



179 Cross Street, Suite A
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www.slorta.org

BOARD AGENDA

Wednesday, January 18, 2017

****PLEASE NOTE LOCATION****

CITY OF PISMO BEACH, CITY COUNCIL CHAMBERS

760 Mattie Road, Pismo Beach California

1:30 p.m. to 3:00 p.m.

(Ending time is approximate)

Chairperson: Vacant

Vice Chair: Lynn Compton

Board Members:

Lynn Compton (Fourth District – SLO County)

Barbara Nicolls (Grover Beach)

Tim Brown (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: Pismo Beach City Offices are served hourly by SCT Route 21.

Please call 541-2228 for more information.

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 SCT Strategic Business Plan Results through November 2016 (Receive)

B. ACTION AGENDA

B-1 Fiscal Year 2017-18 Budget Assumptions (Approve)

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

- 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 Draft SCT Minutes of October 19, 2016 (Approve)
- C-2 Resolution Authorizing Administrator to Submit Application for State Prop 1B Safety and Security Funds (Approve)
- C-3 Conflict of Interest Policy (Adopt)
- C-4 Resolution Authorizing Participation in Employment Risk Management Association (Approve)
- C-5 Resolution Authorizing RTA CFO to Open Account with Pacific Western Bank (Approve)

D. DIRECTORS' COMMENTS

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS

ADJOURNMENT

Next South County Transit Board meeting: **April 26, 2017**

SOUTH COUNTY TRANSIT

January 18, 2017

STAFF REPORT

AGENDA ITEM: A-1

TOPIC: Administrator's Report

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Information

BACKGROUND/DISCUSSION:

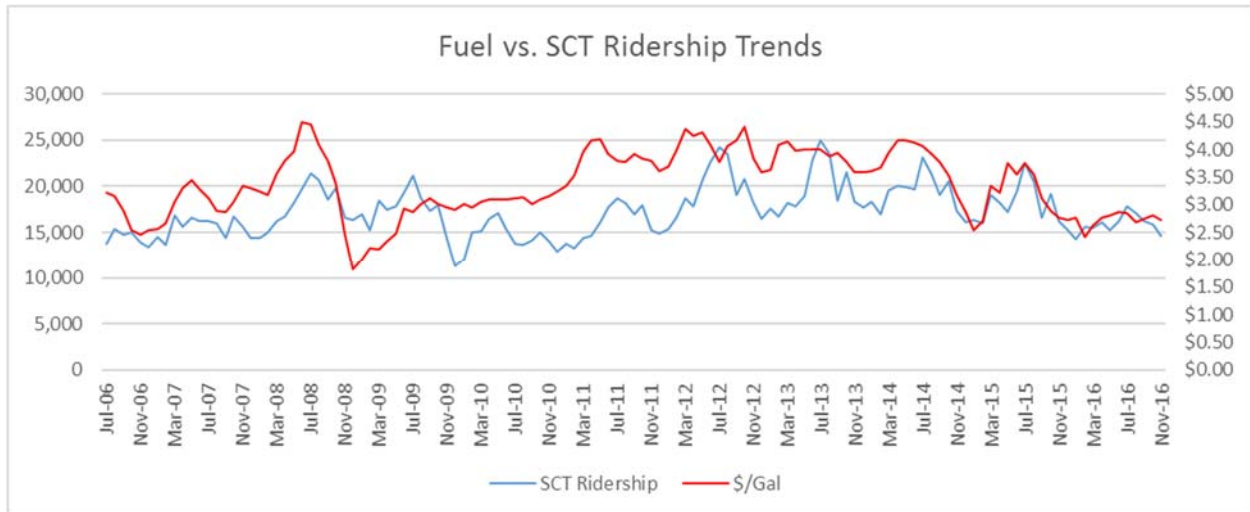
Operations:

The service changes implemented on July 30, 2016 appear to be working well. The service changes included replacing the previous 7 days/week Route 23 and academic year-only Route 25 with the weekday-only Route 27 and 7 days/week Route 28 (along with tripper Routes 27 & 28 to serve Arroyo Grande High School bell times). Ridership by route and by bus stop for October and November 2015 vs. 2016 is presented in the tables at the end of this report. The following are takeaways:

1. Staff has received overwhelmingly positive feedback from riders about the service changes.
2. Total ridership on Routes 21 and 24 is down 10.7% and 15.1%, respectively. Neither of these routes was changed in July.
3. Total ridership on Routes 27 and 28 is up 12.9% in comparison to the old Route 23.
4. The top five ranked and lowest five ranked bus stops (highlighted in green and red, respectively) remained essentially unchanged on Routes 21 and 24, although the highest-ranked (Ramona Garden) and second-highest (Pismo Outlets) flip-flopped on Route 24, with Ramona Garden falling 51% on Route 24. This reduction is likely because riders from the Oceano area and the southwestern portions of Arroyo Grande and Grover Beach (previously served by the old Route 23) no longer have to transfer to get to/from Wal-Mart, which is also reflected in the large reduction in boardings on Route 21 (from 1,072 to 580) at Wal-Mart.
5. The boardings on Route 23 vs. Routes 27/28 are not a true apples-to-apples comparison. Nonetheless, the table shows relative passenger activity by location, as well as the new and abandoned bus stops. Notable takeaways:
 - a. The Ramona Garden transfer center remains the number one bus stop.

- b. The Arroyo Grande High School bus stop location risen from the 5th most popular to the 2nd most popular.
- c. Wal-Mart is the third most popular boarding location for Routes 27 and 28. When added to the boardings for Routes 21 and 24 (combined grand total of 2,242), that bus stop is the third most popular boarding location for the entire system – behind Ramona Garden at 9,841 and Pismo Outlets at 7,088.
- d. The old Route 23 had a direct connection to RTA Route 10 at the Halcyon Park-n-Ride, but that timed connection is no longer possible with the implementation of Routes 27 and 28. The Halcyon P-n-R bus stop was the third-highest ranked on the old Route 23, with 693 boardings. According to SCT Bus Operators, Routes 27 and 28 riders now transfer at Wal-Mart to/from Routes 21 and 24 to make Route 10 connections rather than walk the two blocks along El Camino Real.
- e. The boardings at 19th/Wilmar (combined) totaled 944 in 2016 vs. 1,163 with a single Route 23/25 bus stop in 2015. It is possible that moving the old Route 23 passenger shelter around the corner to the new bus stop could restore some ridership, so staff will work with County and OCSD officials to determine if it is possible.
- f. The fifth highest ranked bus stop on Routes 27 & 28 is Elm/Fair Oaks at 582 boardings. This bus stop pair replaced the bus stop at Elm Street Park, which was the ninth highest ranked Route 23 bus stop.
- g. Other Route 23 bus stops that were abandoned with the service change show similar boarding patterns at nearby Routes 27 and 28 bus stops. Staff has not received complaints about abandoned bus stops since the service change was implemented.

At the same time that the service changes were implemented, the base cash fare was increased from \$1.25 to \$1.50, SCT-only Day Passes were implemented in lieu of free transfers, and other fare media were increased. As reported at the May 2016 SCT Board meeting, we anticipated this fare program change would reduce ridership by approximately 7.3% using typical transit price elasticity formulae. This helps explain the ridership declines, but declining fuel prices also contributed. As presented in the graph below, SCT ridership tracks closely with changes in the average price of California gasoline. This gasoline price data was downloaded from the U.S. Energy Information Administration website.



Marketing & Service Planning:

Staff is closely monitoring the impacts of the service changes implemented on July 30th. So far, no schedule revisions are immediately required. If negative poor on-time performance trends emerge, we are prepared to work with the Bus Operators to develop alternative schedules, bring recommendations back to the Board for consideration, and to market any adopted changes through various media and information outlets.

Finance and Administration:

Employment Practices Liability (EPL) coverage is currently provided through our contract with CalTIP, but CalTIP has elected to cease offering EPL coverage on June 30, 2017. The estimated FY17-18 cost to obtain EPL coverage using a CalTIP group-buy through the Employment Risk Management Association (ERMA) will be approximately \$2,000 for \$1 million of coverage and a \$50,000 deductible¹. Based on the concurrence from the Executive Committee, EPL coverage through ERMA is included in the Budget Assumptions that will be discussed in Agenda Items B-1 and C-4.

Other preliminary year to date operating and financial results through December 31st were mixed. As shown in the tables at the end of this report, a total of 95,550 passenger-boardings were recorded, which is down from 110,361 in the previous fiscal year. This is an overall decline of 13.4%. As mentioned in previous Administrator Reports, this decline is not surprising given lower fuel prices, as well as the fact that the fare program was increased on July 30, 2016. Other takeaways:

1. The FY16-17 average fare per passenger ($\$70,851 / 95,550 = \0.74) is higher than in FY15-16 ($\$70,509 / 110,361 = \0.64).

¹ This is different than what we explained at the January 4th Executive Committee; at that meeting, we presented a \$25,000 self-insured retention level. However, ERMA is no longer offering a \$25,000 deductible.

2. The farebox recovery ratio is 12.1%, which remains below the TDA-required 20% standard. It was 14.5% at the same period last year.
3. Year to date productivity is 11.92 boardings per service hour, which is lower than the 17.28 figure achieved last year and is below SCT's goal of 15.
4. The subsidy per passenger-trip is \$5.40, which is considerably higher than in the previous year (\$3.77). This is because our operating costs have increased while our ridership is declining, which is occurring at transit agencies across the nation.

In terms of budget vs. actual results, the table below shows that total operating expenditures equaled 48.6% of the annual operating budget through the first six months. Notable large-ticket variances include fuel (31.0% of budget), vehicle maintenance (73.8%), and labor costs (on target). It should be noted that I negotiated a reimbursement for emission equipment failures from the engine manufacturer for our three 2013 buses that were technically out of warranty; this \$18,000 credit will be applied over time as we purchase parts from Cummins.

Staff will seek adoption of the amended Joint Powers Agreement document by each SCT jurisdiction in early 2017. I will work with City and County staff to place the document on upcoming agenda (likely Consent), and I will attend the meetings in case there are questions and/or to provide updates on SCT as requested.

Staff has submitted a grant application to Caltrans to update the 2011 Short Range Transit Plan. The proposed scope of work would also include an update of the County-funded Nipomo Dial-A-Ride S RTP, so it would be a coordinated Plan for the entire South County area. We expect to hear back in March or April 2017 if we are successful in attaining these grant funds.

Staff is still working with Ride-On Transportation officials to finalize an agreement for Five Cities Senior Shuttle services. The remaining issue is the reimbursement rate for rides provided within the area. Staff will keep the City Managers and County officials apprised of final negotiated rates before moving forward with the agreement, which will ultimately need to be executed by each City Council and the Board of Supervisors.

The current Collective Bargaining Agreement with Teamsters Local 986 expires on January 31, 2018. Staff will request a closed session at the April 26th SCT Board meeting to discuss parameters for negotiations that will likely begin in summer 2017.

STAFF RECOMMENDATION:

Accept this as an information item.

SCT Route 21 Boardings Comparison						Change 2015 to 2016
October & November 2015			October & November 2016			
Bus Stop Location (30 stops)	Boardings	Rank	Bus Stop Location (30 stops)	Boardings	Rank	
6th & Grand	275	11	6th & Grand	234	10	-14.9%
Dolliver & Frady	117	17	Dolliver & Frady	48	20	-59.0%
Dolliver & Pomeroy	362	7	Dolliver & Pomeroy	346	5	-4.4%
Dolliver & San Luis	30	24	Dolliver & San Luis	98	17	226.7%
Grand & 13th	60	20	Grand & 13th	44	21	-26.7%
Grand & 16th	317	8	Grand & 16th	316	7	-0.3%
Grand & 2nd	317	8	Grand & 2nd	175	12	-44.8%
Grand & Alder	147	15	Grand & Alder	102	16	-30.6%
Grand & Courtland	403	6	Grand & Courtland	316	7	-21.6%
Grand & Elm	145	16	Grand & Elm	164	14	13.1%
Grand & Halcyon	176	14	Grand & Halcyon	139	15	-21.0%
Grand @ AM PM	294	10	Grand @ AM PM	335	6	13.9%
Highway 1 & Le Sage	41	22	Highway 1 & Le Sage	6	26	-85.4%
James Way & 4th	80	19	James Way & 4th	80	18	0.0%
James Way & Oak Park	248	13	James Way & Oak Park	265	9	6.9%
James Way & Ridge	29	25	James Way & Ridge	2	28	-93.1%
Lighthouse Inn North	41	22	Lighthouse Inn North	69	19	68.3%
Mattie & Valencia	2	30	Mattie & Valencia	3	27	50.0%
Pismo Beach City Hall	6	29	Pismo Beach City Hall	35	23	483.3%
Pismo Beach Premium Outlets	3,132	1	Pismo Beach Premium Outlets	3,480	1	11.1%
Price & Dolliver	48	21	Price & Dolliver	0	29	-100.0%
Price & Harbor View	16	27	Price & Harbor View	44	21	175.0%
Price & Stimson	419	5	Price & Stimson	203	11	-51.6%
Ramona Garden Park	2,568	2	Ramona Garden Park	2,315	2	-9.9%
Shell Beach & Cuyama	88	18	Shell Beach & Cuyama	33	24	-62.5%
Shell Beach & Pier	257	12	Shell Beach & Pier	175	12	-31.9%
Shell Beach & Terrace	29	25	Shell Beach & Terrace	32	25	10.3%
Shelter Cove Inn	12	28	Shelter Cove Inn	0	29	Abandoned Stop
Spyglass Village	480	4	Spyglass Village	376	4	-21.7%
Walmart Shopping Center	1,072	3	Walmart Shopping Center	580	3	-45.9%
Total Boardings	11,211		Total Boardings	10,015		-10.7%
Green = top five ranked bus stops		Red = lowest five ranked bus stops				

SCT Route 23/25 vs. Routes 27/28 Boardings Comparison										Change 2015 to 2016
October & November 2015					October & November 2016					
Bus Stop Location (36 stops)	Rt. 23	Rt. 25	Combined	Rank	Bus Stop Location (38 stops)	Rt. 27	Rt. 28	Combined	Rank	
13th & Belridge	185		185	21	13th & Belridge	N/A	81	81	23	-56.2%
N/A	N/A		N/A	N/A	13th & Farroll	56	N/A	56	29	New Stop
13th & Highway 1	267	10	277	12	13th & Highway 1	120	223	343	10	28.5%
13th & Long Branch	175	99	274	22	13th & Long Branch	N/A	160	160	18	-8.6%
13th & Mentone	241	109	350	14	13th & Mentone	N/A	215	215	14	-10.8%
13th & Messina	49		49	30	13th & Messina	N/A	60	60	27	22.4%
N/A	N/A		N/A	N/A	13th & Trouville	32	N/A	32	34	New Stop
13th & Wilmar	25		25	33	13th & Wilmar	29	N/A	29	35	16.0%
N/A	N/A		N/A	N/A	19th & Wilmar	56	N/A	56	29	New Stop
4th & Grand	65		65	27	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
Arroyo Grande High School	615	86	701	5	Arroyo Grande High School	749	243	992	2	61.3%
Arroyo Grande Hospital	204		204	18	Arroyo Grande Hospital	N/A	108	108	21	-47.1%
N/A	N/A		N/A	N/A	El Camino Real & Brisco	4	N/A	4	37	New Stop
El Camino Real & Oak Park	70		70	26	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
El Camino Real & Stonecrest	74		74	25	El Camino Real & Stonecrest	62	N/A	62	26	-16.2%
Elm & Fair Oaks	375	71	446	8	Elm & Fair Oaks	68	514	582	5	55.2%
Elm & Paul	52		52	28	Elm & Paul	13	N/A	13	36	-75.0%
Elm St Park	360		360	9	N/A	N/A	N/A	0	N/A	Abandoned Stop
N/A	N/A		N/A	N/A	Elm & The Pike	29	168	197	15	New Stop
Farroll & 13th	260		260	13	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
N/A	N/A		N/A	N/A	Fair Oaks & Halcyon	55	N/A	55	31	New Stop
Farroll & 8th	205	1	206	17	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
N/A	N/A		N/A	N/A	Fair Oaks & Traffic Way	34	N/A	34	33	New Stop
Grand & 13th	329	23	352	11	Grand & 13th	83	275	358	9	8.8%
N/A	N/A		N/A	N/A	Grand & 16th	173	220	393	8	New Stop
Grand & 7th	24		24	34	Grand & 7th	N/A	N/A	N/A	N/A	Abandoned Stop
Grand & Branch	40		40	32	Grand & Branch	87	58	145	19	262.5%
Grand @ AM PM	187		187	20	Grand @ AM PM	N/A	292	292	11	56.1%
Halcyon Park & Ride	693		693	3	Halcyon Park & Ride	N/A	183	183	17	-73.6%
Highway 1 & 13th	100		100	24	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
Highway 1 & 21st	658		658	4	Highway 1 & 21st	170	373	543	6	-17.5%
Highway 1 & 25th	580		580	7	Highway 1 & 25th	230	N/A	230	12	-60.3%
N/A	N/A		N/A	N/A	Highway 1 & 25th St	N/A	44	44	32	New Stop
N/A	N/A		N/A	N/A	K Mart	N/A	187	187	16	New Stop
Oak Park & Driftwood	217		217	16	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
N/A	N/A		N/A	N/A	Oak Park & Grand	137	N/A	137	20	New Stop
Oak Park & Long Branch	610	1	611	6	Oak Park & Long Branch	N/A	222	222	13	-63.6%
N/A	N/A		N/A	N/A	Oak Park & Newport	52	24	76	24	New Stop
Oak Park & Monaco	50		50	29	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
Oak Park & Ramona	191	1	192	19	Oak Park & Ramona	N/A	68	68	25	-64.4%
Oceano Airport	336		336	10	Oceano Airport	128	273	401	7	19.3%
Ramona Garden Park	3,762	83	3,845	1	Ramona Garden Park	1,680	4,039	5,719	1	52.0%
Soto Sports Complex	15		15	35	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
The Pike & Avenida Pelicanos	46		46	31	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
The Pike & Elm	228		228	15	N/A	N/A	N/A	N/A	N/A	Abandoned Stop
Traffic & Firefighters Park	130		130	23	Traffic & Firefighters Park		96	96	22	-26.2%
N/A	N/A		N/A	N/A	Walmart Shopping Center	317	606	923	3	New Stop
N/A	N/A		N/A	N/A	Wilmar & 13th	59	N/A	59	28	New Stop
Wilmar & 19th	1,022	141	1,163	2	Wilmar & 19th	N/A	888	888	4	-13.1%
Total Boardings	12,440				Total Boardings	4,423	9,620	14,043		12.9%
Green = top five ranked bus stops		Red = lowest five ranked bus stops								

SCT Route 24 Boardings Comparison						Change 2015 to 2016
October & November 2015			October & November 2016			
Bus Stop Location (27 stops)	Boardings	Rank	Bus Stop Location (27 stops)	Boardings	Rank	
Arroyo Grande City Hall	211	11	Arroyo Grande City Hall	191	14	-9.5%
Branch & Vernon	4	26	Branch & Vernon	12	24	200.0%
Dolliver & Bay	46	18	Dolliver & Bay	69	20	50.0%
Dolliver & Hinds	912	3	Dolliver & Hinds	671	5	-26.4%
Dolliver @ Butterfly Tree	29	22	Dolliver @ Butterfly Tree	74	19	155.2%
Grand & 13th	281	9	Grand & 13th	238	8	-15.3%
Grand & 16th	680	5	Grand & 16th	673	4	-1.0%
Grand & 3rd	182	13	Grand & 3rd	196	12	7.7%
Grand & 7th	31	20	Grand & 7th	99	17	219.4%
Grand & Alder	287	8	Grand & Alder	213	11	-25.8%
Grand & Branch	98	17	Grand & Branch	83	18	-15.3%
Grand & Elm	138	14	Grand & Elm	195	13	41.3%
Grand & Oak Park	516	6	Grand & Oak Park	429	6	-16.9%
Highway 1 & Le Sage	17	25	Highway 1 & Le Sage	5	27	-70.6%
James Way & 4th	18	24	James Way & 4th	6	26	-66.7%
James Way & Highland	32	19	James Way & Highland	36	21	12.5%
James Way & Oak Park	189	12	James Way & Oak Park	220	10	16.4%
James Way & Ridge	20	23	James Way & Ridge	11	25	-45.0%
James Way & Ventana	0	27	James Way & Ventana	16	23	100.0%
K Mart	320	7	K Mart	238	8	-25.6%
Pismo Beach Premium Outlets	3,206	2	Pismo Beach Premium Outlets	3,608	1	12.5%
Pismo Coast Village	220	10	Pismo Coast Village	262	7	19.1%
Price & Hinds	31	20	Price & Hinds	23	22	-25.8%
Price & Wadsworth	110	15	Price & Wadsworth	154	15	40.0%
Ramona Garden Park	3,706	1	Ramona Garden Park	1,807	2	-51.2%
South County Library	103	16	South County Library	152	16	47.6%
Walmart Shopping Center	893	4	Walmart Shopping Center	739	3	-17.2%
Total Boardings	12,280		Total Boardings	10,420		-15.1%
Green = top five ranked bus stops		Red = lowest five ranked bus stops				

SOUTH COUNTY TRANSIT
2016-17 Budget vs. Actual (unaudited)

	FY 16/17 Adopted	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	Year to Date	Percent Year to Date
Use of Resources									
<u>Administrative Expenditures</u>									
Insurance									
Liability & Physical Damage	\$ 82,800	\$ 6,867	\$ 6,867	\$ 6,867	\$ 6,896	\$ 6,896	\$ 6,896	\$ 41,289	49.9%
Workers Compensation	57,000	4,505	4,505	4,505	4,505	4,505	4,505	27,028	47.4%
Property Insurance	700	58	321	32	32	32	32	508	72.6%
Rent	36,000	2,550	2,550	2,550	2,550	2,550	2,550	15,300	42.5%
Utilities	8,450	433	697	639	588	1,464	671	4,492	53.2%
Radio Expense	1,240	103	103	103	103	103	103	618	49.8%
Legal Services	6,200	-	-	-	-	-	-	-	0.0%
Payroll Processing	1,680	154	154	64	67	129	71	638	38.0%
Administration - Staff Time	74,750	6,229	6,229	6,229	6,229	6,229	6,229	37,375	50.0%
Finance - Staff Time	13,200	1,100	1,100	1,100	1,100	1,100	1,100	6,600	50.0%
Marketing - Staff Time	5,100	425	425	425	425	425	425	2,550	50.0%
Office Expense/Miscellaneous	10,370	51	2,178	806	1,366	1,450	141	5,992	57.8%
Audit	3,000	-	20	-	3,000	-	-	3,020	100.7%
Marketing/Community Relations/Printing	25,000	950	11,287	4,888	1,262	2,168	1,046	21,600	86.4%
Uniforms/Laundry/Physicals/Ads	10,270	85	446	213	238	5,688	482	7,153	69.7%
<u>Operating Expenditures</u>									
Salaries/Benefits	\$ 579,750	\$ 37,446	\$ 38,479	\$ 45,247	\$ 52,448	\$ 66,299	\$ 41,300	\$ 281,218	48.5%
Maintenance	115,800	14,319	10,849	10,032	19,963	17,153	13,141	85,457	73.8%
Dispatch	21,850	1,821	1,821	1,821	1,821	1,821	-	10,925	50.0%
Sign Maintenance	3,000	-	-	-	-	-	-	-	0.0%
SCT Bus Fuel	215,770	11,009	11,356	11,789	11,519	10,055	11,166	66,895	31.0%
Contingency	12,640	-	-	-	5,093	-	913	6,006	47.5%
9 Total Operating Expenditures	\$ 1,284,570	\$ 88,106	\$ 99,387	\$ 97,310	\$ 119,205	\$ 128,067	\$ 92,591	\$ 624,665	48.6%
<u>Capital Service</u>									
Facility Improvements/Bus Stop Amenities	\$ 141,010	-	\$ 5,121	-	\$ 2,268	\$ -	-	\$ 7,389	5.2%
ITS	156,600	-	-	-	-	-	-	-	0.0%
Transit Center Improvements	62,500	-	-	-	-	-	-	-	0.0%
Total Capital Service	\$ 360,110	\$ -	\$ 5,121	\$ -	\$ 2,268	\$ -	-	\$ 7,389	2.1%
10 Total Use of Resources	\$ 1,644,680	\$ 88,106	\$ 104,508	\$ 97,310	\$ 121,473	\$ 128,067	\$ 92,591	\$ 632,054	38.4%

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY
YEAR TO DATE THRU DECEMBER 2016**

	RT 21 PISMO & SHELL BEACH	RT 23 A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 27 GROVER B, AG, OCEANO CLOCKWISE	RT 28 GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKDAY SERVICE	AVILA BEACH TROLLEY
REVENUES:							
FARES	19,776	3,079	15,351	7,747	12,597	58,549	6,322
TOTAL ROUTE REVENUES	19,776	3,079	15,351	7,747	12,597	58,549	6,322
EXPENDITURES:							
ADMINISTRATION	10,213	1,696	9,883	9,207	9,946	40,946	2,797
MARKETING	4,578	359	4,502	4,413	4,481	18,333	-
OPERATIONS/CONTINGENCY	76,163	12,640	73,555	68,565	74,871	305,795	23,677
FUEL	14,810	3,269	11,013	10,151	10,443	49,686	4,702
INSURANCE	15,168	3,417	11,282	10,361	10,643	50,872	5,130
TOTAL EXPENDITURES	120,933	21,382	110,235	102,697	110,385	465,632	36,307
FAREBOX RATIO	16.35%	14.40%	13.93%	7.54%	11.41%	12.57%	17.41%
RIDERSHIP	23,803	4,728	21,138	11,150	18,153	78,972	4,578
SERVICE MILES	25,252.99	6,800.00	18,850.27	16,760.67	17,179.41	84,843.34	9,612.00
SERVICE HOURS	1,312.16	255.96	1,269.09	1,146.48	1,236.55	5,220.24	394.08
RIDERS PER MILE	0.94	0.70	1.12	0.67	1.06	0.93	0.48
RIDERS PER HOUR	18.14	18.47	16.66	9.73	14.68	15.13	11.62
COST PER PASSENGER	5.08	4.52	5.22	9.21	6.08	5.90	7.93
SUBSIDY PER PASSENGER	4.25	3.87	4.49	8.52	5.39	5.15	6.55

**SOUTH COUNTY TRANSIT
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS
YEAR TO DATE THRU DECEMBER 2016**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	RT 23 - SAT A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 23 - SUN A.G. VILLAGE, A.G. H.S. & GRANDE AVE	RT 24 - SAT GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 24 - SUN GROVER B. A.G. VILLAGE, PISMO & A.G.	RT 28 - SAT GROVER B, AG, OCEANO COUNTER CW	RT 28 - SUN GROVER B, AG, OCEANO COUNTER CW	TOTAL WEEKEND SERVICE	TOTAL SCT ONLY SERVICE	TOTAL SCT AND AVILA SERVICE
REVENUES:											
FARES	2,778	1,872	630	448	2,120	1,514	1,708	1,232	12,302	70,851	77,173
TOTAL ROUTE REVENUES	2,778	1,872	630	448	2,120	1,514	1,708	1,232	12,302	70,851	77,173
EXPENDITURES:											
ADMINISTRATION	1,882	1,673	295	272	1,772	1,561	1,727	1,612	10,794	51,740	54,537
MARKETING	790	714	62	58	751	674	728	765	4,541	22,875	22,875
OPERATIONS/CONTINGENCY	14,078	12,526	2,199	2,027	13,276	11,653	13,036	11,991	80,785	386,580	410,257
FUEL	2,703	2,349	154	154	1,873	1,815	1,863	1,596	12,506	62,193	66,895
INSURANCE	2,772	2,410	161	161	1,906	1,862	1,916	1,637	12,824	63,696	68,826
TOTAL EXPENDITURES	22,224	19,671	2,871	2,671	19,577	17,565	19,270	17,602	121,451	587,083	623,390
FAREBOX RATIO	12.50%	9.52%	21.95%	16.78%	10.83%	8.62%	8.86%	7.00%	10.13%	12.07%	12.38%
RIDERSHIP	3,465	2,244	557	439	2,765	1,962	2,809	2,337	16,578	95,550	100,128
SERVICE MILES	4,622.10	4,024.34	320.00	320.00	3,463.16	3,111.53	3,121.36	2,698.01	21,680.50	106,523.84	116,135.84
SERVICE HOURS	243.03	213.50	44.52	41.04	229.24	199.34	218.73	200.99	1,390.39	6,610.63	7,004.71
RIDERS PER MILE	0.75	0.56	1.74	1.37	0.80	0.63	0.90	0.87	0.76	0.90	0.86
RIDERS PER HOUR	14.26	10.51	12.51	10.70	12.06	9.84	12.84	11.63	11.92	14.45	14.29
COST PER PASSENGER	6.41	8.77	5.15	6.08	7.08	8.95	6.86	7.53	7.33	6.14	6.23
SUBSIDY PER PASSENGER	5.61	7.93	4.02	5.06	6.31	8.18	6.25	7.00	6.58	5.40	5.46

SOUTH COUNTY TRANSIT

January 18, 2017

STAFF REPORT

AGENDA ITEM:	A-2
TOPIC:	Strategic Business Plan Results
ACTION:	Receive
PRESENTED BY:	Geoff Straw, Administrator
STAFF RECOMMENDATION:	Receive Annual Report on Performance Results Through November 30, 2016

BACKGROUND/DISCUSSION:

At its October 22, 2014 meeting, the SCT Board adopted the *SCT 2015-2017 Strategic Business Plan (SBP)*. The SBP includes Vision and Mission Statements, as well as “stretch” performance standards to ensure SCT continually seeks to improve its services.

The attached report presents our annual results from July 1, 2016 through November 30, 2016 as well as comparative information in comparison to prior fiscal years. Please note that the financial figures are unaudited estimates, but they provide a reasonable representation of each applicable financial measure. For measurement purposes, our *2011 Short Range Transit Plan* sets the base goals that SCT believes it can achieve, and the SBP sets the standards that we strive to achieve.

The table on the next page presents a “dashboard” view of easily-reported objective standards and our results through November 30, 2016. We did not achieve the adopted standard in those areas presented in red, while the metrics presented in green show our successes. The current annual on-time performance (OTP) standard of 95% is not an attainable standard – particularly due to the impacts of peak seasonal traffic. So far in FY16-17, we have not surpassed 90% OTP. Two other “stretch” goals include farebox recovery ratio (actual 12.6% vs. goal of 20%) and risk management costs in relation to total operating costs (actual 11.6% vs. goal of 8.5%). SCT just barely missed our productivity standard (14.9 vs. 15.0).

The ensuing pages present a narrative summary for each of the metrics presented in the dashboard, as well as for each of the subjective standards.

SCT's YTD FY16-17 Performance Results			
Performance Metric	Standard	Result	Achieved?
Fixed Route Productivity (boardings/hour)	15.0	14.9	No
Fixed Route Service Delivery (actual divided by scheduled)	99%	100%	Yes
Fixed Route On-Time Performance	95%	85%	No
Fixed Route Bus Overcrowding (<i>not including AGHS Tripper</i>)	< 10%	0%	Yes
Systemwide Operating Budget (live within means)	< 100%	99.3%	Yes
Farebox Recovery Ratio (fares / net operating costs)	20.0%	12.60%	No
Preventable Collision Rate (per 100k miles traveled)	1.0	2.0	No
Preventable Workers Compensation Rate	Lost-time <6	1	Yes
	Med-only <10	0	
Risk Management Costs (percent of operating budget)	8.5%	11.0%	No
Road Calls (per 100k miles traveled)	5	3.5	Yes

It should be noted that staff is currently planning for the next comprehensive SCT Customer Perception Survey projected to take place in March 2017, assuming the Joint SBCAG/SLOCOG Inter-County Transit Study can complete surveys in southern SLO County coincidentally in March 2017. This effort will include an employee survey, a Rider Survey for transit customers in the South County area, and an Internet-based stakeholder/Non-Rider survey. Staff anticipates providing a summary of this effort at the July SCT Board meeting, focusing on how it can assist us in updating our Strategic Business Plan, for final Board consideration in October 2017.

Staff Recommendation:

Receive the attached report on performance results achieved year to date in FY16-17.

Report on SCT Performance Standards

July 2016 through November 2016

South County Transit Standards of Excellence: Service Quality and Efficiency

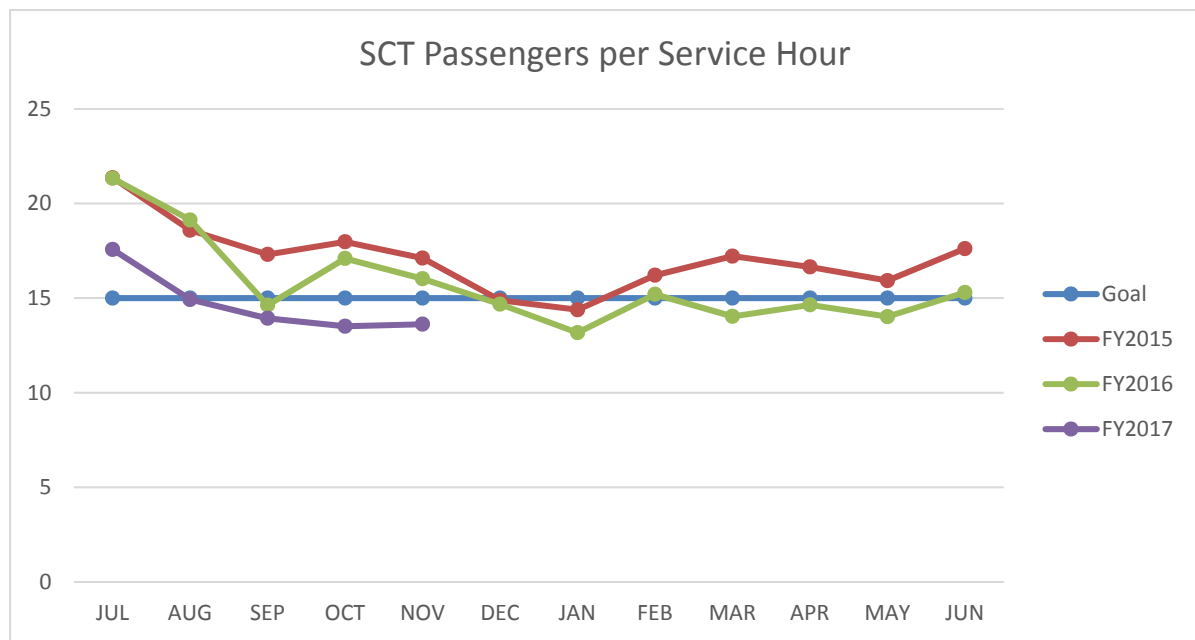
Summary: We will deliver dependable, customer focused and efficient transit services to the communities that we serve. Further, we will look for opportunities to deploy innovative new service within the resources available.

Standard 1: Passengers per vehicle service hour (also known as “productivity”) will be 15 or greater.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

The graph below shows a drop in productivity so far in FY 2017. This decrease is being felt nationwide and is largely believed to be the result of low fuel prices. The service hours added by Route 27 has impacted the productivity, while increased fares also contributed to this decline.



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

Measurement: Objective.

- Administrator will report biannually.

SCT delivered 100% of the promised service to the south county area so far this year. A total of approximately 6,052 trips were delivered through November 30, 2016.

Report on SCT Performance Standards

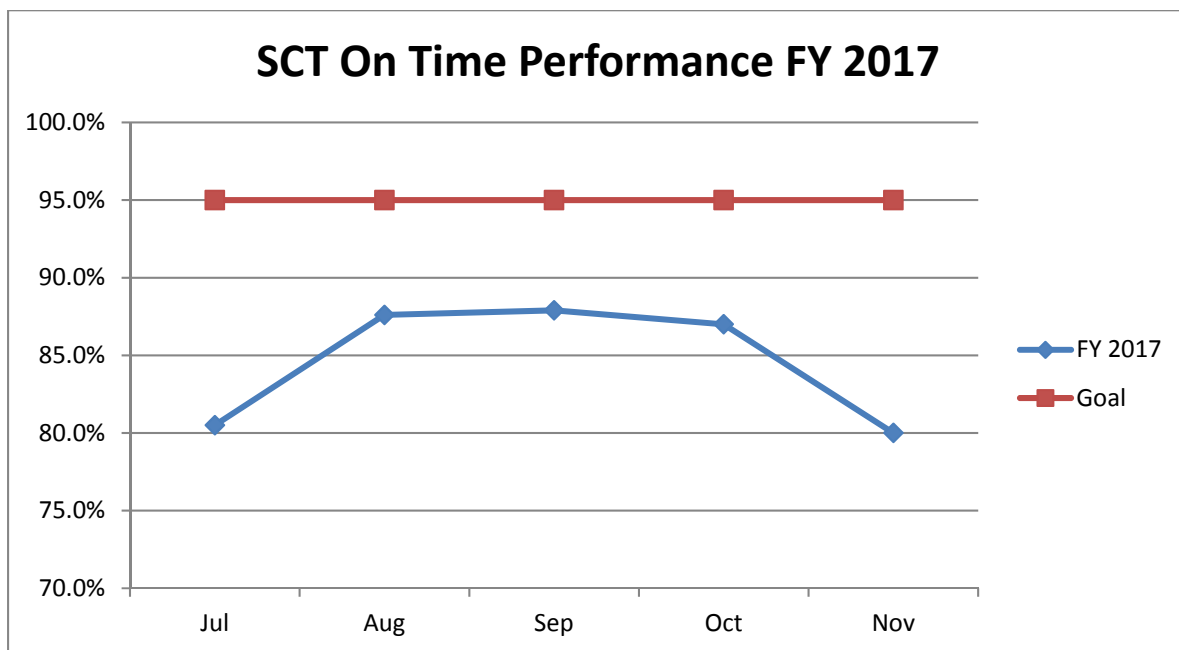
July 2016 through November 2016

Standard 3: System wide On-time Performance (OTP) shall be 95% or greater. “On-time” is defined as no later than six minutes from any timepoint in the published schedule.

Measurement: Objective.

- Administrator will report quarterly.

After one full year since the introduction of the automated ITS system, the OTP is hovering between 80% and almost 90%. The drop in the results is due to the more comprehensive and dependable process the ITS system uses for calculating OTP. During the development of the next Strategic Business Plan, the SCT Board should consider a revised goal that would represent a more achievable target. Nonetheless, we are actively working with the Bus Operators to improve OTP where possible.



Standard 4: SCT will make consistent efforts to explore new service and service delivery options as well as work with regional efficiencies in the delivery of transportation to the jurisdictions.

Measurement: Subjective.

- Administrator will report annually.

New Routes 27 and 28 were introduced on July 30th. These new bidirectional loops replaced the circuitous Route 23. Customers feedback is positive. The new routes improved access to the Wal-Mart shopping center, provide more direct service, and include many new bus stops to the system. These kinds of changes are the most effective when trying to attract new ridership.

Standard 5: The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

Report on SCT Performance Standards

July 2016 through November 2016

Measurement: Objective.

- Reviewed quarterly by the SCT Supervisor, and reported by Administrator biannually.

With the exception of the two Tripper runs that serve Arroyo Grande High School during bell times, SCT does not have any cases of standees exceeding 10% of the daily trips on a route.

South County Transit Standards of Excellence: Revenue and Resources

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

Standard 1: The annual operating budget will be based upon projected revenue balanced with other eligible TDA uses and the total operating cost will not exceed the budget adopted by the Board.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

Fiscal Year 2012-13 Result: Operating Costs were 94% of the adopted budget

Fiscal Year 2013-14 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2014-15 Result: Operating Costs were 84% of the adopted budget

Fiscal Year 2015-16 Result: Operating Costs were 90% of the adopted budget

Fiscal Year 2016-17 Result: Operating Costs are 41.4% of the adopted budget (as of November 30, 2016, or 41.7% into the fiscal year)

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

Standard 2: Farebox Recovery Ratio shall be greater than 20%.

Measurement: Objective.

- Administrator will review monthly and report quarterly.

SCT continues to strive toward meeting the FRR goal. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, gas prices continue to fall, and most fixed route providers in the county are experiencing declining ridership. The results for the past four fiscal years are presented below:

Fiscal Year 2012-13 Result: 14.2%

Fiscal Year 2013-14 Result: 16.3%

Fiscal Year 2014-15 Result: 17.4%

Report on SCT Performance Standards

July 2016 through November 2016

Fiscal Year 2015-16 Result: 13.6%

Fiscal Year 2016-17 Result: 12.6% (as of November 30, 2016)

Standard 3: No significant financial audit findings.

Measurement: Objective.

- Administrator will report any negative audit findings.

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

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

Measurement: Subjective.

- Evaluated through community evaluation survey, feedback from communities and review of the annual capital program by staff and the Board.

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

South County Transit Standards of Excellence: Safety

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

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

Measurement: Objective.

- Administrator will review monthly and report annually.

The results for the previous fiscal years are presented below. As shown, SCT finally achieved this goal in FY15-16, but we have not achieved the standard so far in FY16-17.

Fiscal Year 2013-14 Result: 2.00

Fiscal Year 2014-15 Result: 2.26

Fiscal Year 2015-16 Result: 0.90

Fiscal Year 2016-17 YTD: 2.04

Standard 2: Address all safety hazards identified by the SCT Supervisor and reported to the joint RTA/SCT Safety Resource Committee.

Measurement: Objective.

Report on SCT Performance Standards

July 2016 through November 2016

- List shall be compiled with action items and timelines by the Administrator.

The Safety Resource Committee, which is comprised of SCT and RTA staff members, meets quarterly to address safety issues and respond to employee suggestions. Since July 2016, the committee has received 21 new agenda items and has closed 11. The following are SCT-specific items:

1. Reassigned bus stalls and parking for employee vehicles in the SCT yard for improved safety.
2. Painted stop lines in the bus yard to prevent backing collisions.
3. Trimmed trees at the exit from Wal-Mart shopping center.
4. Rerouted a Route 28 trip to improve safety.

Standard 3: Preventable workers compensation lost-time claims will not exceed 4 annually, and preventable medical-only claims will not exceed 5 annually.

Measurement: Objective.

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

Fiscal Year 2014-15 Result: 3 lost-time claims (no medical only)

Fiscal Year 2015-16 Result: 1 medical only (no lost-time claims)

Fiscal Year 2016-17 Result: 1 lost-time claim as of November 30, 2016

For FY14-15 we changed our workers compensation third-party administrator because of performance issues by the previous contractor. We are optimistic that claims handling has improved, which will have a positive impact on our incurred losses over time.

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

Measurement: Objective.

- As measured by biannual community survey.

The first comprehensive Customer Perception Survey was completed in 2013. Staff is working with our partners at the Santa Barbara County Association of Governments to jointly conduct passenger surveys in March 2017, which is an aggressive schedule; if that goal cannot be met, then staff will complete the Customer Perception Survey be completed in October 2017.

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

Measurement: Objective.

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

We achieved the goal during Fiscal Years 2012-13 and 2013-14. Fiscal Years 2014-15 and year-to-date 2015-16 results are higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit

Report on SCT Performance Standards

July 2016 through November 2016

market. This includes property, workers compensation, liability, and auto physical damage insurance costs.

Fiscal Year 2012-13 Result: 6.1% of total operating costs

Fiscal Year 2013-14 Result: 7.4% of total operating costs

Fiscal Year 2014-15 Result: 10.2% of total operating costs

Fiscal Year 2015-16 Result: 11.6% of total operating costs

We achieved the goal during Fiscal Years 2012-13 and 2013-14. Fiscal Years 2014-15 and ensuing year results are higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit market. This includes property, workers compensation, liability, and auto physical damage insurance costs. Due to the tightening market in California, staff expects these costs to continue to escalate unless tort reform or other adjustments are made by the Legislature that could reduce transit agencies' exposure to frivolous lawsuits. If our exposure could be reduced, it would likely increase competition in the market and reduce our risk management costs. Staff is closely monitoring this issue and report developments back to the Board as information is collected.

South County Transit Standards of Excellence: Human Resources

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

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

Measurement: Subjective.

- Annual assessment by Administrator and Department Heads.

SCT experienced higher than typical turnover in calendar year 2015 and in early 2016 as a result of on-going struggles between management and hourly employees. In conjunction with the execution of the Collective Bargaining Agreement with Teamsters Local 986, as well as focused efforts to improve communications throughout the agency, staff believes improved employee morale will result in improved retention rates in 2016 and beyond.

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

2012 – 9%

2013 – 14%

2014 – 19%

2015 – 28%

2016 – 22% (as of November 30, 2016)

Report on SCT Performance Standards

July 2016 through November 2016

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

Measurement: Objective.

- Training needs will be reviewed annually as part of the budget process.

Bus Operators must complete a State-mandated minimum of eight hours of Verification of Transit Training annually, which we achieved. However, we have also recently implemented mandatory retraining after six months from when new Bus Operators were placed into revenue service, which we expect will improve both safety and retention.

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

Measurement: Subjective.

To help connect with passengers on a more personal level, administrative staff and all managers have been issued nametags. This program will be carried forward on the buses in 2017, as soon as we determine the best method of posting the Bus Operator's first name inside the bus. We also continually stress the tenets of *Verbal Defense and Influence*, which focused us how to communicate more effectively with each other and our customers. A total of 13 RTA staff members and one SCT staff member also meet bi-weekly staff to discuss general items that may affect other departments; others are invited as needed and to address specific issues (when possible, including one Bus Operator and one Road Supervisor). Management also participates in a bi-monthly Driver's Forum to discuss issues and ideas that could improve SCT services. Finally, the SCT Administrator and the three RTA department heads meet weekly to ensure consistency in messaging and direction for the organization; these four employees also held an overnight retreat in July 2016 to plan for challenges and major projects facing the organization.

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

Measurement: Objective.

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

SCT currently completes formal annual evaluations for its management staff members. Bus Operators are evaluated based on the requirements of the Collective Bargaining Agreement, and as part of the Safety Awards program on their individual anniversary dates.

Report on SCT Performance Standards

July 2016 through November 2016

South County Transit Standard of Excellence: Fleet and Facility

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

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

Measurement: Objective.

- Will be reported by the Administrator.

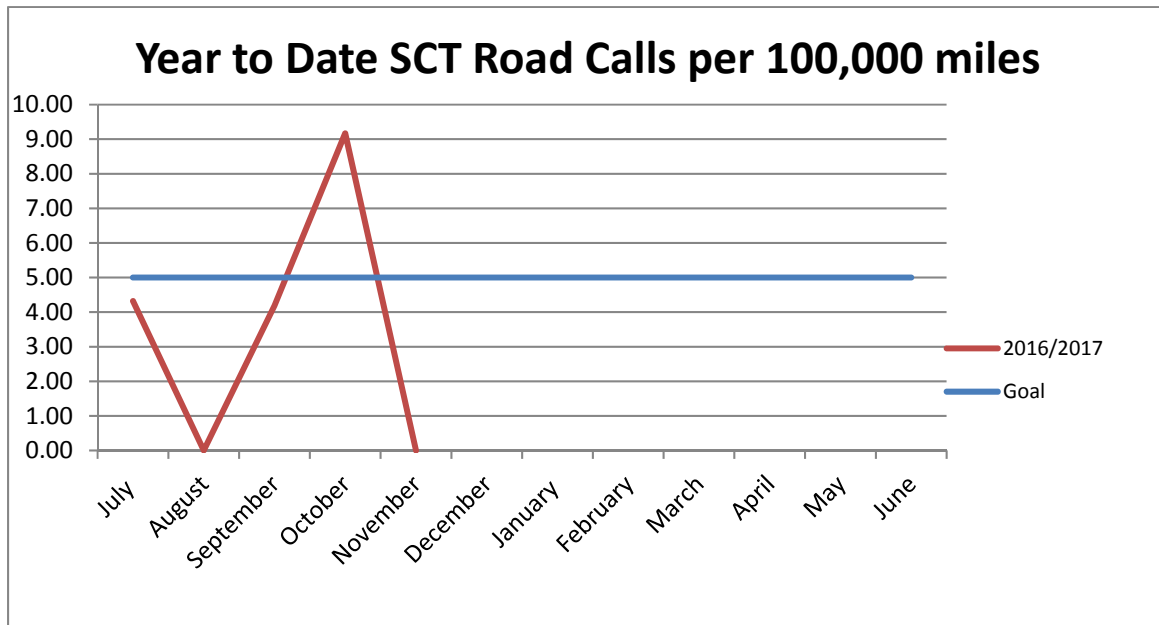
As of November 30, 2016, the average SCT fixed route vehicle age is 6 years with an average of 229,000 miles. The design life of a fixed route bus is 12 years/500,000 miles.

Standard 2: Road calls will not exceed 5 per 100,000 miles of vehicle service miles.

Measurement: Objective.

- Administrator will report biannually.

The year-end average for SCT so far in FY16-17 is 3.54. RTA's reporting (on behalf of SCT) matches the definition as used in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



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

Measurement: Subjective.

- As measured by employee and customer feedback.

Report on SCT Performance Standards

July 2016 through November 2016

The first comprehensive Customer Perception Survey was completed in 2013. As mentioned above, the next Customer Perception Survey will be completed in either March or October 2017.

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

Measurement: Objective.

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

As mentioned above, the next Customer Perception Survey will be completed in either March or October 2017.

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

Measurement: Objective.

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

There were no negative findings in the previous 2014 TDA Triennial Audit nor in the recent 2016 FTA Triennial Review. RTA is currently working with SLOCOG's contractor to complete a TDA Triennial Audit, which should be completed in early 2017. Preventable maintenance has been completed on a timely basis with no CHP findings in at least the last four years.

South County Transit Standards of Excellence: Leadership

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

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

Measurement: Subjective.

- Will be reviewed by staff and SCT Board.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. Staff has developed recommended updates for the South County Transit JPA, as well as a new agreement with SCT for RTA administrative oversight duties. Staff has also submitted a grant application to fund an update to the 2011 SCT SRTP. RTA staff (on behalf of SCT) continues to manage State and Federal grant programs for the region, including FTA Section 5307, 5311, 5339 and TIGER.

Report on SCT Performance Standards

July 2016 through November 2016

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

Measurement: Subjective.

- To be evaluated and monitored by SCT Board.

The Administrator and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate. An on-going example is SCT's participation in Arroyo Grande Halcyon Corridor study meetings and correspondence. Another example is the shared Road Supervisor program between RTA and SCT, which has improved Bus Operator support and customer service in the entire South County area.

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

Measure: Subjective.

- To be evaluated by the Administrator.

This is area of organizational culture than can never be fully "completed" but is something that we continually strive to improve. We strive to include one Bus Operator and one SCT Supervisor to our bi-weekly staff meetings to ensure the strategic issues we discuss include input from both the driver group and our SCT Supervisors. The Team Strengthening session we conducted in February 2016 was universally supported by all participants, and it provided senior management with ideas to further improve internal communications and employee relations. The SCT Administrator and the three RTA senior managers are currently working on a Succession Plan that focuses on the attributes and traits necessary for critical positions in the two organizations.

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

Measurement: Subjective.

- To be evaluated by the Administrator and SCT Board.

To ensure that each JPA jurisdiction's policy board is informed about regional transit issues, the SCT Administrator occasionally attends City Council meetings or as requested by City officials. The Administrator also attends County Supervisor agenda review meetings with the SLOCOG Executive Director to ensure we understand and support each other's efforts. Finally, RTA staff provides comments to City and County planning departments on behalf of SCT to ensure that transit amenities are considered in planning documents and development proposals.

SOUTH COUNTY TRANSIT

January 18, 2017

STAFF REPORT

AGENDA ITEM: B-1

TOPIC: Fiscal Year 2017-18 SCT Budget Assumptions

ACTION: Review and Approve

PRESENTED BY: Tania Arnold, RTA Deputy Director/CFO

EXECUTIVE COMMITTEE RECOMMENDATION:

BACKGROUND:

Each year in connection with the annual budget process, staff reviews SCT operations to determine what 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 2017-18, staff is recommending maintaining service levels and the current fare structure implemented in July 2016.

The following are the staff recommended FY17-18 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.

Objectives

- Maintain and improve service levels and hours of service that meet the demand of our customers and communities through the effective and efficient delivery of SCT Fixed Route core services, as well as contracted Senior Shuttle and Trolley services.
- Monitor the Strategic Business Plan adopted in October 2014 detailing goals and objectives, as well as performance measures, and bring recommended plan revisions to the October 2017 Board meeting.
- Continue to monitor reserves using the adopted policy from April 2014.
- Conduct a customer perception survey in October 2017 to further guide the Board and staff. Should SCT be successful in obtaining the Sustainable Transportation Planning Grant to complete the South County Transit short range transit plan (SRTP) the survey would be conducted as part of the SRTP.

- Serve as administrator over the SCT jurisdictions' contract with Ride-On Transportation for supplementary Five Cities Senior Shuttle services.

BUDGET ASSUMPTIONS

Revenue

- Monitor the results and impact of the July 2016 fare increase.
- SCT was projected to receive just over \$89,300 in STA capital project funding in FY16-17. SLOCOG recently announced STA will likely be reduced by 20% for FY16-17. Staff will work with SLOCOG staff to determine a realistic estimate for FY17-18.
- Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Program grant funding will be budgeted at 45% of allowable operating expenditures less farebox revenue.
- To partially fund the new Route 27 (clockwise, weekdays-only) and Route 28 (counterclockwise, 7 days a week) services, SCT will use the balance of the Low-Carbon Transit Operations Program (LCTOP) grant. In addition, staff will submit an LCTOP funding grant application for the next round of funding in January 2017 to fund the service in FY17-18. 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.
- Local Transportation Funds (LTF) will be budgeted at approximately \$480,000 for SCT 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. In comparison, the FY12-13 budget for LTF was \$677,788, prior to SCT receiving FTA Section 5307 funds. The FY17-18 LTF amount will likely be greater than in recent fiscal years, but SCT has used annual savings that had been carried forward as fund balance available to offset prior year requested LTF. Staff believes SCT will be able to carry forward savings in FY16-17 due to budgetary restraint and lower than budgeted fuel costs.
- 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 SCT jurisdictions and/or adjust service levels.

Expenses

- Service levels, number of revenue service hours, miles and daily span of service for core fixed route will be budgeted at current levels.

- The Beach Trolley will operate from late-March through mid-October Thursday through Sunday from 10 a.m. – 6 p.m. From mid-June to mid-October, the Beach Trolley will operate extended evening service on Friday evenings from 6 p.m. until 9 p.m. in order to better serve the Avila Farmer's Market. 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.
- Fuel consumption and price will be budgeted conservatively; diesel fuel and diesel exhaust fluid will be budgeted at \$3.50 per gallon overall (which is the same as FY16-17), and miles per gallon figures for each vehicle type will be derived from RTA's computerized maintenance software program.
- SCT staff will continue to work with other transit agency staff to achieve feasible economies of scale in providing transit services.
- CalTIP liability insurance premiums may increase by up to 20%. The exact amount is not known at this time as CalTIP actuaries are still working on May 1, 2017 through April 30, 2018 rates. Estimates should be received from CalTIP in time to include in the SCT April 2017 draft budget. Although the number of SCT losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members.
- The current Collective Bargaining Agreement (CBA) expires January 31, 2018 and the FY17-18 will include significant assumptions regarding the potential fiscal impacts of a new agreement. The effects of the recent changes to the California minimum wage program – including the fact that the new \$10.50/hour minimum exceeds the Training Wage identified in the CBA – will likely result in longer-term upward pressure on Bus Operator wages in the region.
- Health insurance premiums are projected to 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 SCT employs fewer than 50 employees. Nonetheless, staff will continue to monitor legislation should that provision change.
- Operations facility rental costs will not increase in FY17-18, as we will be entering the second year of a three-year lease extension.
- Based on language included in a new draft agreement between SCT and RTA for oversight services, the SCT annual budget serves as the de facto scope of services. Staff will provide sufficient detail in the budget document for the SCT Board to make informed decisions. In particular, the budget document will provide details on Administration, Finance, Maintenance and Dispatch expenses

– including projected number of annual staff hours in each area, per-mile cost estimates for Maintenance services, as well as narrative on any special projects that will be carried out in the fiscal year that will require RTA resources.

- To meet SCT Strategic Business Plan requirements, staff will conduct a comprehensive community survey in FY17-18 that will require additional staff time to coordinate, conduct and evaluate the data. We have established a target of March 2017, as long as can piggyback on an inter-regional study that is being led by the Santa Barbara County Association of Governments.

CAPITAL

- Staff will carry forward some capital projects that cannot be completed during the current fiscal year, including the transit center improvements line item that is affected by the reduction in STA funds in FY16-17.
- Staff will develop a capital budget that includes a projection for FY17-18 and the ensuing four fiscal years to help identify upcoming capital projects.

BUDGET CALENDAR

January 18	Board review and approval of FY17-18 budget assumptions
April 4	Draft FY17-18 Budget presentation to Executive Committee
April 26	Final Board Budget presentation and Board consideration of FY17-18 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 budget assumptions and budget calendar so that a detailed work plan and budget document may be developed.

DRAFT
SOUTH COUNTY TRANSIT
MINUTES OF October 19, 2016 BOARD MEETING
City Council Chambers, Pismo Beach
C-1

Directors Present:	Jim Guthrie, Chairperson	City Council Member, Arroyo Grande
	Lynn Compton, Vice Chair	County Supervisor, District 4
	Shelly Higginbotham	Mayor, Pismo Beach

Directors Absent:	Barbara Nicolls	City Council Member, Grover Beach
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Staff Present:	Geoff Straw	Administrator
	Tania Arnold	RTA Deputy Director and CFO
	Phil Moores	RTA Operations Manager
	Shelby Walker	RTA Administrative Assistant
	Mary Gardner	RTA Marketing Manager
	Paul Lockett	SCT Bus Operator

CALL TO ORDER AND ROLL CALL: Chairperson Jim Guthrie called the meeting to order at 1:32 p.m. Roll call was taken; a quorum was present.

PUBLIC COMMENT: None

A. INFORMATION AGENDA:

A-1 Recognize Directors Higginbotham and Guthrie for Their Years of Service(Receive): Mr. Geoff Straw stated that it is a great honor to recognize **Chairperson Guthrie** and **Director Shelly Higginbotham** for their years of service on the SCT Board. He mentioned that he has been working with both of them for the past five years and appreciates that neither is afraid to ask him the tough questions. Both played key roles a couple of years ago when the organization was going through a difficult employee relations situation. He presented both with a personalized SCT bus stop sign. He thanked them for their great work and stated that they will be missed on both the SCT and RTA Boards.

Chairperson Guthrie thanked everyone for the recognition and bus stop sign. He stated that SCT has come a long way in the twelve years that he has been on the Board, especially in the past five or six years and looks forward to seeing the future of SCT.

Director Shelly Higginbotham stated that she agrees with **Chairperson Guthrie**. She mentioned that she has worked with three different administrators and had to deal with the issues of the hybrid bus, but appreciates all the work that staff has done. It has been a pleasure to be part of the good changes that have happened.

Chairperson Guthrie closed Board and public comment.

A-2 Administrator's Report: Mr. Straw stated that on July 30, 2016 SCT successfully implemented the planned service and fare changes. The changes were made for a number of reasons; one important reason was to avoid projected farebox recovery ratio penalties. The Route 23 was replaced with weekday-only Route 27 and the 7 days/week Route 28. He stated that it typically takes 2 years for a service change to achieve the full impact. He stated that the chart on page A-2-2 lists some important information in regards to the use of the different types of passes. Average fare per passenger boarding has increased which means that we are most likely carrying the same number of passengers but not counting them twice due to our past practice of forced transfers.

He mentioned that the chart on page A-2-4 gives a good breakdown of ridership by route. He noted in particular that there has been a significant decrease in ridership on Route 24. Staff will continue to watch those numbers. It will take some time to see the ridership difference between Routes 23 and the new Routes 27/28. He then stated that the chart on page A-2-5 has a breakdown of passenger boardings at each bus stop. The GPS system has helped get that information and it started in September 2015 so October 2016 will be the first time we will be able to do a comparison of year over year for each stop. We will get some good numbers from the last quarter of 2016 and bring it back to the Board at the January 2017 meeting.

Mr. Straw discussed the marketing and service planning efforts that have taken place to promote the new routes and fares. In particular, he mentioned that staff passed out informational flyers to students at Arroyo Grande High School. He thanked **Chairperson Guthrie** for his help in this effort. Another piece of marketing he mentioned was installation of the new bus stops signs with the new SCT logo.

He stated that our operating costs for FY15-16 were below budget. Ridership is down, primarily due to the low cost of fuel. The low ridership has impacted our farebox recovery ratio and brought it down to about 14%. We are still above where we were in FY10-11. **Mr. Straw** stated that we seeing the greatest variance in fuel cost and maintenance. The three 2013 vehicles are coming out of warranty and these repair costs are hitting the bottom line. More appropriate levels are reflected in our current FY 2016-17 budget. Staff will continue to watch it and work with vendors to manage the costs. Currently, negotiations are occurring with Cummins to cover the cost of failing diesel particulate filters. For the current FY16-17 budget, SCT has expended only 14.7% of budget.

Mr. Straw stated that he would like to recognize **Mr. Paul Lockett** who is a recipient of an Outstanding Achievement Award. **Mr. Phil Moores** noted that **Mr. Lockett** received the award based on terrific feedback from other Bus Operators and passengers; it is a well-deserved award for him. **Mr. Lockett** has

worked for SCT for 10 years. **Director Higginbotham** asked if there is a particular route that **Mr. Lockett** drives. **Mr. Lockett** stated that he currently drives three different routes for SCT.

Mr. Straw stated that the last thing he wanted to discuss was on page A-2-12. Year-to-date, the farebox recovery ratio is at 17.9%, which is partly due to the bulk purchase of passes in the beginning of the fiscal year. He also noted that the riders per hour is currently at 16.61, which is above the adopted standard of 15. Lastly, the subsidy per passenger is currently at \$3.82 per rider.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board and public comment.

Director Higginbotham asked for a description of the road calls that were listed on A-2-8. **Mr. Straw** stated that road calls are any time when a bus breaks down and mechanic is dispatched to fix the issue or to complete a bus swap.

Director Higginbotham asked what the feedback has been for the new Routes 27/28. **Mr. Straw** stated that there is no formal survey currently but staff is looking for funding to do a Short Range Transit Plan for SCT, hoping it will fund a survey in October 2017. **Mr. Moores** stated that passengers are appreciating the fact that they only need one bus to get to Wal-Mart from the Oceano area. **Director Higginbotham** stated that when a new grocery store comes into that area, it could possibly impact the ridership. She also said that SCT should reach out to Arroyo Grande High School to see if they could participate in the next open house for incoming freshmen and their parents.

Chairperson Guthrie stated that we should also reach out the junior high and the PTA not just for marketing purposes but also about safety. He said that the Food 4 Less store should hopefully go in around February/March 2017 and they have experience with other transit systems. He said that in regards to the data, that staff looks at it more than just quarterly and react when necessary. **Mr. Straw** stated that we don't want to make any changes right away so we can get some solid information. One issue is that the ridership at the Halcyon Park and Ride stop is down and staff is keeping an eye on that. **Chairperson Guthrie** also asked about the ticket vending machine. **Mr. Straw** stated that first one will go in at the SLO Government Center, which will not go in until the first quarter of 2017.

Chairperson Guthrie closed Board and public comment.

B. ACTION AGENDA:

B-1 Fiscal Year 2016-17 Budget Amendment: **Mr. Straw** stated that Ms. Tania Arnold will be presenting a budget amendment request. He also mentioned that there is no financial impact on the jurisdictions. **Ms. Arnold** stated that some capital items are being carried over to FY16-17. A vast majority has to do with the implementation of the ITS system. There were some delays, but in the past two months we have achieved significant progress. Facility improvements are being carried over in regards to fixing the

gutters and windows at the SCT operating facility. Staff held off on making improvements in FY15-16 because of ongoing lease negotiations with the County. The amendment to the operating budget is for the RTA Operations Supervisor contribution, which is \$8,240. On page B-1-3 the amended revenue numbers are highlighted in gray. The majority of the funding for the amended capital budget was from FTA 5307 and 5339 funding. SCT did come in under budget for FY15-16, which was included in the FY16-17 budget. Pages B-1-4 and B-1-5 break down the numbers of the amended capital budget expenditures.

Chairperson Guthrie opened Board and public comment.

Director Lynn Compton asked about the RTA Operations Supervisor contribution and what it was for exactly. **Ms. Arnold** stated that when SCT made the change to the supervision structure from one Lead Supervisor and one Road Supervisor to two full time Operations Supervisors, RTA covered the of the cost increase because the supervisors can help with RTA Route 10. Mr. Straw stated that there are two new supervisors for SCT, and Mr. **Jon Mackenzie** is back at RTA and helping us better understand the SCT system.

Director Shelly Higginbotham asked if the lease for the property has been executed and its term length. Mr. Straw stated that it is done and that it is a five-year lease. **Chairperson Guthrie** asked if that means that SCT can use the lower parking lot. **Mr. Straw** stated it is a discussion that needs to happen with Arroyo Grande staff.

Chairperson Guthrie closed Board and public comment.

Director Higginbotham moved to approve Agenda Item B-1. **Director Compton** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

B-2 Five Cities Senior Shuttle Agreement (Approve): **Mr. Straw** stated that Ride-On Transportation has been operating the Five Cities Senior Shuttle (FCSS) services. In the past it has been operated without any formal agreement that includes obligations and protections. It came to light when Ride-On approached SCT staff in early 2016 to determine if additional funding could be secured to provide five days/week service (instead of previously identified three days/week) in the Five Cities area. After a review of historical documents, SCT staff discovered that a formal agreement for FCSS services has not been executed. Staff has started discussions with Ride-On to formalize this to make sure there are protections for the Cities and County in regards to liability and physical damage, as well as levels of service provided. Originally, Ride-On wanted to increase funding but has agreed to keep it the same for FY16-17 and will try to incorporate private transportation services. Included in the agenda is the scope of services, from here we would develop an Agreement document. He stated that staff is recommending the Board authorize him to negotiate an Agreement based on the Scope of Services and the maximum financial obligations presented herein.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board comment and public comment.

Director Higginbotham mentioned that in the staff report, it stated the possibilities of affecting our farebox recovery ratio and asked for an explanation of that. **Mr. Straw** stated that SLOCOG has control over community services like the Five Cities Shuttle. These services are not subject to meeting the farebox recovery ratio standard and it would be exempt from meeting the 20% standard. He stated that the three cities, the County, Ride-On staff, and the SCT Administrator would sign an Agreement and that would be brought back and every year based on the negotiated financial obligations.

Mr. Jim Lewis stated that the City Managers really looked over this thoroughly. **Mr. Straw** stated that we want to maintain service and cap the cost at a certain amount for the cities. **Mr. Lewis** noted staff did a great job on this and believe we will arrive at a positive solution.

Chairperson Guthrie remembers that this was previously an Unmet Transit Need, which evolved into the FCSS. There is a lot of performance standards in the scope of services and hopes there will be something easier to track. Hoping that there will be presentable items that can be brought back. **Mr. Straw** stated that page B-2-19 list the performance measures that we would be using.

Chairperson Guthrie closed Board and public comment.

Director Compton moved to approve Agenda Item B-2. **Director Higginbotham** seconded and the motion carried on a voice vote with **Director Nicolls** absent.

B-3 South County Urbanized Area Memorandum of Understanding (Approve): **Mr. Straw** stated that FTA is requiring the relatively small changes to the existing South County Urbanized Area (UZA) Memorandum of Understanding (MOU). The changes will get the region into compliance with the new requirements of the Fixing America's Surface Transportation (FAST) Act. The SLOCOG South County Transit Policy sub-committee would be used to decide funding disputes if there was not unanimous agreement. There are also some wording changes that are noted in the strikeout version of the MOU, which was provided in the agenda.

Public transportation operators that serve the UZA are eligible to apply for and receive FTA funds through SLOCOG, which is the governor-designated Metropolitan Planning Organization for San Luis Obispo County and its three UZAs. SLOCOG is also the governor-designated recipient of FTA funds in the county. The FTA requires that the MOU be updated periodically to capture the new Federal legislation requirements. Staff is requesting the authority to execute the updated draft MOU with RTA, SLOCOG and the County of San Luis Obispo to cooperatively plan and program Federal Transit Administration funds apportioned to the Arroyo Grande-Grover Beach Urbanized Area.

Mr. Straw concluded his report.

Chairperson Guthrie opened Board comment and public comment.

Chairperson Guthrie closed Board and public comment.

Director Higginbotham moved to approve Agenda Item B-3. **Director Compton** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

C. CONSENT AGENDA:

Chairperson Guthrie opened Board and public comment on any items listed on the Consent agenda.

Mr. Straw stated that in regards to C-5, staff found out that Low Carbon Transit Operations Program (LCTOP) funding used for operating has been increased from 3 years to 5 years. This will allow LCTOP funding for the recently-implemented Route 27/28 expansion through FY20-21.

Chairperson Guthrie closed Board and public comment.

C-1 SCT Minutes of July 20, 2016 (Approve)

C-2 Conflict of Interest Policy (Adopt)

C-3 Annual Fiscal & Compliance Audit for Fiscal Year 2015-16 (Accept)

C-4 Seek Sustainable Transportation Planning Grant "Sustainable Communities" Grant to update SRTP (Due 11/4/2016)

C-5 Resolution Authorizing Executive Director to Submit Application for Low Carbon Transit Operations Grant Funds (Approve)

Director Compton moved to approve the Consent Agenda. **Director Higginbotham** seconded and the motion carried on a roll call vote with **Director Nicolls** absent.

D. DIRECTORS' COMMENTS:

Director Higginbotham stated that the Bus Roadeo was great event for staff. She enjoyed seeing the Cal Poly students volunteering. She also stated she was proud of SCT for winning overall again. She said she will miss being on the SCT Board.

E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS:

Mr. Lewis thanked **Chairperson Guthrie** and **Director Higginbotham** for all their hard work on the SCT Board and stated that they will be missed.

ADJOURNMENT: The meeting was adjourned at 2:26 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant

**SOUTH COUNTY TRANSIT
JANUARY 18, 2017
STAFF REPORT**

AGENDA ITEM: C-2

TOPIC: Resolution Authorizing SCT Administrator to Submit Application for State Proposition 1B Safety and Security Funds

ACTION: Approve

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Adopt Resolution

BACKGROUND/DISCUSSION:

Proposition 1B bond funding was passed November 2006 by the voters. Staff estimates that **\$170,153** remains in the San Luis Obispo County for capital projects in the final year; this reflects the amount that was released by California State Controller's Office on October 14, 2016. SCT is an eligible recipient of this funding.

Besides SCT, eligible recipients of the Proposition 1B funds include RTA, the City of Morro Bay, the City of San Luis Obispo, the City of Atascadero, the City of Paso Robles and San Luis Obispo County. The San Luis Obispo Council of Governments has issued a call for projects that are due February 9, 2017. Projects must be transit-related capital projects and have a life span minimum of 10 years.

Staff Recommendation:

Approve the resolutions authorizing the SCT Administrator to submit Proposition 1B Safety and Security grant applications up to \$170,153 for various transit capital needs for the 2016-17 funding year.

**SOUTH COUNTY TRANSIT
RESOLUTION NO. 17-__**

**A RESOLUTION OF THE SOUTH COUNTY TRANSIT
BOARD OF DIRECTORS, AUTHORIZING SUBMITTAL OF A GRANT
APPLICATION TO THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS
FOR CALIFORNIA PROPOSITION 1B FUNDS**

WHEREAS, South County Transit is an eligible applicant for California Proposition 1B 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 California Proposition 1B Fund Program Policies and Procedures; and

WHEREAS, South County Transit will continue to provide fixed route public transportation services in the Arroyo Grande-Grover Beach Urbanized Area; and

WHEREAS, South County Transit is seeking grant funding to maximize the use of local TDA funds provided by the various agencies included in the Joint Powers Authority Agreement; and

WHEREAS, South County Transit is requesting up to **\$170,153** from the Proposition 1B Safety and Security Fund Program for the purchase of various materials, supplies and equipment.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the South County Transit Board of Directors authorizes the Administrator or his Designee to submit a proposal to the San Luis Obispo Council of Governments from the California Proposition 1B Fund Program of up to **\$170,153** for the purchase of various materials, supplies and equipment.

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

BE IT FURTHER RESOLVED, that the Administrator or his Designee is hereby authorized to submit said funding requests.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby adopted this 18th day of January 2017.

Chairman
South County Transit

ATTEST:

Geoff Straw, Administrator
South County Transit

APPROVED AS TO FORM AND LEGAL EFFECT:

Rita L. Neal
County Counsel

By: _____
Timothy McNulty, Counsel
South County Transit

Date: _____

SOUTH COUNTY TRANSIT

January 18, 2017

STAFF REPORT

AGENDA ITEM: C-3

TOPIC: Conflict of Interest Update

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Approve Updates to the Conflict of Interest Code

BACKGROUND/DISCUSSION:

Every public agency or entity is required to adopt a *Conflict of Interest Code* pursuant to the State Political Reform Act of 1974 (Government Code Section 81000, et seq.). The Act also requires every local government agency to review its "Conflict of Interest Code" biennially to determine if it is accurate or, alternatively, that the code must be amended.

In order to ensure conformity moving forward, staff is hereby submitting a resolution to adopt the uniform Conflict of Interest Code.

Designated positions subject to this policy include each SCT delegate and alternate, the SCT Administrator, RTA Deputy Director/CFO, and RTA Grants and Financial Manager.

Staff Recommendation

Approve SCT adoption of the uniform Conflict of Interest Code.

SOUTH COUNTY TRANSIT

18th day of January, 2017

RESOLUTION NO. 2017-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH COUNTY TRANSIT AUTHORITY ADOPTING THE UNIFORM CONFLICT OF INTEREST CODE PROMULGATED BY THE FAIR POLITICAL PRACTICES COMMISSION

The following resolution is now offered and read:

WHEREAS, Government Code section 87300 requires every local government agency to adopt and promulgate a conflict of interest code; and

WHEREAS, pursuant to the biennial review process set forth in Government Code section 87306.5, and a review of its current conflict of interest code, the Board of Directors of the South County Transit (“the Board”) has determined that it is necessary to adopt the code; and

WHEREAS, the Fair Political Practices Commission (FPPC) has promulgated a model conflict of interest code for use by state and local agencies (hereafter “the model code”); and

WHEREAS, the Board has determined it advisable and efficient to adopt the model code, which will thereby ensure that South County Transit’s conflict of interest code is consistent and current with the requirements of the Political Reform Act and regulations adopted by the FPPC; and

WHEREAS, Government Code section 82011(b) provides that the Board of Supervisors is the code reviewing body of all local agencies, other than cities, for purposes of review and approval of local conflict of interest codes; and

WHEREAS, the Board is required on behalf of South County Transit to submit this code to the Board of Supervisors for approval pursuant to Government Code section 87303 and 87306.5;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of South County Transit as follows:

1. The Conflict of Interest Code of South County Transit, attached hereto as Exhibit A, which adopts and incorporates by reference the model code promulgated by the FPPC (Cal. Code Regs., Div. 6, Tit. 2, § 18730), including Appendices A and B, attached thereto, is hereby adopted as the Conflict of Interest Code of South County Transit.
2. The secretary of South County Transit is hereby directed to transmit the newly adopted Conflict of Interest Code of South County Transit to the Board of Supervisors for approval pursuant to Government Code section 87303.

Upon motion of Director _____, seconded by Director _____,

and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted by South County Transit of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 18th day of January 2017.

President of the SCT Board of Directors

ATTEST:

Geoff Straw
SCT Administrator

APPROVED AS TO FORM AND
LEGAL EFFECT:

Timothy McNulty
County Counsel

By: _____
SCT Legal Counsel

Dated: _____

Exhibit A

CONFLICT OF INTEREST CODE

South County Transit

The Political Reform Act, codified in Government Code section 81000 et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (“FPPC”) has adopted Title 2 of the California Code of Regulations, section 18730, which contains the terms of a standard conflict of interest code (“the model code”) that may be adopted by local agencies and its provisions incorporated by reference. The Fair Political Practices Commission, after public notice and a hearing, may amend section 18730 to conform to amendments to the Political Reform Act. The Board of Directors of South County Transit has deemed it advisable to adopt the FPPC’s model code. Therefore, the terms of Title 2 of the California Code of Regulations, section 18730, and any future amendments to it duly adopted by the FPPC, along with attached disclosure categories (Appendix A) and designated position lists (Appendix B) set forth herein, constitute the conflict of interest code for South County Transit.

Any person holding a position designated in Appendix B (Designated Position List) is required to file a Statement of Economic Interest in accordance with Title 2, section 18730 of the California Code of Regulations (a copy of which is attached hereto and incorporated herein by reference)¹, disclosing those categories of interests designated in the applicable appendices and described in Appendix A (Disclosure Categories).

¹The attached model code is the most current version as of the date of this adoption of the model code. However, all persons filing pursuant to this code, should check the most current version of the model code, which may be found at section 18730 of Title 2, Division 6 of the California Code of Regulations.

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq . The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq .

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported,⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,⁵ the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$460.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$460 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected

officer has been elected or over which that elected officer's agency has direction and control.

This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.
- b. The date the last payment of \$100 or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

- 1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
- 2. A loan that would otherwise not be a gift as defined in this title.
- 3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
- 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
- 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$460 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be

made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

² See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and

dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).

7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).
23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third

Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate

District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

Appendix A

Disclosure Categories

Category Numbers:

1. Interests in real property located within or not more than two miles outside the County boundary.
2. Investments in, and income from, any business entity doing business within the County.
3. Income of any business entity in which the filer or spouse owns a 10% interest or greater that is derived from client(s) or customer(s) who, with reasonable foreseeability, could be materially affected by the decisions made or participated in by the filer. Names of such client(s) or customer(s) must be reported under this category if the filer's prorate share of fees from such client or customer was greater than \$10,000 for all types of investments.

See footnotes on the following page providing the definition of the above-referenced interests.

Appendix B

Designated Position Categories

<u>Designated Position</u>	<u>Disclosure Category Numbers</u>
SCT Director ¹	1, 2, 3
Alternate SCT Director	1, 2, 3
SCT Administrator	1, 2, 3
RTA Deputy Director/Chief Financial Officer ²	1, 2, 3
RTA Grants Manager ³	1, 2, 3

¹ An SCT Director who is a Board of Supervisors Member reports pursuant to Government Code section 87200 and is not required to file a separate statement under the SCT Code.

² This position, while not technically an SCT employee, makes decisions or participates in the making of decisions that may have a material effect on a financial interest.

³ Ibid.

FOOTNOTES

(Applicable to ALL Categories. See Referenced Sections of the Government Code for complete definitions.)

- (1) Interests in real property of the filer include those of the filer's spouse and dependent children as well as the filer's pro rata share of interests in real property owned by any business entity or trust in which filer or spouse owns a 10% interest or greater. Excluded are interests in real property with a fair market value of less than \$2,000 or property that is used principally as the filer's place of residence. (Government Code Sections 82033.)
- (2) Investments of a filer include those of the filer's spouse and dependent children as well as the filer's pro rata share of investments owned by any business entity or trust in which the filer or spouse owns a 10% interest or greater. Excluded are assets with the fair market value of less than \$2,000 and any other investment excluded under Government Code Section 82034 (Government Code Section 82034)
- (3) Income includes a filer's community property interest in income of his or her spouse, as well as the filer's pro rata share of income of any business entity or trust in which the individual or spouse owns a 10% interest or greater. Income also includes non-family gifts worth more than \$50.00 (including multiple gifts from single source which total \$50.00 or more in value). (Government Code Section 82030, 82028 and 87207)

**SOUTH COUNTY TRANSIT
JANUARY 18, 2017
STAFF REPORT**

AGENDA ITEM: C-4

TOPIC: Resolution Authorizing Participation in ERMA

ACTION: Approve Resolution

PRESENTED BY: Geoff Straw, Administrator

STAFF RECOMMENDATION: Adopt Resolution

BACKGROUND/DISCUSSION:

SCT currently obtains Employment Practices Liability (EPL) coverage as part of our participation in the California Transit Indemnity Pool (CalTIP) liability program. However, CalTIP's EPL coverage is being discontinued effective July 1, 2017. Staff is seeking the Board's authority to obtain EPL coverage through the Employment Risk Management Association (ERMA).

ERMA is a pool consisting of other public agency risk pools such as CalTIP. ERMA is the first statewide risk sharing pool created exclusively to provide broad coverage for EPL with tailored loss prevention services. It is comprised of nine JPA members and two individual members, totaling over 195 individual underlying members. The pool provides coverage up to \$1 million per occurrence, and purchases excess coverage through RSUI Indemnity Company for coverage of \$1 million excess \$1 million per occurrence.

Pricing for ERMA EPL coverage is based on each individual agency's payroll level. ERMA's minimum self-insured retention (SIR) level for payroll ranges less than \$10 million is \$50,000. This level of coverage results in a rate of \$545.36 per \$100,000 of payroll costs. Based on the FY16-17 budget, our annual EPL costs in FY17-18 through ERMA would be approximately \$2,000.

In order to meet ERMA member agency requirements, staff is requesting that the Board agree to participate for the minimum three-year commitment. Staff will present each year's estimated annual coverage costs as part of our annual budget-making process. Staff is also requesting that the Board authorize the Administrator to complete and submit all necessary application documents.

Staff Recommendation

Approve the attached resolution authorizing the Administrator to submit the attached Resolution as part of the application process to obtain Employment Practices Liability coverage.

<p style="text-align: center;">AUTHORIZING RESOLUTION PARTICIPATION IN THE EMPLOYMENT RISK MANAGEMENT AUTHORITY</p>

RESOLUTION NO. 17-____

RESOLUTION OF SOUTH COUNTY TRANSIT AUTHORIZING PARTICIPATION IN THE EMPLOYMENT RISK MANAGEMENT AUTHORITY

WHEREAS, South County Transit previously obtained Employment Practices Liability (EPL) coverage through its participation in the California Transit Indemnity Pool (CalTIP); and

WHEREAS, CalTIP will cease providing EPL coverage on July 1, 2017; and

WHEREAS, South County Transit wishes to obtain EPL coverage for fiscal years 2017-18 through 2019-20; and

WHEREAS, the Employment Risk Management Authority (ERMA) is a self-insured joint powers authority created for the sole purpose of providing EPL coverage. ERMA is comprised of various public entities who risk share up to \$1 million against potentially unlawful employment practices and discrimination claims; and

WHEREAS, ERMA formed primarily due to the fact that government entities have not historically been able to secure EPL coverage at a competitive cost through the commercial insurance marketplace; and

WHEREAS, ERMA has met all of the high professional standards established by the California Association of Joint Powers Authorities (CAJPA) in the areas of governance, finance, claims control, safety and loss control and ERMA is fully accredited by CAJPA. CAJPA's accreditation process requires reviews by independent consultants in the areas of accounting, claims adjusting, and actuarial analysis; and

WHEREAS, ERMA provides services to both Joint Powers Insurance Authorities and individual public entities; and

WHEREAS, South County Transit has determined that it is in the best interest to become a member of ERMA for the purpose of obtaining Employment Practices Liability coverage; and

WHEREAS, ERMA South County Transit to pass a resolution expressing the desire and commitment of South County Transit's participation in ERMA, which requires a three-year minimum participation period. South County Transit also understands our entity will be bound by the provisions in the ERMA Joint Powers Agreement just as though it were fully set forth and incorporated herein whether our entity had signed it individually or through an underlying Joint Powers Insurance Authority.

NOW, THEREFORE, BE IT RESOLVED BY SOUTH COUNTY TRANSIT:

THAT, South County Transit approves participation in ERMA on January 18, 2017; and

THAT, the Administrator on behalf of South County Transit is hereby authorized to take any and all actions necessary to implement the foregoing resolution.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted by South County Transit of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 18th day of January, 2017.

Chairperson of the SCT Board

ATTEST:

Geoff Straw
SCT Administrator

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
SCT Counsel

Dated: _____
(Original signature in BLUE ink)

SOUTH COUNTY TRANSIT

January 18, 2017

STAFF REPORT

AGENDA ITEM: C-5

TOPIC: Authorization to Open Bank Account

PRESENTED BY: Geoff Straw, SCT Administrator

STAFF RECOMMENDATION: Approve Resolution Authorizing RTA CFO to Open Bank Account with Pacific Western Bank

BACKGROUND/DISCUSSION:

In November 2016 the County of San Luis Obispo transferred bank accounts from Rabobank to Pacific Western Bank. SCT uses the County Treasury as its main bank account but has a separate account for payroll purposes, which is currently with Rabobank. In order to keep banking streamlined, staff would like to transfer the current account RTA has with Rabobank to Pacific Western Bank. Once the account with Pacific Western is fully operational, the account with Rabobank will be closed.

Staff Recommendation

Approve resolution authorizing RTA CFO to open bank account with Pacific Western Bank.

RESOLUTION NO. 17-_____
A RESOLUTION AUTHORIZING SAN LUIS OBISPO
REGIONAL TRANSIT AUTHORITY CHIEF FINANCIAL OFFICER
TO OPEN ACCOUNT WITH PACIFIC WESTERN BANK
ON BEHALF OF SOUTH COUNTY TRANSIT

WHEREAS, the South County Transit (SCT) is a Joint Powers Agency which has local bank accounts; and

WHEREAS, the RTA Chief Financial officer has requested formal authority from the SCT Board to authorize the RTA Chief Financial Officer to change financial institutions from Rabobank to Pacific Western Bank and authorize staff signatory powers,

THEREFORE, BE IT RESOLVED, that the SCT Administrator, the RTA Deputy Director/Chief Financial Officer, and the RTA Grants and Financial Manager be formally designated as the signatory for all South County Transit local bank accounts.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing resolution is hereby adopted by the South County Transit of San Luis Obispo County, State of California, at a regular meeting of said Board of Directors held on the 18th day of January 2017.

Chairperson SCT Board

ATTEST:

Geoff Straw
SCT Administrator

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Timothy McNulty
SCT Counsel

Dated: _____