return to duty after the prescribed period of temporary leave, the employee shall receive all vacation, sick leave and benefits arising from seniority in SoCo Transit and in the class which he or she would have accrued had he or she not been absent on military leave.

An employee who has satisfactorily completed six months of continuous service immediately prior to taking ordered military leave shall receive payment equal to one-half month’s compensation the employee would otherwise have received for the first one-half month of the
military leave and an employee who has one full year of continuous service immediately prior to taking ordered military leave shall receive a payment equal to a full month’s salary that would otherwise have been received for the first full month of military leave upon submitting satisfactory evidence of military service.

3.3.8 Military Spouse Leave

The California Military and Veterans Code Section 394.5 applies to employees whose spouses are members of the United States Armed Forces, National Guard or the Reserves, and who have been deployed during a period of military conflict. SoCo Transit will provide any eligible employee under this policy an unpaid leave of absence during their spouse’s leave from deployment for up to 10 days. To be eligible for leave under this policy, employees must work an average of at least 20 hours per week. Employees must notify his or her supervisor of the intent to take leave as far in advance as possible, but no later than two business days after receiving official notice that the spouse will be on leave from deployment. SoCo Transit may ask for written documentation certifying that the spouse will be on a qualifying leave from deployment. This leave is unpaid, but an employee may choose to use accrued vacation leave.

3.3.9 Rehabilitation Leave

SoCo Transit is committed to providing assistance to employees to overcome substance abuse problems. SoCo Transit will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program as defined in the SoCo Transit Drug and Alcohol Policy. This accommodation may include unpaid time off for up to 30 calendar days, or an adjusted work schedule, provided the accommodation does not impose an undue hardship on business operations. Leave is unpaid but an employee may choose to apply accrued unused vacation and sick time.

In certain circumstances, and with a Health Care Provider’s Certification, substance abuse may be a serious health condition under the CFRA. If properly certified and authorized as CFRA leave, an employee must use Sick Leave in accordance with the terms and conditions of CFRA leave described in this Handbook.

3.3.10 School Appearance Leave

Under California Labor Code Section 230.7, employees may need to appear at his or her child’s or grandchild’s school in connection with disciplinary action by the school. This is an unpaid leave, although employees can choose to use available vacation leave. Documentation from the school noting the date and time of the employee’s visit is required.

3.3.11 School and Child Care Activities Leave and Child Care Emergencies Leave

Under California Labor Code Section 230.8, parents, guardians, or grandparents of a child in kindergarten, grades 1-12, or a licensed day care center may wish to take time off without pay to visit his or her child’s school or day care center for a school activity. The time off must not be
more than eight hours each calendar month (up to a maximum of 40 hours each calendar year), provided reasonable notice is given for the planned absence.

This is an unpaid leave, and employees can choose to use available vacation leave. For scheduled events, employees should provide reasonable advance notice. In emergencies, SoCo Transit asks that employees provide at least one day notice or call before the beginning of the work day.

Child Care Emergencies Leave is available if an employee’s child cannot remain in school or with a child care provider. An employee (parent, step parent, legal guardian or person who stands in loco parentis to a child) may use unpaid time off for a “child care emergency,” which is defined as:

- The school or child care provider has requested that the child be picked up or has an attendance policy excluding planned holidays, that prohibits the child from attending or requires the child to be picked up from the school or child care provider;
- Behavior or discipline problems;
- Closure or unexpected unavailability of the school or child care provider, excluding planned holidays; or
- Natural disaster, including but not limited to fire, earthquake, or flood.

All time off for child care emergencies is unpaid. An employee can choose to use accrued unused vacation leave.

3.3.12 Volunteer Civil Service / Emergency Responder Leave

Under California Labor Code Sections 230.3 and 230.4, time off to perform emergency duty as a volunteer firefighter, peace officer, or emergency rescue personnel (an officer, employee, or member of a fire department, fire protection, or firefighting of the federal government, state of California, or other local governments, or other special districts; an officer of a sheriff’s department, police department, or private fire department).

A total of 14 days per calendar year, to engage in fire, law enforcement or emergency rescue training is also allowed.

All time off to serve is unpaid. An employee can choose to use accrued unused vacation leave.

3.3.13 Volunteer Civil Air Patrol

Under California Military and Veterans Code 395.10, a volunteer member of the California Wing of the civilian auxiliary of the U.S. Air Force Civil Air Patrol, responding to an emergency operation mission is entitled up to 10 days of leave per year. However, the leave for a single emergency mission cannot exceed 3 days, unless the emergency is extended by the entity in charge of the operation.
All time off to serve is unpaid, and an employee can choose to use accrued unused vacation leave.

3.3.14 English Literacy Programs

If you identify an English literacy challenge, for which you are enrolling in an English literacy course, we will seek to accommodate your work schedule (subject to make-up or alternate work schedules as allowed by law) as long as it does not unduly burden the workplace or SoCo Transit operations.

All time off needed for literacy programs is unpaid. Employees, however, may use accrued vacation leave during the period of work missed to attend literacy classes.

3.3.15 Domestic Violence, Sexual Assault and Stalking Leave

Under California Labor Code Section 230, employees who are victims of domestic violence, sexual assault, or stalking are eligible for unpaid leave. Leave may be requested for judicial action, such as obtaining restraining orders, appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child, or for medical treatment or psychological counseling related to an experience covered by this policy. SoCo Transit will, to the extent allowed by law, maintain the confidentiality of an employee requesting leave under this provision.

This is an unpaid leave, and employees can choose to use available sick leave or vacation leave. Domestic violence, sexual assault and stalking victims’ leave for medical treatment or counseling services will run concurrently with FMLA-CFRA, allowing for 12 weeks in a 12-month period, less any previous FMLA-CFRA time taken.

SoCo Transit provides reasonable accommodations, to the extent required by law, for employees under circumstances where domestic violence or talking requires security measures or time off to obtain resources or services. Reasonable accommodations may include a temporary transfer, modified schedule, changed work telephone or email, installed lock, assistance in documenting domestic violence or stalking that occurs in the workplace or other safety procedures. SoCo Transit will implement reasonable accommodations that do not create an undue hardship. SoCo Transit will also take all necessary and appropriate steps to prevent any form of actual or threatened retaliation against an employee who takes time off or requests other reasonable accommodations under this policy. An employee who believes that reasonable accommodations are required should contact Human Resources.

3.3.16 Crime Victims’ Leave

Under California Labor Code Section 230.2, any employee who has been a victim of a serious or violent crime, may take time off work to attend judicial proceedings related to the crime. Such crimes may include any of the following: vehicular manslaughter while intoxicated; felony child abuse likely to produce great bodily harm or a death; assault resulting in the death of a child
under eight years of age; felony domestic violence; felony physical abuse of an elder or dependent adult; felony stalking; solicitation for murder; a serious felony; hit-and-run causing death or injury; felony driving under the influence causing injury; and sexual assault. Judicial proceedings for purposes of this policy also include any court proceeding where the victim’s rights are in issue, including a delinquency proceeding involving a post-arrest release decision, plea, sentencing or post-conviction release decision.

Employees may also take time off if an immediate family member, domestic partner or domestic partner’s child has been a victim of such crimes and needs to attend judicial proceedings related to the crime. Immediate family member is defined as spouse, child, stepchild, registered domestic partner or child of domestic partner, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Employees must give Human Resources reasonable advance notice of the need to take time off, unless advance notice is “not feasible.” If an unscheduled absence occurs, no adverse action may be taken or threatened if the employee provides a certification to the employer regarding the absence. A certification shall be deemed sufficient if it is one of the following: (1) a police report indicating the employee was a victim of a specified offense; (2) a court order protecting or separating the employee from the perpetrator or other evidence from the court or prosecutor that the employee appeared in court; OR (3) documentation from a health care provider, domestic violence or sexual assault victim's advocate, or other counsel showing that the employee was undergoing treatment related to being a victim of an offense as specified above.

Employees may elect to use accrued paid vacation time, paid sick leave time, or other paid time off for the absence. If the employee does not elect to use paid time off, the absence will be unpaid. However, exempt employees will be paid their full salary for any workweek interrupted by the need for time off under this policy. Unpaid leave for documented purposes under this provision will authorized and such leave is both job-protected and benefit-protected.

3.3.17 Witness Duty (refer to the CBA for those covered)

If you are summoned to be a witness for SoCo Transit or if we ask you to testify, we will give you time off with pay.

Any regular full-time or regular part-time employee who is required to act as a witness in a non-work related legal proceeding will be required to use vacation or leave without pay to attend court. Employees who need to be a witness in their domestic violence proceeding or as a victim of specified crimes for self or close family will be allowed to use up to 3 days/24 hours of sick leave for this purpose. Documentation may be requested.

If you need time off to be a witness for SoCo Transit or non-work related reasons, show the subpoena, police report, letter from prosecutor, etc. to your immediate supervisor as soon as you receive it. We expect you to report for work whenever you are not needed in court.
Section 3.4  Policy Against Retaliation Regarding Leaves

No employee will be subject to, and SoCo Transit prohibits, any form of discipline or retaliation for reporting in good faith incidents of unlawful discrimination, pursuing any such claim, or cooperating in any way in the investigation of such reports. SoCo Transit does not condone and will not tolerate retaliation against any employee for cooperating in an investigation, for making a truthful complaint of a violation of this policy in good faith, for opposing perceived violations of this policy, or for filing an administrative claim with the California Department of Fair Employment and Housing (DFEH) and/or the Equal Employment Opportunity Commission (EEOC), even if the allegations are not substantiated by SoCo Transit’s investigation. Any employee who feels he or she has experienced or witnessed any conduct which he or she believes to be retaliatory in nature, should follow the reporting procedures described above.

SoCo Transit will not discriminate against any employee in the following situations:

a. For taking time off to perform emergency duty as a volunteer firefighter, a reserve peace officer, or emergency rescue personnel
b. For taking time off to serve on a jury or appearing as a witness in court.

c. An employee who is a victim of domestic violence and/or a victim of sexual assault for taking time off from work to obtain relief or attempt to obtain relief to help ensure his or her health, safety, or welfare, or that of his or her children
d. For using, or attempting to exercise the right to use sick leave to attend to the illness of a child, parent, spouse, domestic partner, or child of the domestic partner of the employee.

e. For any other conduct that is protected by public policy.
ARTICLE 4
EQUAL OPPORTUNITY, DISCRIMINATION AND HARASSMENT

Section 4.1  Policy

The SoCo Transit Board maintains a strong commitment to support equal employment opportunity and to prohibit and prevent discrimination, harassment and retaliation in employment. SoCo Transit sets forth this procedure for reporting, investigating and resolving internal complaints related to discrimination, harassment and retaliation. All covered individuals are encouraged to report, as soon as possible, any conduct that is believed to violate this policy. Such conduct need not rise to the level of a violation of law to violate this policy. Conduct which may lead to discrimination, harassment or retaliation is in violation of this policy and will not be tolerated. Violation of this policy by any officer, employee, agent, or volunteer shall be grounds for discipline or other appropriate sanctions. In support of this policy, all employees of SoCo shall receive discrimination and harassment prevention training upon hire.

4.1.2 American with Disabilities Act (ADA) and Fair Employment and Housing Act (FEHA) Policy

A Reasonable accommodation is available to an employee with a disability when the disability affects the performance of job functions. SoCo Transit makes employment decisions based on the qualifications in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

We follow all state or local laws that give more protection to a person with a disability than the ADA gives, including without limitation the California Fair Employment & Housing Act. SoCo Transit will provide reasonable accommodations, where appropriate and necessary, and we have an established process for evaluating requests for accommodations.

SoCo Transit is committed to taking all other actions that are necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and any other applicable federal, state, and local laws.

Section 4.2  Equal Employment Opportunity

SoCo Transit maintains and promotes a policy of equal employment opportunity. SoCo Transit is committed to maintaining a work environment that is merit based, and free from illegal discrimination, which includes harassment and retaliation.

The Board of Directors, its managers, employees, agents, and volunteers will not discriminate against any applicant for employment, employee, intern, volunteer, contractor, subcontractor,
vendor, or client because of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, citizenship, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex, sexual orientation, gender identity or expression, or any other legally protected characteristic or status.

This policy shall apply to all employment actions including, but not limited to: recruitment, testing, hiring, training, promotion, demotion, transfer, layoff, performance evaluation, discipline, salary and benefits administration, terms and conditions of employment, and participation or appointment to all boards and commissions. All employment decisions shall be made on the basis of individual qualifications, bona fide occupational qualifications for the job in question, and the feasibility of any necessary job accommodations.

This policy shall apply to all SoCo Transit worksites, and to the conduct of all individuals who interact with SoCo Transit employees, including contractors, vendors, suppliers, business partners, visitors that are discriminatory toward SoCo Transit employees or creates a hostile, offensive, intimidating or abusive work environment for any SoCo Transit employee.

### 4.2.1 Policy Against Discriminatory Harassment

It is the policy of SoCo Transit that all employees shall have a working environment free of unlawful discrimination. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Harassment of an applicant or employee by any employee or officer on the basis of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex, sexual orientation, gender identity or expression, or any other legally protected status is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. SoCo Transit requires that all employees and officers treat the public and other employees with courtesy and respect.

Discriminatory harassment includes unwelcome derogatory comments, physical acts, written or visual insults which are made on the basis of an employee’s protected status (race, religion, etc.). In order for the harassing conduct to be considered discriminatory harassment, it must unreasonably interfere with an employee’s work performance by creating an intimidating, hostile or offensive working environment.

Because SoCo Transit seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks or joking, which may lead to illegal harassment, will not be tolerated and shall be the basis for immediate and appropriate corrective action, including discipline or termination.

### 4.2.1.1 Abusive Conduct

In addition to harassment based on a protected characteristic, SoCo Transit prohibits acts of bullying or abusive conduct, whether by words, gestures, written or electronic communications. A safe and civil environment is necessary for employees to achieve the high standards we expect. Demonstration of appropriate
behavior, treating others with civility and respect, and refusing to tolerate harassment and bullying are expected of all employees.

Under California law effective January 1, 2015, abusive conduct is defined as “conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer’s legitimate business interests.”

4.2.1.2 Bullying: In addition to harassment based on a protected characteristic, or membership in a protected class, SoCo Transit prohibits acts of bullying, whether by words, gestures, written or electronic communications. A safe and civil environment is necessary for employees to achieve the high standards we expect. Demonstration of appropriate behavior, treating others with civility and respect, and refusing to tolerate harassment and bullying are expected of all employees. Bullying is repeated, health-harming mistreatment of another employee. Examples of prohibited bullying include, but aren’t limited to: screaming; swearing; name calling; stealing; giving dangerous work assignments; using threatening, intimidating, or cruel behaviors; deliberately humiliating a person; denying advancement; and stealing work credit.

Generally, bullying involves: (1) written, verbal, graphic or physical acts (including electronically transmitted content, such as using the Internet, a cell phone, a personal digital assistant (PDA), or a wireless handheld device); (2) behavior that substantially interferes with work, opportunities, and benefits of one or more employees, sometimes through actual sabotaging of work; (3) behavior that adversely affects an employee’s ability to function at work by placing the employee in reasonable fear of physical harm or by causing emotional distress.

Because bystander support can encourage bullying, SoCo Transit also prohibits both active and passive support for acts of bullying. Employees should either walk away from these acts when they see them or attempt to stop them. In either case, employees should report incidents to a manager or supervisor, or to Human Resources. Those who engage in bullying or retaliation for complaints about bullying will be subject to appropriate discipline up to and including termination of employment.

4.2.2 Policy Against Sexual Harassment

It is the policy of SoCo Transit that all employees shall have a working environment free of sexual harassment. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Sexual harassment of an applicant or employee by any employee or officer is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. SoCo Transit requires that all employees treat the public and other employees with courtesy and respect.
Sexual harassment includes unwelcome sexual overtures by any officer, employee, supervisor or manager, whether written, physical, visual or verbal (may include sexual innuendo, graphic or explicit jokes, suggestive sounds, or stories of a sexual nature), where submission is made a term or condition of employment or the basis of an employment decision. Sexually harassing conduct unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive working environment.

Some of the basic forms of sexual harassment include:

- a. Unwelcome sexual advances, where submission to the conduct is an explicit or implicit term or condition of employment.
- b. Unwelcome sexual advances, where submission to, or rejection of, the conduct is used as the basis for an employment decision.
- c. The conduct had the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.
- d. Sexual harassment includes behavior by women directed at men, by men directed at women, same-sex harassment, and harassment based on sexual orientation.
- e. Under California law, the conduct does not have to be motivated by sexual desire in order to constitute illegal harassment.

Because SoCo Transit seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks or joking, which may lead to illegal harassment, will not be tolerated.

Section 4.3 Reporting Discrimination or Harassment

Any incident of harassment, including work-related harassment by any SoCo Transit personnel or any other person, should be reported promptly to the employee’s supervisor, Human Resources, or the SoCo Transit Administrator, or to the County of San Luis Obispo Human Resources (which provides third party contractor providing human resource services to SoCo Transit). Supervisors who receive complaints or who observe harassing conduct are required to inform the SoCo Transit Administrator immediately.

SoCo Transit emphasizes that an employee is not required to complain first to his or her supervisor if that supervisor is the individual who is harassing the employee; rather a complaint about the employee’s supervisor should be made to the SoCo Transit Administrator, or to the County Human Resources department.

Upon receipt of a complaint, SoCo Transit will conduct a timely investigation to determine the facts and any appropriate corrective action. The investigation is a neutral fact-finding inquiry by a qualified investigator. Should SoCo Transit determine that the individual circumstances require an independent investigator to ensure impartiality, SoCo Transit will take appropriate steps to engage a qualified investigator. All individuals who participate in the investigation,
whether as the person making the complaint, the person(s) whose behavior is being investigated, or individual witnesses will be treated with respect and will be afforded due process.

SoCo Transit will ensure that statements of the complainant, alleged offender and all witnesses are documented thoroughly and that the investigation is conducted in a thorough, objective and neutral manner, and is considerate of the rights and emotions of all the parties involved. After all evidence and information is collected and evaluated, SoCo Transit will reach prompt and reasonable conclusions.

In addition to notifying SoCo Transit about harassment or retaliation complaints, affected employees may also direct their complaints to the DFEH and/or the EEOC, which has the authority to conduct investigations of the facts. Employees can contact the nearest DFEH office at the locations listed on SoCo Transit’s DFEH poster or by checking the state government listings in the local telephone directory.

Disciplinary action for a violation of the policies described herein can range from verbal or written warnings up to and including immediate termination, depending upon the circumstances.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, imposition of discipline, and social and recreational programs. It is the responsibility of all SoCo Transit personnel to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with his or her immediate supervisor, the SoCo Transit Administrator, or to the County Human Resources department.

Section 4.4 Policy Against Retaliation

SoCo Transit prohibits any adverse employment action, including threats of reprisals against those who in good faith report, or supports someone who reports violations of SoCo Transit policy or State / Federal law, or engages in other legally protected activity. SoCo Transit further prohibits retaliation against anyone who participates (as witnesses or accused) in investigations into complaints of alleged misconduct. Disciplinary action, up to and including termination, will be taken against an employee or officer who is found to have violated this policy. Any consultant or contractor who violates this policy will be subject to appropriate sanctions. This policy applies to all SoCo Transit officers, employees, volunteers, interns, consultants, contractors and vendors, and prohibits retaliation because of any of the protected activity as defined herein.
ARTICLE 5
RECRUITMENT, SELECTION AND CLASSIFICATION

Section 5.1 Policy (refer to the CBA for those covered)

All employee selections and promotions shall be made according to merit, qualifications, and the job requirements. The policies and procedures outlined below are consistent with policies regarding Equal Opportunity Employment laws as enforced by the Department of Labor.

Section 5.2 Job Descriptions

SoCo Transit strives to develop and maintain accurate job descriptions for all job classifications. A job description includes the following sections:

- Job information;
- Job summary (gives a general overview of the job’s purpose);
- Essential duties and responsibilities;
- Qualifications (includes education and/or experience, language skills, mathematical skills, reasoning ability, and any certification required);
- Physical demands; and
- Work environment.

SoCo Transit uses job descriptions to identify the requirements of a job, set up the hiring criteria, set standards for employee performance evaluations, and establish a basis for making reasonable accommodations for individuals with disabilities.

In cooperation with the lead supervisor, manager or director of your department, Human Resources will prepare a job description when a new job is created. Human Resources reviews existing job descriptions and update them when a job changes. A job description does not necessarily cover every task or duty that an employee might be assigned; an employee may be assigned additional responsibilities as necessary. If an employee has questions or concerns about his or her job description, the employee should discuss those concerns with his or her immediate supervisor.

Section 5.3 Recruitment (refer to the CBA for those covered)

Whenever a position vacancy occurs, it may be filled in one of the following three ways as determined by each department manager:

- Open/On-going Recruitment – A competitive process in which all interested persons are eligible to apply for a vacant position.
- Internal Recruitment – A competitive process in which only current SoCo Transit employees are eligible to apply for a vacant position.
• **Direct Appointment** – Upon approval of the SoCo Transit Board, a position may be filled through direct appointment.

### 5.3.1 Duration of Recruitments

All open/on-going recruitments must be announced to the general public for a minimum of five (5) work days. All internal recruitments must be announced to SoCo Transit employees for a minimum of ten (10) work days. The SoCo Transit Administrator may authorize extending a previously established final filing date.

### 5.3.2 Recruitment Announcement

All open external recruitments shall, at a minimum, be announced through an online “Employment Opportunities” page and be available to the public upon request. Announcement of all internal recruitments shall be posted on a bulletin board accessible by all SoCo Transit employees. The recruitment announcement shall, at a minimum, include the title of the position, the salary range, the minimum qualifications for admission to the recruitment process, and the final filing date.

### 5.3.3 Applications

Persons interested in employment or promotion with SoCo Transit must submit an application for employment or promotion using the systems and methods included in the recruitment announcement. Applications shall be accepted until 11:59 pm (external) and 4:30 PM (internal) of the final filing date. False information on an application may be considered grounds for removal from the recruitment or, if already employed, may be considered grounds for termination of employment.

### 5.3.4 Minimum Qualifications

All employees shall meet the minimum qualifications of the position to which they are assigned, and shall possess and maintain licensure as required in the job specifications. Only applicants who meet the minimum qualifications for the job (as described in the job specifications) may compete in the selection process. Applicants who do not meet the minimum qualifications shall be notified as such and shall have five (5) work days from the date of the notice to provide additional information to be considered in the minimum qualifications determination.

### 5.3.5 Employee Referral Program

Employees who know of someone who is interested in working for SoCo Transit should refer him or her to Human Resources.
For each applicant that an existing SoCo Transit employee refers that is hired will receive a monetary reward after the new employee has completed his or her probationary period.

Section 5.4 Selection (refer to the CBA for those covered)

Except for a direct appointment approved by the SoCo Transit Board, selection and promotion of employees by department managers and Human Resources shall be by a competitive selection process.

5.4.1 Selection Process

Applicants that meet the minimum qualifications of the job and are eligible to compete in the selection process shall be considered to be “candidates.” All open recruitments or internal recruitments must include one or more competitive selection elements. These elements may include, but are not limited to: oral interview, competitive application rating, written test, practical performance test, or any other valid and reliable selection method. All selection elements shall be job related and based on merit principles. At the conclusion of the recruitment process, all candidates shall be placed on an eligible list in rank order based on his or her final evaluation, including Veteran’s preference. An eligible list shall remain in effect for no less than six (6) months.

5.4.1.1 Selection Notification: Candidates shall be notified of their results in any element of a selection element in which they participated. Such notification shall, at a minimum, include whether they passed or failed that element of the selection process.

5.4.1.2 Selection Records: Records of a competitive selection shall be maintained for a period of not less than one year. Selection materials are confidential and are not subject to direct review by candidates.

5.4.1.3 Veterans Preference: A candidate who competes in an open recruitment and has a valid Veterans Certificate on file with the San Luis Obispo County Veterans Services office or the U.S. Veterans Administration shall be given preference amongst all other applicants, provided the Veteran can perform the essential duties of the position.

5.4.2 Interview of Certified Candidates

Upon establishment of the eligible list and prior to filling a position, the department manager and Human Resources shall at a minimum invite the top three ranked candidates on the eligible list to be interviewed. Subsequent ranks may be invited for an interview, however in no instance may ranks be skipped. Failure of a candidate to respond to an invitation for an interview shall be considered a decline to interview.
5.4.3 Background and Reference Checks

To ensure that individuals who join SoCo Transit meet our standard qualifications and have a strong potential to be productive and successful, it is our policy to check the employment references and criminal background checks of all applicants after a conditional offer of employment is provided. For some positions, such as management, or positions requiring access to financial, confidential data or other positions of trust, SoCo Transit also requires a credit check in accordance with the applicable federal and state standards.

In addition to checking references of applicants, we will respond in writing only to those reference check inquiries that are submitted in writing on former employees. Responses to such inquiries will be limited to factual information that can be substantiated by our records. SoCo will only provide dates of employment, title and rehire status without written consent. Wage information will be provided upon written authorization and release signed by the individual who is the subject of the inquiry.

5.4.4 Licensing

The following provides a summary of licensing and medical certification required for the Bus Operator position and other SoCo Transit positions that control the movement of a SoCo Transit revenue vehicle:

5.4.4.1 DMV License: It is the employee’s responsibility to cover the costs of obtaining a Commercial Driver’s License (CDL) and any renewals.

5.4.4.2 Medical Certificate for Safety Sensitive Position for New Hires: SoCo Transit will provide to each candidate with a list of authorized examining doctors that will complete the US DOT required physical examination at no cost to the employee.

5.4.4.3 Medical Certificate for Existing Employees: SoCo Transit shall post a list of employees who are due to renew their medical certificate on the first day of each month. If the employee chooses to use a doctor that is not on SoCo Transit provided list, the employee will be solely responsible for the costs of the physical examination.

5.4.4.4 Unpaid Time to Obtain/Maintain Licensing: Candidates for new safety sensitive positions and existing employees shall obtain or maintain commercial driver’s licenses and/or medical certificates on their own time, with the exception of SoCo Transit provided Verification of Transit Training paid time. In no case shall SoCo Transit be liable for pay or other benefits while the candidate or employee is conducting such off-site licensing business.
Section 5.5 Recruitment and Selection Services

SoCo Transit may contract with third party providers of recruitment and selection services. The third party service provider shall have broad discretion in interpretation of SoCo Transit policies related to recruitment and selection in order to ensure adherence to merit principles and equal opportunity in employment. The provisions of this article shall be interpreted to allow for conformance with the third-party systems and processes. Applicants and candidates shall use the systems and comply with the requirements of the third party service provider authorized by the SoCo Transit Board.

Section 5.6 Classification

SoCo Transit shall prepare and maintain written job specifications for each classification approved by the SoCo Transit Board. All positions shall be assigned to an approved classification. See Appendix B for details on SoCo Transit job classifications.

5.6.1 Approval of Job Specifications

Job Specifications for newly created classifications or revisions to job specifications for existing classifications must be submitted to and approved by the SoCo Transit Board.

5.6.2 Upward Reclassification of Positions (refer to the CBA for those covered)

At the sole discretion of the SoCo Transit Administrator, a position that has been assigned to a classification series may be reassigned to a higher level classification within that series. Such reassignment of classification is known as a career series promotion. A career series promotion is a non-competitive promotion.
ARTICLE 6
EMPLOYEE PERFORMANCE EVALUATION

Section 6.1  Background and Scope (refer to the CBA for those covered)

The SoCo Transit Administrator shall establish, implement and maintain an effective system for periodic evaluation of the performance and conduct of employees at SoCo Transit. The objective of this system shall be to record the performance of employees during the past evaluation period, assist supervisors and their employees in measuring progress toward work goals, identify employee development needs and establish a basis for personnel decisions.

Section 6.2  Evaluation Procedure (refer to the CBA for those covered)

In accordance with SoCo Transit procedures and on forms approved by the SoCo Transit Administrator, managers/supervisors shall evaluate, record and report the performance of their direct-report employees. Performance evaluations shall be one of the following:

a. Regular Evaluation: Employees shall receive an annual performance evaluation in July of each year, unless hired in the three months prior.

b. Special Evaluation/Performance Improvement Plan: The SoCo Transit Administrator may, at his or her discretion, issue a special evaluation. All special evaluations shall be created and administered in accordance with the provisions of this Rule.

Each evaluation shall be discussed with the employee by their supervisor and the employee shall be given a copy of the evaluation report following the discussion. The employee shall sign the report last as an acknowledgement that the report was discussed with him/her. The employee shall have the right to review the performance evaluation report with the SoCo Transit Administrator or designated representative. The evaluation report shall be maintained in the employee’s official personnel record.

Our objectives are to:

a. Motivate and guide employees toward improved work performance, professional growth and development by discussing significant strengths and areas needing improvement in a positive, constructive manner.

b. To promote communication between you and your supervisor to work-related matters.

c. To provide a uniform process for supervisors to assess employee performance in relation to performance requirements. Additionally, supervisors can use performance appraisals to recommend merit increases. Therefore, no employee should expect to receive a salary increase based solely on the passage of time.

d. To provide a method of evaluating employee suitability for continuation of employment, job transfers and/or promotions.

e. To provide a record of employee progress.
This program is not a guarantee of advancement. The SoCo Transit Board of Directors and economic forces affecting the budget are the ultimate consideration regarding salaries.
ARTICLE 7
PERSONAL CONDUCT

Section 7.1  Personal Conduct (refer to the CBA for those covered)

The orderly and efficient operation of SoCo Transit facilities and work sites requires that all employees maintain certain standards of job performance and good conduct. When performance or conduct do not meet SoCo Transit standards, SoCo Transit will endeavor when it deems appropriate to provide all employees a reasonable opportunity to correct the deficiency. If, however, you fail to make the correction, you will be subject to discipline, including termination of employment.

Section 7.2  Job Performance (refer to the CBA for those covered)

All SoCo Transit employees are expected to observe professional standards of job performance and conduct in support of the mission and vision of SoCo Transit, and to show courtesy and respect to co-workers and the public we serve.

When performance or conduct does not meet the standards and expectations of SoCo Transit, employees should be given an opportunity, when appropriate, to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline.

It is not possible to provide employees a complete list of every possible type of action which may result in discipline or termination. Management reserves the right to establish standards of conduct as it deems necessary. However, in order to provide employees some guidance concerning unacceptable behavior, the following are considered impermissible. Employees who engage in misconduct or whose performance is unsatisfactory may be subject to disciplinary action, up to and possibly including termination. The list below is intended simply to provide some examples of disciplinary offenses.

Employees may be disciplined up to and including termination for poor performance including, but not limited to, the following:

1. Below-average work quality or quantity as set forth in job description and compensation plan, or as determined by executive or division managers.
2. Poor attitude (for example, discourtesy, rudeness or lack of cooperation) or failure to follow the instructions of a supervisor or manager.
3. Excessive absenteeism, tardiness or abuse of break and lunch privileges.
4. A demonstrated pattern of erratic or poor attendance that is not part of an authorized leave of absence or other reasonable accommodation established by SoCo Transit.
5. Failure to follow instructions or SoCo Transit procedures.
6. Failure to follow established safety regulations, policies, procedures or hazard communication training.
7. Reporting to work or attempting to work when physically or mentally unfit for reasons such as: illness, injury, lack of sleep, influence of stimulants, depressants, liquor or drugs, emotional strain or other unfit condition.
8. Creating or contributing to unhealthful, unsanitary or unsafe conditions, including littering, graffiti or failure to properly dispose of debris, expired food items or other trash in proper areas.
9. Loafing, wasting time or sleeping during working hours.
10. Failure to meet a reasonable measure of efficiency or to follow business-related instructions from a manager or supervisor.
11. Failure to be at work position at start of shift or end of lunch period and/or failure to remain at work position up to start of lunch period or end of shift.
12. Repeated refusal of overtime work assignments without satisfactory reasons or authorized reasonable accommodations.
13. Inattention, carelessness or negligence (willful or otherwise) which causes or could cause injury to other employees or damage to SoCo Transit property.
14. Horseplay or mischief which endangers the safety of others or creates the possibility of damage to SoCo Transit property.
15. Repetitive violation of industrial safety rules and/or regulations.

Section 7.3 Misconduct That May Result in Discipline up to and Including Termination
(refer to the CBA for those covered)

1. Theft, abuse or defacing of any property belonging to SoCo Transit or fellow workers, including stealing from customers’ property.
2. Falsification or forgery of or making a material omission on forms, records, or reports, including time cards, applications for employment, customer records or checks, entertainment receipts, or SoCo Transit credit cards.
3. Lying to any supervisor or manager or submitting false or misleading documentation to support any requested benefit, including use of sick leave or other leaves of absence.
4. Actual or threatened physical violence towards another employee or subcontractor of SoCo Transit.
5. Possessing or bringing firearms, knives, weapons, or chemicals on or to SoCo Transit property.
6. Insubordination, refusing to follow a supervisor’s directions, or other disrespectful conduct to a supervisor.
7. Use of abusive language, verbal or visual, to any other person on SoCo Transit premises. Loud screaming, laughing or disruptive behavior.
8. Destroying or damaging property, records or other materials owned or leased by the SoCo Transit or any employee or subcontractor performing work pursuant to an agreement with SoCo Transit.
9. Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
10. Using, possessing, distributing, selling or being under the influence of alcohol or unlawful drugs while on duty, while on SoCo Transit’s property or customer premises, or while operating a SoCo Transit owned or leased vehicle.
11. Sexual harassment or other unlawful harassment bullying or abusive conduct directed toward another employee.
12. Misappropriation or theft of SoCo Transit’s funds, including unauthorized use of SoCo Transit funds, SoCo Transit credit cards and charge accounts for personal use.
13. Copying of any confidential information or records for known or unknown use by others outside SoCo Transit.
14. Bringing to work or displaying any writings, posters, pictures or literature on SoCo Transit premises unless authorized in writing by management.
15. Solicitation to customers or other employees for sale of products including cosmetics, kitchenware or other items during business hours. Employees are urged to limit this type of activity to after hours.
16. Violation of SoCo Transit policies including breaches of security or trade secret disclosure.
17. Tampering with or in any way falsifying a document or record submitted to the SoCo Transit to support any request for benefits, including sick leave, other leaves of absence, or compensation.
18. Tampering with, destroying or in any way falsifying a SoCo Transit business record.
19. Any behavior that brings discredit to the SoCo Transit.
20. Absence of two or more days without authorization.
21. Failure to pass a drug test administered pursuant to the established SoCo Transit drug testing policy.
22. Punching another employee’s time card.

Section 7.4 Investigation of Employees for Misconduct

SoCo Transit may occasionally find it necessary to investigate employees, where behavior or other relevant circumstances raise questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of coworkers or others. Employee investigations may, where appropriate, include credit reports and investigations of criminal records (including appropriate inquiries about any arrest for a crime of dishonesty, theft, drugs or violence) and for which the employee is out on bail or awaiting trial. Employees subject to an investigation are required to cooperate with SoCo Transit’s lawful efforts to obtain relevant information.

The purpose of the investigation is to discover the underlying reasons for the problem so that management can take corrective action. Investigations are a tool for management to use in analyzing the reasons for problems or gathering data to make management decisions.
7.4.1 Reports or Complaints of Misconduct:

SoCo Transit will also investigate any possible fraudulent or dishonest use or misuse of SoCo Transit resources or property by management or employees, or other misconduct. Anyone found to have engaged in a fraudulent or dishonest conduct is subject to disciplinary action by SoCo Transit up to and including termination of employment. SoCo Transit also may pursue civil or criminal prosecution when warranted.

7.4.2 Policy Against Retaliation for Reporting:

SoCo Transit will not retaliate against any employee who makes a report or complaint in good faith, believing the allegations to be true, whether or not the ultimate investigation substantiates the perceived misconduct.

7.4.3 Duties of Employees Participating in Investigations:

Any employee who participates in an official SoCo Transit investigation, whether as reporting/complaining party or as independent witness, is required to provide truthful, good faith information that is within your personal knowledge. Violations of this policy may result in discipline, up to and including termination. Providing false information, when substantiated, will result in automatic termination.

7.4.4 Policy Against Baseless Allegations:

Any employee who makes allegations with reckless disregard for their truth or falsity, as determined by a neutral investigation, may be subject to disciplinary action and/or legal claims by individuals accused of misconduct.

7.4.5 Compliance with Policies and Procedures

SoCo Transit employees shall be in compliance with all rules, regulations, policies and procedures, orders, bulletins, and instructions provided by SoCo Transit. Ignorance on the aforementioned will not be accepted as a valid reason for failing to comply.

Section 7.5 Notice of Change in Employment Status

When there is a change of employment status, whether termination, leave of absence, or switching from an employee to independent contractor relationship, SoCo Transit will provide you with a written notice on SoCo Transit letterhead providing (a) your name, (b) the type of change in employment status, and (c) the effective date of the change. SoCo Transit is not required to specify the reason for the employment status change.

If the change in status is because SoCo Transit has terminated, laid off, or placed an employee on a leave of absence, then SoCo Transit shall provide to the employee a copy of the
Employment Development Department pamphlet DE 2320, “For Your Benefit, California’s Program for the Unemployed”.

Section 7.6 Exit Interview

Upon separation from SoCo Transit, every employee will be asked to participate in an exit interview. This gives both the employee and SoCo Transit an opportunity to discuss the reasons the employee is leaving and the employment relationship. Management is always anxious to receive constructive comments on its business operations and the satisfaction of employees. The exit interview provides this opportunity.
EMPLOYEE POLICIES AND PROCEDURES HANDBOOK
EMPLOYEE ACKNOWLEDGEMENT

I have received my copy of SoCo Transit Employee Policies and Procedures Handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures including the Harassment Policy contained in the Handbook.

I understand that, any and all policies or practices can be changed at any time by SoCo Transit. SoCo Transit reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the SoCo Transit Administrator, no manager, supervisor, or representative of SoCo Transit has the authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the SoCo Transit Administrator has the authority to make any such agreement and then only in writing, signed by the SoCo Transit Administrator.

I understand and agree that nothing in the Handbook creates or is intended to create a promise or representation of continued employment and that employment at SoCo Transit is employment at-will: employment may be terminated at the will of either SoCo Transit or myself. My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between SoCo Transit and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with SoCo Transit.

Any information that I learn about SoCo Transit or its representatives as a result of working for SoCo Transit that is not otherwise publicly available constitutes confidential information. I may not disclose confidential information to anyone who is not employed by SoCo Transit or to other persons employed by SoCo Transit who do not need to know such information to assist in rendering services. The disclosure, distribution, electronic transmission or copying of SoCo Transit’s confidential information is prohibited. Any employee who discloses confidential SoCo Transit information will be subject to disciplinary action (including possible termination), even if he or she does not actually benefit from the disclosure of such information. I understand the above policy and pledge not to disclose confidential information.

_____________________________  __________________________
Employee’s Signature                  Date

_____________________________
Employee’s Name (Print)
South County Transit
Job Description

JOB TITLE: Bus Operator
DEPARTMENT: Operations
REPORTS TO: Lead Operations Supervisor
FLSA STATUS: Non-exempt

SUMMARY: The position of Bus Operator is responsible for the safe, dependable, and professional operation of South County Transit (SoCo) Buses, Paratransit Vehicles, and Trolleys in order to provide the highest quality of service to SoCo customers and communities.

ESSENTIAL DUTIES AND RESPONSIBILITIES: (Other duties may be assigned)

- Operates assigned SoCo equipment in a safe, reliable, professional and courteous manner
- Ability to operate all vehicles within the company’s service operations fleet
- Provides the highest quality of customer service to passengers and the general public
- Keeps scheduled time points per the printed run sheets and adheres to running time between time points
- Ensures customers pay appropriate fare or possess appropriate fare media
- Ensures vehicle has necessary schedules and customer information. Provides information to customers and the general public on SoCo services as well as other services in the County.
- Ensures that vehicles are inspected before use and are safe. Inspects radio, farebox, and all onboard equipment to ensure that it is operable. When turning over the bus, trolley or paratransit vehicle to another operator, provides any information relevant on the vehicle condition
- Notifies dispatch of any accident, incident, equipment failure, or when there is an operating issue that would require a detour or that is out of the ordinary
- Follows all SoCo operating policies and procedures

MINIMUM QUALIFICATIONS:

Education/Experience: High School diploma/GED or job experience necessary to provide the knowledge and skills to perform the duties of Bus Operator.

Certificates and Licenses: Must maintain an active California CDL with appropriate endorsements throughout employment; must pass a DOT physical and drug/alcohol screen prior to acceptance and annual/random drug/alcohol screens for the duration of employment with RTA.

OTHER EMPLOYMENT STANDARDS:

- Good driving record with no Driving While Intoxicated (DWI), Driving Under the Influence (DUI) or similar charges; reckless driving, railroad crossing violations, failures to appear (FTA) or leaving the scene of an accident offenses. (Consideration may be given after ten (10) years)
- No more than a total of two (2) moving violations or accidents within the last three (3) years.
- No suspended or revoked licenses within the past 10 years for moving violations or violations of criminal laws.
Any combination of violations, unfavorable road observations or accidents that indicates a pattern of unsafe vehicle operation behavior, whether on or off the job.

- Minimum of five years driving experience.
- Ability to perform simple math and write basic reports and learn and understand motor vehicle regulations.
- Reasonable knowledge of the service area and ability to read basic maps.
- A background and reference check will be conducted.

**WORK ENVIRONMENT:**

This position may be required to work shifts, weekends and holidays. While performing the duties of this job, the employee will be sitting for long periods while driving and is frequently exposed to work near moving mechanical parts and fumes or airborne particles. The employee is occasionally exposed to toxic or caustic chemicals; outdoor weather conditions and risk of electrical shock. The noise level in the work environment is usually moderate to loud.

**PHYSICAL DEMANDS:**
The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. While performing the duties of this job, the employee is regularly required to sit; use of hands and fingers, handle or feet reach with hands and arms; and talk or hear. Position requires ability to lift, push, pull, assist and secure wheelchair passengers and minimum 50 lbs. Visual acuity to determine color, depth and field of vision.

FLSA Status: Non Exempt
South County Transit
Job Description

Job Title: SCT Operations Supervisor
Department: Operations
Reports To: RTA Lead Operations Supervisor
FLSA Status: Non-exempt

JOB SUMMARY

Under the direction of the RTA Lead Supervisor, Operations, this position is responsible for the safe and efficient delivery of SCT Fixed Route and Trolley services to SCT customers and the communities that we serve. This position combines responsibility for the dispatch, road supervision, and operations support functions.

ESSENTIAL DUTIES AND RESPONSIBILITIES include the following. Other duties may be assigned:

- Maintains Class B CDL with passenger endorsement and no restrictions for backup bus operation as needed.
- Responsible for overseeing the daily bus assignments and pull-out of buses at SCT.
- Coordinates vehicle usage requirements with the RTA Maintenance Division, RTA Dispatch, and RTA Safety/Training Department and/or outside vendors.
- Oversees detour planning and adjusts schedules based on field observations made by Road Supervisors and scheduled events. Provides Operations Manager and RTA Dispatcher appropriate information on service disruptions and ensures dissemination of pertinent information to SCT customers and communities where appropriate.
- Oversees the investigation and response to customer comments regarding scheduling of trips, on-time performance of system, and related service quality customer feedback and input. Reports monthly statistics and log for all customer comments.
- Conducts accident/injury investigations for SCT vehicle collision, and Bus Operator and passenger incidents/injuries.
- Maintains open and productive communications with RTA and SCT staff to insure strong teamwork and optimal SCT performance. Must also communicate professionally with vendors and outside agency staff.
- Assists RTA Operations Manager with the development and enforcement of work rules, policies and operating bulletins.
- Provides SCT Administrator with appropriate review and suggestions regarding the quarterly SCT Board of Director meeting agenda and related material.
- Works closely with RTA staff to recruit, train and retain SCT employees. Assists with reporting requirements to ensure employment actions meet all federal and state requirements.
QUALIFICATIONS

To perform this job successfully, must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Must have knowledge of: Federal, state and local transportation laws, requirements and mandates regarding safety/training, drug and alcohol testing, operating procedures and protocol, and labor relations; operation of transit vehicles in a small urban setting; maintenance and safety requirements of such vehicles; risk management; supervisory practices and communication skills; principles of scheduling of fixed route service; principles of developing and administering work runs; principles of report writing; principles of budget preparation and control; principles of supervision and motivation; and analytical methods and techniques used for cost and price analysis.

Must have the ability to: work under stress and exercise good judgment in emergency situations; perform duties with good powers of observation, memory, logical reasoning, and judgment; effectively supervise the work of others; perform a variety of clerical tasks such as typing, filing, record keeping, and report writing; understand and carry out oral and written instructions, speak clearly, and listen attentively; tactfully handle customer complaints, and exhibit tact and courtesy in dealing with the public; and establish and maintain effective working relationships.

Must have skills in: supervising personnel, preferably in a Collective Bargaining Agreement environment; reading, writing and communicating at an appropriate supervisory level; using a Windows-based personal computer and proficient in use MS Word, MS Excel, MS Outlook, etc; program management; motivating employees to practice safe work methods; and working effectively with others in a team environment.

EDUCATION, TRAINING AND EXPERIENCE

Graduation from an accredited college or university with a Bachelor’s Degree in transportation, public or business administration, planning or related field, and a minimum of three years recent professional work experience in transit operations is required. Actual equivalent experience (on a year to year basis) in the administration of a public or private transportation system of similar size/scope may be considered as an acceptable substitute for a Bachelor’s Degree.

Scope of experience must include modern managerial techniques necessary for organizing, implementing and executing operating plans, and effective motivation and communication methods

LICENSES/CERTIFICATES

Must possess at the time of application a valid California Commercial Driver’s License (CDL) with passenger endorsement and no restrictions, as well as a valid Medical Examiners Certificate and verification of transit training (VTT) certification. In addition, must possess at the time of application a valid Transit Safety Institute certification in instruction and/or accident investigation. All licenses and certifications must remain valid at all times.
South County Transit
Job Description

JOB TITLE: Utility Worker
DEPARTMENT: Maintenance
REPORTS TO: RTA Manager, Maintenance and Facilities
FLSA STATUS: Non-exempt

JOB SUMMARY

Under general supervision, and to a schedule and detailed checklist, cleans the interior and exterior of buses, vans, and facilities, including bus stops and related passenger amenities, and other related work as required.

ESSENTIAL DUTIES AND RESPONSIBILITIES other duties as assigned

Sweeps, dusts and cleans the interior and exterior of all vehicles; replaces notices and advertisements as necessary on buses and at bus stops; use sound judgment; keeps schedule racks stocked; removes graffiti and notifies supervisor of any un-reported damage or needed repairs; cleans bus stops and related equipment; services bus stop waste containers; performs minor repairs on bus stop fixtures, trims tree branches, shrubs and weeds; performs general grounds keeping and facility cleaning/upkeep duties; may include operating non-commercial vehicles on public roadways and commercial vehicles in the yard. Hours of work will vary and may include evening and/or weekend work.

QUALIFICATIONS

Education/Experience: Graduation from high school or a GED certificate; demonstrated ability or ability to learn to operate commercial vehicles as necessary in the yard; experience working cooperatively with others; experience in the use of the methods, equipment and tools required in the cleaning and upkeep of transit-related equipment including but not limited to common hand and power tools, mop/bucket, window cleaning equipment, weed trimmer, leaf blower, pressure washer and upholstery cleaner. Experience working in positions that demonstrated the ability to stand for long periods of time; lift and move heavy objects; bend or stoop repeatedly; perform other physical demands of vehicle cleaning, grounds keeping and facility cleaning/upkeep. Must pass a DOT physical and drug/alcohol screen.

Licenses: A valid California driver’s license is required at the time of application.

PHYSICAL AND MENTAL REQUIREMENTS

The essential functions of this job are performed in both a shop environment and outside in various weather conditions, including extreme heat and cold. Work is performed on ladders, around moving vehicles, equipment and machinery with moving parts, under wet and slippery conditions and, occasionally, with hands in water. Incumbents are exposed on a daily basis to a dry atmosphere, intermittent loud noise and vibrations, dust, silica, fumes, smoke, gases, grease,
oils, electrical energy, and toxic and/or caustic chemicals.

On a daily basis, the essential functions of the job require employees to climb ladders,stoop, kneel, crouch, stand, and walk and occasionally to crawl into confined spaces; to extend arms and use upper extremities, finger dexterity and hand strength to reach, pick, pinch and grasp tools and controls and/or to feel the attributes of objects; to lift, and carry objects weighing up to 50 pounds; to push and pull objects weighing up to 150 pounds; to hear and talk to receive and communicate instructions and other information; to rotate neck left and right and bend neck forward and backward; to bend and twist torso; to read and see objects clearly within one foot to arms length, and occasionally to twenty feet, requiring a full field of vision and good depth perception with the ability to adjust focus and distinguish basic colors and shades of color; and to operate vehicles and equipment requiring the use of both feet and hands.
AGENDA ITEM: B-1

TOPIC: Fiscal Year 2019-20 Budget Assumptions

ACTION: Approve Budget Assumptions

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

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

BACKGROUND/DISCUSSION:

Each year in connection with the annual budget process, staff reviews SoCo Transit operations to determine what, if any, operational changes will be recommended for implementation in the following fiscal year. Based on those recommended changes, staff develops the operational data, revenue and cost projections for presentation in the proposed Operating Budget. For Fiscal Year 2019-20, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY19-20 Budget Assumptions that will provide staff the necessary policy guidance to prepare the appropriate operating and capital program for presentation to the Board at its April meeting.

KEY ISSUES

1. SoCo Transit faces a Transportation Development Act (TDA) financial penalty, estimated to be on the order of $70,000, which SLOCOG has delayed imposing due to the consideration of consolidation into the RTA.
2. STA funds used for capital projects.
3. LTF used for operating purposes.
4. Liability costs continue to escalate, despite SoCo Transit’s good safety record.
5. Fleet replacement and related funding requirements including SB1 funds.
6. Fuel costs continue to remain low; this also results in declining ridership & fares.
7. Transit agencies across California are struggling to attract a sufficient number of qualified Bus Operator candidates, including all of the transit agencies in our County.

Note that the first issue above is the greatest one facing the agency in the immediate future, and is something that has been on the forefront of decision-makers’ minds ever
since the State-mandated higher 20% farebox recovery ratio was triggered by the 2010 US Census.

It should also be noted that, in conjunction with the consultant team, staff kicked-off the Joint Short Range Transit Plans for SoCo Transit and area Dial a Rides on December 11th. This study will be completed in 18 months, and will provide a “roadmap” for the next 5 to 7 years. The consultants are currently reviewing a long list of requested data related to SoCo Transit operating, capital and institutional elements. A comprehensive on-bus passenger survey will be conducted in March 2019, and will be followed by a “state of the agency” report prior to developing operations, capital, institutional and financial alternatives that will be presented in late summer 2019.

Mission Statement

The Mission of South County Transit is to provide safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Objectives and Revenue Impacts

1. Maintain service levels and hours of service that meet the standards of productivity and demands of our customers and communities through the effective and efficient delivery of SoCo Transit Fixed Route core services, as well as contracted Senior Shuttle and Trolley services.

   a. SoCo Transit received just over $78,500 in State Transit Assistance (STA) capital project funding in FY17-18, and $158,040 in FY18-19 which includes SB1 funding. Staff will work with SLOCOG staff to determine a realistic estimate for FY19-20.

   b. Continue to monitor the results and impacts of the July 2016 fare increase and the regional fare media increase as part of the RTA fare increase in December 2017. The RTA obtained regional Prop 1B Safety and Security funds to implement a SmartPhone-based fare-paying system that will be implemented in early 2019. Staff will monitor its use to determine if this system relieves pressure on placing expensive and time-consuming electronic Ticket Vending Machines at high-use bus stops throughout the county, including in South County.

   c. Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue.

   d. To partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) services, SoCo Transit applied in January 2019 for Low-Carbon Transit Operations Program (LCTOP) grant to fund the service in FY19-20. The Oceano area’s demographic profile suggests this
service will continue to rank relatively high in San Luis Obispo County for these LCTOP grant funds.

e. **As noted above, a financial penalty will be assessed by SLOCOG for failing to achieve the mandated 20% farebox recovery ratio if South County Transit does not consolidate with RTA.** If assessed, this amount is determined and local non-TDA sources are identified at each jurisdiction’s level, the now-reduced LTF will be budgeted to balance the SoCo Transit budget based on maintaining service levels for SoCo Transit Routes 21, 24, 27 and 28 operations. Note that tripper service on Routes 27 and 28 only operates when Arroyo Grande High School is in full session. The FY19-20 amount will likely be in line with FY18-19 LTF amount, which is greater than in recent fiscal years, because SoCo Transit has used up savings generated in prior years that had been carried forward as fund balance available to offset LTF in the following year.

f. Detailed miles/hours and span of service for each SoCo Transit core fixed-route will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will be provided separately for the County-funded Beach Trolley service.

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 SoCo Transit jurisdictions and/or adjust service levels.

h. Due to changes in self-insured retention requirements, staff will review and provide recommendations regarding the SoCo Transit reserve policy, which was originally adopted in April 2014, as part of the budget process.

2. Work with the SLOCOG in evaluating region-wide service efficiencies.

   a. Continue to evaluate the TDA Triennial Audit recommendation for SoCo Transit to consolidate with the RTA. *Consolidation would have the effect of eliminating the TDA financial penalty.*

   b. Transit agencies across the country have experienced ridership declines and, although those declines have recently slowed, they are still affecting SoCo Transit’s farebox recovery ratio. Other factors also include changes to the California minimum wage, which increased over 9% in January 2019. Staff will work with SLOCOG to determine the appropriate farebox ratio requirements for SoCo Transit under possible consolidation with the RTA.

   c. 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. With consolidation, some services such as payroll and finance will be reduced, resulting in cost savings.

d. Monitor the results of the 2018-20 SoCo Transit Strategic Business Plan as well as the current Short Range Transit Plan effort to evaluate potential efficiencies.

3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.

**Expenses Impacts**

1. The Beach Trolley will operate from early-April through early-June on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). From mid-June to early-September, the Beach Trolley will operate on Friday through Sunday (Friday and Saturday from 10 am to 9 pm and Sunday from 10 a, to 6 pm). From mid-September to the end of September, the Beach Trolley will operate on Friday through Sunday (Friday evening, and from 10 am to 6 pm on Saturday and Sunday). These services are provided through a contract with RTA and entirely funded through the County. Staff will continue to evaluate service levels based on ITS data to determine if service levels should be adjusted.

2. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at $3.25 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.

3. Staff is assuming the operations facility rental costs will not increase in FY19-20 pending negotiation with County Real Estate Services. Staff will be providing evidence regarding the improvements completed, namely the extensive pavement repairs to the yard that have been completed. Note, there is a carryover of improvement projects that staff will address with the County as part of negotiations.

4. 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, 2019 through April 30, 2020 rates. Estimates should be received from CalTIP in time to include in the SoCo Transit budget that will be presented in April 2019. Although the number of SoCo Transit liability claims based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members. Under consolidation,
there will be savings annually in reduced administrative costs and the per-mile cost for SoCo Transit miles operated will initially decline.

b. CalTIP vehicle physical damage will increase minimally.

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. SoCo Transit was able to join the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at $2,500 with a $50,000 self-insured retention.

d. Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase minimally, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. Staff will obtain a more refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. Under consolidation, there will be a relatively similar cost due to RTA having a higher loss ratio than SoCo Transit but cost increases would be offset by eliminating the duplicative carrier’s administrative costs.

e. Property insurance will increase minimally.

f. For budget-making purposes, staff is assuming health insurance premiums will increase 5% in comparison to current rates. This will have a minimal impact on the budget due to the low number of employees under the plan. At this time, the Affordable Care Act has no impact on the budget, since SoCo Transit employs fewer than 50 employees. Nonetheless, staff will continue to monitor legislation should that provision change. With consolidation health insurance costs would increase due to the Affordable Care Act provisions for employees who work greater than 30 hours per week.

5. Staffing Expenses:

   a. The South County Transit Board ratified the CBA with the Teamsters at its Special Board January 2018 meeting.
**Proposed Budget Calendar**

January 8    Detailed budget assumptions and revenue forecast to Executive Committee  
January 16   Obtain Board concurrence on proposed draft budget assumptions  
March 31     FY19-20 Budget Draft complete  
April 9      Draft FY19-20 Budget presentation to Executive Committee  
April 24     Final Board Budget presentation; Board adoption of FY19-20 Budget  
May – June   SLOCOG notifies all JPA members of TDA allotment for member agency budget consideration  
July 1       Start of new fiscal year

**Staff Recommendation**
Approve the budget assumptions and budget calendar so that a detailed work plan and budget may be developed.
AGENDA ITEM:    B-2

TOPIC:     Annual Fiscal & Compliance Audit

ACTION:    Review and Accept the FY2017-18 Audit Report

PRESENTED BY:    Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION:    Review and Accept the FY2017-18 Annual Fiscal and Compliance Audit

BACKGROUND/DISCUSSION:

The Transportation Development Act (TDA) requires an annual fiscal and compliance audit of each TDA recipient. The attached audit report was completed for SoCo Transit by Moss, Levy & Hartzheim, LLP.

Of particular interest to SoCo Transit 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 SoCo Transit, 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.

There is one finding noted on the Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit or Financial Statements Performed in Accordance with Government Auditing Standards titled Rate Revenue Ratio (Finding 2018-01). Staff had hoped the service and fare changes in July 2016 would result in attaining the 20% farebox ratio requirement and continues to strive to increase the ratio, noting a slight increase in the ratio during the fiscal year ending June 30, 2018. Staff will continue to evaluate options, including the recommendations included in the TDA performance audit presented to the SLOCOG Board on August 2, 2017.

Staff Recommendation
Staff recommends that the Board review and accept the Fiscal Year 2017-18 Annual Fiscal and Compliance Audit report.
October 8, 2018
To the Board of Directors
South County Transit

We have audited the basic financial statements of the governmental activities of South County Transit for the fiscal year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under Generally Accepted Auditing Standards and Government Auditing Standards, 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 June 1, 2018. 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 South County Transit are described in Note 2 to the financial statements. 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 South County Transit's financial statements was:

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.

The financial statement disclosures are neutral, consistent, and clear.

**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 October 8, 2018.
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.

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 South County Transit and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Bey & Humphrein LLP

October 8, 2018
Santa Maria, California
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
South County Transit
San Luis Obispo, California

We have audited, in accordance with the 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, the basic financial statements of the South County Transit (the Agency), as of and for the fiscal year ended June 30, 2018, and the related notes to basic financial statements, and have issued our report thereon dated October 8, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Agency’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made for purposes of determining compliance with the Transportation Development Act Section 99260, the California Administrative Code, and the rules and regulations of the San Luis Obispo Council of Governments. In our audit, we performed, to the extent applicable, the tasks contained in Section 6667 of the California Administrative Code. Also part of our audit, we performed tests of compliance to determine whether certain State bond funds were received and expended in accordance with applicable bond act and State program requirements pursuant to SB 88, Chapter 181, Article 5. Specifically, we verified receipt of funds under the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), and allocation of interest earned on unexpended PTMISEA funds. The PTMISEA funds were received for the purpose of the South County Transit Coach Replacement. We verified appropriate expenditure of PTMISEA funds and interest earned as of June 30, 2017. Also part of our audit, we performed tests of compliance to determine whether certain State bond funds were received and expended in accordance with applicable bond act and State program requirements pursuant to SB 862. Specifically, we verified receipt of funds under the Low Carbon Transit Operations Program (LCTOP), and allocation of interest earned on unexpended LCTOP funds. The LCTOP funds were received for the purpose of operational subsidies for South County Transit Routes 27 and 28. We verified appropriate expenditure of LCTOP funds and interest earned as of June 30, 2018. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. We did identify one non-compliance where South County Transit did not meet the minimum required fare revenue ratio as described in Finding 2018-1.
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mose, Ring & Sheaferin LLP

October 8, 2018
Santa Maria, California
SOUTH COUNTY TRANSIT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

FINDING 2018-1
Fare Revenue Ratio

Criteria:
The required fare revenue ratio for South County Transit is 20%.

Condition:
During our calculations of the fare revenue ratio, we noted that the Agency had a ratio of 12.29%.

Cause:
Not enough passenger fares are received to pay for Agency operations.

Effect:
The Agency is using more State revenue than allowed to pay for its operations and while no penalties currently apply, the Agency may potentially lose some funding in future years beginning in the fiscal year ended June 30, 2019.

Recommendation:
The Agency needs to create a plan to raise its fare revenue ratio over the minimum of 20%.

Agency’s Corrective Action Plan:
The Agency had hoped that the fare and service change in July 2016 would result in attaining the farebox ratio requirement and continues to strive to increase the ratio, noting a slight increase in the ratio during fiscal year ending June 30, 2018. Staff will continue to evaluate options, including the recommendations included in the TDA performance audit presented to the SLOCOG Board on August 2, 2017.
SOUTH COUNTY TRANSIT
SCHEDULE OF PRIOR FISCAL YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2018

FINDING 2017-1
Fare Revenue Ratio

Criteria:
The required fare revenue ratio for South County Transit is 20%.

Condition:
During our calculations of the fare revenue ratio, we noted that the Agency had a ratio of 11.86%.

Cause:
Not enough passenger fares are received to pay for Agency operations.

Effect:
The Agency is using more State revenue than allowed to pay for its operations and while no penalties currently apply, the Agency may potentially lose some funding in future years beginning in the fiscal year ended June 30, 2019.

Recommendation:
The Agency needs to create a plan to raise its fare revenue ratio over the minimum of 20%.

Current Status:
Not implemented.
SOUTH COUNTY TRANSIT
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June 30, 2018

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FINANCIAL SECTION
INDEPENDENT AUDITORS’ REPORT

Board of Directors
South County Transit
San Luis Obispo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the South County Transit (Agency) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Agency’s basic 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 auditor’s 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 South County Transit, as of June 30, 2018, and the respective changes in financial position, and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the South County Transit’s 2017 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with audited financial statements from which it has been derived.
Required Supplementary Information

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 South County Transit’s basic financial statements. The schedule of expenses – budget and actual on page 15, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenses – budget and actual 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2018, on our consideration of the South County Transit’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 & Stawtman LLP

October 8, 2018
### SOUTH COUNTY TRANSIT

**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**  
**WITH COMPARATIVE TOTALS FOR JUNE 30, 2017**

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$ 555,761</td>
<td>$ 302,583</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>23,489</td>
<td>35,618</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>5,303</td>
<td>5,997</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>586,553</strong></td>
<td><strong>346,198</strong></td>
</tr>
<tr>
<td><strong>Capital assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>152,006</td>
<td>152,006</td>
</tr>
<tr>
<td>Equipment and vehicles</td>
<td>2,650,914</td>
<td>2,690,289</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(1,601,957)</td>
<td>(1,435,731)</td>
</tr>
<tr>
<td><strong>Total net capital assets</strong></td>
<td><strong>1,200,963</strong></td>
<td><strong>1,406,564</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,787,516</td>
<td>1,752,762</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>263,497</td>
<td>106,588</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>19,959</td>
<td>21,113</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>9,910</td>
<td>9,656</td>
</tr>
<tr>
<td><strong>Total current liabilities:</strong></td>
<td><strong>293,366</strong></td>
<td><strong>137,357</strong></td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensated absences</td>
<td>3,910</td>
<td>4,386</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities:</strong></td>
<td><strong>3,910</strong></td>
<td><strong>4,386</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>297,276</td>
<td>141,743</td>
</tr>
</tbody>
</table>

#### NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>1,200,963</td>
<td>1,406,564</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>289,277</td>
<td>204,455</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td><strong>$1,490,240</strong></td>
<td><strong>$1,611,019</strong></td>
</tr>
</tbody>
</table>

The notes to basic financial statements are an integral part of this statement.
### SOUTH COUNTY TRANSIT

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$162,511</td>
<td>$145,021</td>
</tr>
<tr>
<td>Advertising and other income</td>
<td>13,370</td>
<td>1,138</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$175,881</td>
<td>$146,159</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>616,662</td>
<td>568,810</td>
</tr>
<tr>
<td>Maintenance and operation</td>
<td>614,490</td>
<td>565,847</td>
</tr>
<tr>
<td>Administration and financial services</td>
<td>91,300</td>
<td>87,950</td>
</tr>
<tr>
<td>Depreciation</td>
<td>206,444</td>
<td>207,932</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$1,528,896</td>
<td>$1,430,539</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>$(1,353,015)</td>
<td>$(1,284,380)</td>
</tr>
<tr>
<td><strong>Non-Operating Revenues (Expenses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>6,377</td>
<td>4,791</td>
</tr>
<tr>
<td>Transportation Development Act funds</td>
<td>554,396</td>
<td>235,546</td>
</tr>
<tr>
<td>Low Carbon Transit Operations Program</td>
<td>135,648</td>
<td>97,348</td>
</tr>
<tr>
<td>Fees and reimbursements from other governmental agencies</td>
<td>51,972</td>
<td>51,569</td>
</tr>
<tr>
<td>Federal grants</td>
<td>483,000</td>
<td>440,019</td>
</tr>
<tr>
<td>Gain on disposal of capital assets</td>
<td>3,710</td>
<td></td>
</tr>
<tr>
<td><strong>Total non-operating revenues (expenses)</strong></td>
<td>$1,231,393</td>
<td>$832,983</td>
</tr>
<tr>
<td><strong>Capital Contributions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal capital grants</td>
<td></td>
<td>100,000</td>
</tr>
<tr>
<td>State capital grants</td>
<td>843</td>
<td>37,058</td>
</tr>
<tr>
<td><strong>Total capital contributions</strong></td>
<td>843</td>
<td>137,058</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td>$(120,779)</td>
<td>$(314,339)</td>
</tr>
<tr>
<td><strong>Net position, beginning of fiscal year</strong></td>
<td>1,611,019</td>
<td>1,925,358</td>
</tr>
<tr>
<td><strong>Net position, end of fiscal year</strong></td>
<td>$1,490,240</td>
<td>$1,611,019</td>
</tr>
</tbody>
</table>

The notes to basic financial statements are an integral part of this statement.
SOUTH COUNTY TRANSIT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows From Operating Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$188,291</td>
<td>$133,905</td>
</tr>
<tr>
<td>Payments to suppliers and wages</td>
<td>(1,166,479)</td>
<td>(1,377,735)</td>
</tr>
<tr>
<td>Net cash (used) by operating activities</td>
<td>(978,188)</td>
<td>(1,243,830)</td>
</tr>
</tbody>
</table>

| **Cash Flows From Capital and Related Financing Activities:**                |            |            |
| Acquisition and construction of property, plant, and equipment              | (843)      | (137,058)  |
| Sale of capital assets                                                      | 3,710      |            |
| Capital grants received                                                     | 816        | 108,308    |
| Net cash provided (used) by capital and related financing activities        | (27)       | (25,040)   |

| **Cash Flows from Noncapital Financing Activities:**                         |            |            |
| Operating subsidies                                                         | 690,044    | 235,546    |
| Fees, grants, and reimbursements received                                    | 534,972    | 491,588    |
| Net cash provided by noncapital financing activities                         | 1,225,016  | 727,134    |

| **Cash Flows From Investing Activities:**                                   |            |            |
| Interest income                                                             | 6,377      | 4,791      |
| Net cash provided by investing activities                                    | 6,377      | 4,791      |
| Net increase (decrease) in cash and cash equivalents                         | 253,178    | (536,945)  |
| Cash and cash equivalents, beginning of fiscal year                         | 302,583    | 839,528    |
| Cash and cash equivalents, end of fiscal year                               | $555,761   | $302,583   |

The notes to basic financial statements are an integral part of this statement.
SOUTH COUNTY TRANSIT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Reconciliation of operating loss to net cash (used) by operating activities:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>(1,353,015)</td>
<td>(1,284,380)</td>
</tr>
<tr>
<td>Adjustments to reconcile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operating income to net cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>used by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>206,444</td>
<td>207,932</td>
</tr>
<tr>
<td>Change in operating assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>12,129</td>
<td>(17,409)</td>
</tr>
<tr>
<td>Prepaid items</td>
<td>694</td>
<td>(1,912)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>156,909</td>
<td>(161,973)</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>(1,154)</td>
<td>6,920</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>(476)</td>
<td>1,837</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>281</td>
<td>5,155</td>
</tr>
<tr>
<td><strong>Net cash (used) by operating</strong></td>
<td><strong>(978,188)</strong></td>
<td><strong>(1,243,830)</strong></td>
</tr>
<tr>
<td><strong>activities</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The notes to basic financial statements are an integral part of this statement.
NOTE 1 — REPORTING ENTITY

The South County Transit (the Agency) is a Joint Powers Agency created by a joint powers agreement among the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the County of San Luis Obispo. The Agency's accounting and financial management affairs are maintained by San Luis Obispo Regional Transit Authority (SLORTA), as an agent of the Agency.

The purpose of the Agency is to operate a fixed route transit system within the southern part of San Luis Obispo County with services to the participating member communities.

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. **Fund Financial Statements** - The fund financial statements provide information about the Agency's fund. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

GASB Statement No. 34, defines major funds and requires that the Agency’s major proprietary-type fund be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues or expenses equal to ten percent of their fund-type total and five percent of the grand total. The Agency maintains one proprietary fund as follows:

**Proprietary Fund Type**

**Enterprise Fund**

Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Agency reported its enterprise fund as a major fund in the accompanying basic financial statements.

D. **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.

E. **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.

F. **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.

G. **Receivables** - 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.

H. **Compensated Absences** - Accumulated unpaid employee vacation leave benefits are recognized as liabilities of the Agency.
Revenue Recognition - The South County Transit'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 County 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 to it by San Luis Obispo Council of Governments to the extent approved by San Luis Obispo Council of Governments.

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.

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.

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.

Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 83 “Certain Asset Retirement Obligations” The provisions of this statement are effective for fiscal years beginning after June 15, 2018.

Statement No. 84 “Fiduciary Activities” The provisions of this statement are effective for fiscal years beginning after December 15, 2018.

Statement No. 87 “Leases” The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

Statement No. 88 “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements” The provisions of this statement are effective for fiscal years beginning after June 15, 2018.

Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period” The provisions of this statement are effective for fiscal years beginning after December 15, 2019.

Statement No. 90 “Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61” The provisions of this statement are effective for fiscal years beginning after December 15, 2018.
NOTE 3 - CASH AND INVESTMENTS

On June 30, 2018, the Agency had the following cash and investments on hand:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and in banks</td>
<td>$ 46,391</td>
</tr>
<tr>
<td>Investments</td>
<td>$ 509,370</td>
</tr>
<tr>
<td>Total cash and investments</td>
<td>$ 555,761</td>
</tr>
</tbody>
</table>

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

Cash and investments, statement of net position

The Agency categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency's investments are in the San Luis Obispo Investment Pool and in the Local Agency Investment Fund which are external investment pools not valued under level 1, 2 or 3.

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.

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

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:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>12 Months or Less</th>
<th>13-24 Months</th>
<th>25-60 Months</th>
<th>More than 60 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Luis Obispo County Investment Pool</td>
<td>$ 440,821</td>
<td>$ 440,821</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>68,549</td>
<td>68,549</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 509,370</td>
<td>$ 509,370</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
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 below 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.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Carrying Amount</th>
<th>Minimum Legal Rating</th>
<th>Exempt from Disclosure</th>
<th>Rating as of Fiscal Year End</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Luis Obispo County Investment Pool</td>
<td>$440,821</td>
<td>N/A</td>
<td>$-</td>
<td>$-</td>
<td>$440,821</td>
</tr>
<tr>
<td>Local Agency Investment Fund</td>
<td>$68,549</td>
<td></td>
<td></td>
<td></td>
<td>$68,549</td>
</tr>
<tr>
<td>Total</td>
<td>$509,370</td>
<td></td>
<td>$-</td>
<td>$-</td>
<td>$509,370</td>
</tr>
</tbody>
</table>

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. There are no investments in any one issuer that represent 5% or more of total Agency investments.

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 the San Luis Obispo County Investment Pool or LAIF).

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.
NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2018, was as follows:

<table>
<thead>
<tr>
<th>Business-type activities:</th>
<th>Balance July 1, 2017</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets, being depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>$152,006</td>
<td>-</td>
<td>-</td>
<td>$152,006</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>2,690,289</td>
<td>843</td>
<td>40,218</td>
<td>2,650,914</td>
</tr>
<tr>
<td>Total capital assets, being depreciated</td>
<td>2,842,295</td>
<td>843</td>
<td>40,218</td>
<td>2,802,920</td>
</tr>
<tr>
<td>Less accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building and improvements</td>
<td>146,397</td>
<td>2,095</td>
<td></td>
<td>148,492</td>
</tr>
<tr>
<td>Vehicles and equipment</td>
<td>1,289,334</td>
<td>204,349</td>
<td>40,218</td>
<td>1,453,465</td>
</tr>
<tr>
<td>Total accumulated depreciation</td>
<td>1,435,731</td>
<td>206,444</td>
<td>40,218</td>
<td>1,601,957</td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>$1,406,564</td>
<td>(205,601)</td>
<td>-</td>
<td>$1,200,963</td>
</tr>
</tbody>
</table>

Depreciation expense for the fiscal year ended June 30, 2018, was $206,444. Depreciation expense for the fiscal year ended June 30, 2017, was $207,932.

NOTE 5 – OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS

The Agency was allocated the following funds from the Local Transportation Funds (LTF) and State Transit Assistance Fund for the fiscal years ended June 30, 2018 and 2017:

<table>
<thead>
<tr>
<th>Allocation Assigned By/Claimant</th>
<th>Article/Section</th>
<th>Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Local Transportation Fund:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Arroyo Grande</td>
<td>4 / 99260(a)</td>
<td>$166,057</td>
<td>$64,432</td>
</tr>
<tr>
<td>City of Grover Beach</td>
<td>4 / 99260(a)</td>
<td>125,426</td>
<td>48,577</td>
</tr>
<tr>
<td>City of Pismo Beach</td>
<td>4 / 99260(a)</td>
<td>76,404</td>
<td>28,505</td>
</tr>
<tr>
<td>County of San Luis Obispo</td>
<td>4 / 99260(a)</td>
<td>73,754</td>
<td>27,156</td>
</tr>
<tr>
<td>Total Article 4 – LTF</td>
<td></td>
<td>441,641</td>
<td>168,670</td>
</tr>
<tr>
<td>State Transit Fund:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Transit Authority</td>
<td>6.5 / 99313</td>
<td>68,244</td>
<td>66,088</td>
</tr>
<tr>
<td>Regional Transit Authority</td>
<td>6.5 / 99314</td>
<td>6,862</td>
<td>5,417</td>
</tr>
<tr>
<td>Total Article 6.5 – STF</td>
<td></td>
<td>75,106</td>
<td>71,505</td>
</tr>
<tr>
<td>Total TDA Revenue</td>
<td></td>
<td>$516,747</td>
<td>$240,175</td>
</tr>
</tbody>
</table>

11
NOTE 5 — OPERATING SUBSIDIES FROM LOCAL TRANSPORTATION AND STATE TRANSIT ASSISTANCE FUNDS (Continued)

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

<table>
<thead>
<tr>
<th>Amount</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>$1,528,896</td>
<td>$1,430,539</td>
</tr>
<tr>
<td>Plus/(minus):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital purchases with LTF and STA</td>
<td>843</td>
<td>4,629</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(206,444)</td>
<td>(207,932)</td>
</tr>
<tr>
<td>Fare revenues</td>
<td>(162,511)</td>
<td>(145,021)</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>(13,370)</td>
<td>(1,138)</td>
</tr>
<tr>
<td>Maximum total allocation</td>
<td>1,147,414</td>
<td>1,081,077</td>
</tr>
<tr>
<td>TDA operating allocations received and accrued</td>
<td>516,747</td>
<td>240,175</td>
</tr>
<tr>
<td>Allocation over/under maximum</td>
<td>$ (630,667)</td>
<td>$ (840,902)</td>
</tr>
</tbody>
</table>

NOTE 6 — FARE REVENUE RATIO

The Agency had fare revenue ratios for the year ended June 30, 2018 and 2017, computed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Operating revenues – passenger fares</td>
<td>$162,511</td>
<td>$145,021</td>
</tr>
<tr>
<td>(b) Operating costs – net of depreciation expense</td>
<td>1,322,452</td>
<td>1,222,607</td>
</tr>
<tr>
<td>(c) Fare revenue ratio [ (a) / (b) ]</td>
<td>12.29%</td>
<td>11.86%</td>
</tr>
<tr>
<td>Minimum ratio required</td>
<td>20.00%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Under minimum ratio requirement</td>
<td>7.71%</td>
<td>8.14%</td>
</tr>
</tbody>
</table>

The Agency was not in compliance with applicable TDA regulations pertaining to acceptable fare revenue ratios which require a minimum ratio of 20%.

NOTE 7 — LONG TERM DEBT — COMPENSATED ABSENCES

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2017</th>
<th>Increases</th>
<th>Decreases</th>
<th>Balance June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated absences</td>
<td>$4,386</td>
<td>$11,131</td>
<td>$11,607</td>
<td>$3,910</td>
</tr>
</tbody>
</table>

NOTE 8 — UNEARNED REVENUE

Unearned revenue at June 30, 2018, and June 30, 2017, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Pass Sales</td>
<td>$9,910</td>
<td>$9,629</td>
</tr>
<tr>
<td>Prop 1B funding</td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Total Unearned revenues</td>
<td>$9,910</td>
<td>$9,656</td>
</tr>
</tbody>
</table>
NOTE 9 — 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 $25 million for buses, vans, equipment, and facilities. The Agency also purchases commercial Special Liability Insurance and Special District Property Insurance with limits of $10 million per occurrence and $100 million annual aggregate.

NOTE 10 — 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 1 B 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 the 2011-12 fiscal year. Qualifying expenditures must be encumbered within three years from the date of allocation and expended within three years from the date of the encumbrance.

All PTMISEA funding and interest allocated to South County Transit was used prior to the start of the fiscal year ended June 30, 2018.

NOTE 11 — THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. For agencies whose service area includes disadvantaged communities, at least 50 percent of the total moneys received shall be expended on projects that will benefit disadvantaged communities. 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.

Interest earned on funds to date is $1,230. The Agency had qualifying expenditures incurred under this program from previous allocation totaling $135,648, which was used for operating expenses for the new route 27 and 28 service and is included in State operating grants in the accompanying financial statements.
SOUTH COUNTY TRANSIT
PROPRIETARY FUND
SCHEDULE OF EXPENSES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th>Administrative Expenditures</th>
<th>Final Budget</th>
<th>Actual Amounts</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Insurance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability and Physical Damage</td>
<td>$ 99,200</td>
<td>$ 101,135</td>
<td>$ (1,935)</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>71,180</td>
<td>57,997</td>
<td>13,183</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>740</td>
<td>638</td>
<td>102</td>
</tr>
<tr>
<td>Rent</td>
<td>30,600</td>
<td>32,555</td>
<td>(1,955)</td>
</tr>
<tr>
<td>Utilities</td>
<td>8,980</td>
<td>8,884</td>
<td>96</td>
</tr>
<tr>
<td>Radio Expense</td>
<td>1,240</td>
<td>1,133</td>
<td>107</td>
</tr>
<tr>
<td>Legal Services</td>
<td>3,000</td>
<td>3,875</td>
<td>(875)</td>
</tr>
<tr>
<td>Payroll Processing</td>
<td>1,280</td>
<td>876</td>
<td>404</td>
</tr>
<tr>
<td>Administration - Staff Time</td>
<td>77,600</td>
<td>77,600</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>13,700</td>
<td>13,700</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>5,290</td>
<td>5,290</td>
<td></td>
</tr>
<tr>
<td>Office Expense/Miscellaneous</td>
<td>12,790</td>
<td>7,207</td>
<td>5,583</td>
</tr>
<tr>
<td>Audit</td>
<td>3,150</td>
<td>3,105</td>
<td>45</td>
</tr>
<tr>
<td>Marketing/Community Relations/Printing</td>
<td>16,000</td>
<td>13,902</td>
<td>2,098</td>
</tr>
<tr>
<td>Uniforms/Laundry/Physicals/Ads</td>
<td>9,740</td>
<td>4,836</td>
<td>4,804</td>
</tr>
</tbody>
</table>

| Operating Expenditures                                        |              |                |                            |
|                                                              |              |                |                            |
| Salaries/Benefits                                             | 611,270      | 616,662        | (5,392)                    |
| Maintenance                                                   | 197,550      | 182,755        | 14,795                     |
| Dispatch                                                      | 22,680       | 22,680         |                            |
| SoCo Bus Fuel                                                 | 199,280      | 166,972        | 32,308                     |
| Contingency                                                    | 13,850       | 750            | 13,100                     |
| Total administration and operations                            | $1,399,120   | $1,322,452     | 76,668                     |

| Capital Outlay                                                |              |                |                            |
| Facility Improvements/Bus Stop Amenities                       | 41,350       | 41,350         |                            |
| Computer Upgrade                                              | 1,500        | 843            | 657                        |
| Transit Center Improvements                                   | 120,000      | 120,000        |                            |
| Total capital outlay                                          | $162,850     | 843            | 162,007                    |

| Total expenses, budgetary basis                                | $1,561,970   | $1,323,295     | $238,675                   |

TOTAL EXPENSES, BUDGETARY BASIS: $1,323,295

ADD: DEPRECIATION: 206,444

LESS: CAPITALIZED EXPENSES: (843)

TOTAL OPERATING EXPENSES PER FINANCIAL STATEMENTS: $1,528,896
CALL TO ORDER AND ROLL CALL: Chairperson Tim Brown called the meeting to order at 1:30 p.m., and a quorum was present.

PUBLIC COMMENT: None

CLOSED SESSION ITEMS CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following items:
   Administrator Performance Evaluation (Govt. Code Section 54957)

Mr. Tim McNulty noted that the Board will be going into Closed Session to discuss the Administrator Performance Evaluation.

Chairperson Brown opened and closed public comment.

The South County Transit Board went into Closed Session at 1:31 p.m. and returned to Open Session at 1:54 p.m.

Mr. McNulty stated that the Board met in closed session to discuss the Administrator Performance Evaluation and no action taken in the closed session that requires a report out.

A. INFORMATION AGENDA:

A-1 Administrator’s Report (Receive): Mr. Geoff Straw noted that the annual CHP terminal inspection was completed in July and resulted in a clean bill of health for the agency and affirmed the high safety standard within the agency.
Staff is working with Token Transit as a method to address ridership declines, aiming to make the fare purchasing process and boarding easier. The technology now works for the agency to capture regional ridership in order to comply with regional fare sharing agreements. Although PayPal is currently available for passengers buying passes through our website, passengers have to wait for their pass to be mailed to them. The fees for Token Transit will be comparable to those with PayPal. Staff is also implementing free Wi-Fi on the RTA long express trips on Route 9 and 10 to address rider requests. The system monitors content and does not allow streaming of movies.

Mr. Straw stated the recruitment of Bus Operators continues to be a struggle. Staff worked with the Union to suspend the training rate of pay and hire directly into the starting rate of $14.30 per hour. In addition, new hires are brought on as soon as they are ready instead of waiting for the next training class. The Short Range Transit Plan for South County Transit fixed route services, in addition to the Dial-A-Ride services operated by RTA and the Avila Beach Trolley, was released on Monday, September 17, 2018. Proposals are due October 24, 2018.

Mr. Straw reviewed ridership information, noting that ridership is down by 2.1% which is less than staff anticipated and is a good sign. The farebox recovery ratio continues to come in well below the required ratio of 20%. In terms of financial results, the preliminary information for the June 30, 2018 fiscal year end is under budget. Mr. Straw reminded the Board that any savings from prior budgets is rolled into the following year’s budget to reduce the funding needed from the jurisdictions. A budget revision for carrying forward uncompleted FY17-18 capital projects will be presented to the Board in January 2019 for the FY18-19 budget.

Mr. Straw concluded his report.
Chairperson Brown opened and closed Board and public comment.

B. ACTION AGENDA:
B-1 South County Transit Contribution for Health Insurance Coverage (Approve): Ms. Tania Arnold reviewed Article 24 regarding health, dental, vision and life insurance included in the current Collective Bargaining Agreement (CBA) with Teamsters Local 986 dated January 1, 2018. The language addresses the contribution level for the various insurance premiums, which for full time employees is 93% of the base healthcare plan. Based on this language, the South County Transit contribution toward health insurance in calendar year 2018 is $608.91 per month for each full-time employee.

For 2019, significant changes were made by CalPERS to the designated base PERS Select Anthem Blue Cross PPO plan, including buying down the premiums (29% decline) by raising the premiums on other plans – most notably the PERS Care Anthem Blue Cross PPO plan (24% increase). The result of CalPERS buying down the base PERS Select premium resulted in a large increase in the price differential between the PERS Select plan and the other health plans available based on the method that South County Transit’s contributions for health insurance are calculated, which should drop to $430.32 based on the language in the CBA.
Chairperson Brown asked for clarification regarding the change in premiums for 2019. Ms. Arnold then reviewed the example provided of the impact to an employee who elects United Healthcare HMO would have an increase in the required employee contribution from $7.75 in 2018 to $216.33 in 2019, although the plan premiums increased by only 5% from 2018 to 2019. It was noted that staff will be reviewing options again in the summer of 2019 to determine if CalPERS continues to provide the best value and stability to the agency for health insurance.

She also noted that staff has been researching opportunities with California State Association of Counties Excess Insurance Authority (CSAC EIA) and is negotiating rates and benefit levels for dental, vision, life and disability insurance. Should those be advantageous to South County Transit, staff would like to move forward with those changes effective January 1, 2019.

Ms. Arnold reviewed the two staff recommendations. The first is to approve the contribution from South County Transit for employee health insurance to remain at $608.91 for the 2019 calendar year. The second is to authorize the South County Transit Administrator, subsequent to Counsel’s consent, to execute agreements for dental, vision, life, and disability insurance should the negotiations with CSAC EIA result in lower cost plans with equal or better coverage levels.

Ms. Arnold concluded her report.
Chairperson Brown opened Board and public comment.
Chairperson Brown closed Board and public comment.
Director Compton moved to approve Agenda Item B-1. Director Brown seconded and the motion carried unanimously on a roll call vote.

C. CONSENT AGENDA:
   C-1   Draft SCT Minutes of July 18, 2018, 2018 (Approve)

Chairperson Brown moved to approve the Consent Agenda. Director Compton seconded and the motion carried on a roll call vote.

D. DIRECTORS’ COMMENTS: None

E. EXECUTIVE COMMITTEE MEMBERS’ COMMENTS: None
Mr. Straw asked for confirmation that the Board would be able to attend the next South County Transit Board meeting scheduled for October 23, 2018. The Board discussed the date and determine that a quorum would be available.

ADJOURNMENT: The meeting was adjourned at 2:12 p.m.

Respectfully submitted, Tania Arnold, RTA Deputy Director/CFO
AGENDA ITEM: C-2

TOPIC: State of California Low-Carbon Transit Grant Program

ACTION: Approve

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Resolution Authorizing the Administrator to Submit an Application for LCTOP Funds

BACKGROUND/DISCUSSION:

The Low-Carbon Transit Operations Program (LCTOP) is one of several programs funded as part of the State of California FY14-15 budget, which has a goal of reducing greenhouse gas emissions and achievement of other benefits. These grant 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. The LCTOP received $145 million in FY18-19, and five (5) percent will be continuously appropriated annually.

There is an estimated $529,000 in LCTOP funds available in San Luis Obispo County in FY18/19 regional apportionment to SLOCOG. Eligible recipients of the LCTOP funds include South County Transit, RTA, SLO Transit, Paso Express, Atascadero Dial-A-Ride, Morro Bay Transit and SLOCAT. Eligible projects will support new or expanded bus services (up to five years) 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 reducing greenhouse gas emissions.

Staff Recommendation

Staff is requesting authorization for the Administrator to submit a grant application for $300,000 for the continuation of operating services for Routes 27 and 28 in FY19-20, as well as up $229,000 to partially fund the purchase of zero-emission replacement buses. Staff recommends approval of the attached resolution.
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SOUTH COUNTY TRANSIT
RESOLUTION NO. 19-__

A RESOLUTION OF THE SOUTH COUNTY TRANSIT BOARD OF DIRECTORS, AUTHORIZING SUBMITTAL OF A GRANT APPLICATION TO THE STATE OF CALIFORNIA LOW-CARBON TRANSIT OPERATIONS PROGRAM FY2018-19

WHEREAS, South County Transit is an eligible applicant for Low-Carbon Transit Operations Program funds; and,

WHEREAS, South County Transit 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, South County Transit will continue to provide fixed route services in the southern portion of San Luis Obispo County; and

WHEREAS, South County Transit is 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, South County Transit is requesting up to $300,000 from the Low Carbon Transit Operations Program to support new or expanded bus services and up to $229,000 which includes operator portion to purchase zero-emission replacement buses with the goal of reducing greenhouse gas emissions.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the South County Transit Board of Directors authorizes the Administrator to submit a proposal to the State of California Low Carbon Transit Operations Program of up to $529,000 for the purchase of various materials, supplies and equipment.

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

BE IT FURTHER RESOLVED, that the Administrator 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 16th day of January 2019.

__________________________________
Chairperson  
South County Transit

ATTEST:

__________________________________
Geoff Straw, Administrator  
South County Transit

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal  
County Counsel

By: __________________________________
   Nina Negranti, Counsel  
   South County Transit

Date: _____________________________
AGENDA ITEM: C-3

TOPIC: Resolution with Special District Risk Management Authority to Participate in the CSAC Small Group Benefits Program

ACTION: Approve Resolution

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

STAFF RECOMMENDATION: Adopt

BACKGROUND/DISCUSSION:

At the September 19, 2018 South County Transit Board Meeting, staff discussed the process underway to improve dental, vision, life and disability insurance rates and benefit levels offered to employees. Staff conducted this review to ensure we are effectively managing the benefits program and providing affordable options to agency stakeholders.

Transitioning to CSAC EIA Small Group Benefit Program for the 2019 plan year, SoCo Transit will be able to provide equal, if not enhanced, benefit plans to all participating employees, along with added plan stability at within budgeted levels. SoCo Transit will benefit in the future from the unique arrangement of the CSAC EIA insurance pool by being able to take advantage of the shared risk model offered by an insurance pool of small agencies as well as large agencies. The goal of the shared risk model is to stabilize premium rates across a large number of pool members. With the proposed CSAC EIA benefits program, SoCo Transit is provided the opportunity to actively engage and evaluate new benefit offerings.

As part of this transition process, the final document needed is the attached Resolution with Special District Risk Management Authority, a group of agencies under 200 employees who then joins CSAC EIA benefits program.

Staff Recommendation
Approve the attached Resolution between the Special District Risk Management Authority and South County Transit in order to participate in the CSAC EIA small group benefits program effective January 1, 2019.
RESOLUTION NO. ______

A RESOLUTION OF THE (GOVERNING BODY) OF South County Transit APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

WHEREAS, South County Transit, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in Health Benefits offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 et seq., for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for Health Benefits; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:

Section 1. Findings. The ENTITY’s Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY’s Secretary, is hereby approved. The ENTITY’s Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY’s Governing Body approves participating in the Special District Risk Management Authority’s Health Benefits Program.

Section 4. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.
PASSED AND ADOPTED this ____ day of ________________, 20____ by the following vote:

AYES: __________________________

NOES: __________________________

ABSENT: _________________________

________________________________________________________________________
Name

________________________________________________________________________
Title

________________________________________________________________________
ENTITY Secretary