

SOUTH COUNTY TRANSIT
2018-2020 STRATEGIC BUSINESS PLAN
Approved April 25, 2018

Executive Summary

This 2018-2020 Strategic Business Plan (SBP) is an update to the inaugural Plan adopted by the SoCo Transit Board of Directors in October 2014. This updated three-year SBP incorporates both new and revised standards. It is anticipated that this SBP will be reviewed and revised again (as necessary) in mid-2020 to reflect changing conditions.

Background

The enduring major components of the SBP are the Vision Statement, Mission Statement, Vision Elements, and Strategic Direction. Staff uses the measurable Standard of Excellence in the SBP to help guide the organization toward meeting long-term goals and objectives. The goals and objectives are premised on the following components:

Vision Statement

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

Mission Statement

SoCo Transit is committed to providing safe, friendly, and reliable service to the citizens of and visitors to the Five Cities Area.

Vision Elements

1. Continue successful partnerships with jurisdictions, county, other public agencies, businesses and schools.
2. Provide excellent, reliable, sustainable seamless service that is effective in getting residents and visitors where they want to travel.
3. Secure reliable funding.

4. Sustain and continue to improve the Intelligent Transportation Systems (ITS) program to improve service quality and provide efficiencies.
5. Develop a well-executed image-building campaign with a single face for public transportation.

Strategic Direction

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

Long-Term Goals

1. Provide market-driven service that meets the needs of the communities that we serve but that will also attract discretionary riders.
2. Provide transportation services that are safe, reliable, economical and accessible in an efficient manner with innovative management practices and technological advancements.
3. Lead and participate in the analysis of the integration of transit operations throughout the county to ensure that customers are provided seamless transit alternatives and

services that attract discretionary riders from every community that SoCo Transit serves.

4. Promote the value of SoCo Transit and public transportation to the quality of life in the Five Cities Area and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

Objectives to Meet Long-Term Goals

- 1.1 Link population centers and major traffic generators within the region.
- 1.2 Coordinate service with all public transportation operators and services.

- 2.1 Provide safe public transportation.
- 2.2 Provide reliable public transportation.
- 2.3 Provide cost-effective public transportation.
- 2.4 Provide efficient public transportation.
- 2.5 Provide comfortable public transportation.

- 3.1 Achieve a highly rated level of customer satisfaction.
- 3.3 Provide service that is supported by market demand.
- 3.3 Manage service in a cost-effective manner.
- 3.4 Deploy technology effectively and efficiently.

- 4.1 Provide accountability and transparency.
- 4.2 Increase use and support of public transportation in South County.
- 4.3 Implement an annual marketing plan.
- 4.4 Use public funding efficiently in meeting public transit needs of communities that SoCo Transit serves.
- 4.5 Educate community and business leaders and the public on the value of SoCo Transit services.

Business Conditions and Opportunities

The primary challenge facing SoCo Transit in the coming years is its inability to achieve the new State 20% farebox recovery ratio (FRR) that was triggered by the Federal designation as an urbanized area in the 2010 US Census. Prior to this Federal designation, the State only required a 10% FRR. On the positive side, the urbanized designation annually provides new formula Federal Transit Administration funds that have ranged from \$750,000 to over \$1,000,000 to

the Arroyo Grande – Grover Beach Urbanized Area. An emerging solution is to abolish the agency, and transfer all assets and other obligations to the RTA. The RTA’s FRR is high enough that it can “absorb” SoCo Transit through consolidation without facing financial penalties, while also providing other cost-savings.

Similar to the experience of most other public transit agencies across the nation, SoCo Transit and its partner agencies have experienced ridership declines since our peak in FY14-15. Some of this decline can be attributed to an improving economy that allows some riders to occasionally or even entirely replace transit usage with private automobile travel. Other factors include relatively low fuel prices over the past few years, as well as “disruptive” and high-technology alternatives such as Uber and Lyft that offer travelers real-time – albeit more costly – personalized transportation. Current fixed-route ridership now equals that of FY11-12.

California Transportation Develop Act (TDA) revenues have largely recovered after the steep declines encountered during the Great Recession, which has resulted in increased net revenues for jurisdictions for transit and non-transit uses. Once the newly enacted Senate Bill 1 (SB1) funds begin to flow, it will essentially replace the capital funds formerly provided under Proposition 1B. However, the SB1 funds could conceivably be eliminated through an initiative that could go before California voters in November 2018. If SB1 funds are eliminated, and other transit programs in the county would need to rely more heavily on TDA funds, which would reduce the funds left over for use by jurisdictions to pay for roadway repairs. SB1 also provided an uptick in Cap and Trade funds, so that funding increase is also in jeopardy.

Discretionary Federal Transit Administration (FTA) capital funds that have previously been used to replace buses and construct needed facilities have dried up, and there is not a replacement funding source being seriously discussed at the national level. In short, SoCo Transit’s ability to rely upon large infusions of discretionary capital funds in the future is uncertain at best. This might result in needing to finance the replacement of buses.

Business Direction for 2018 and Beyond

1. Focus on cost effectiveness and living with our resources, and by undertaking efforts to secure sustainable operating and capital revenues.
2. Seek and implement innovative opportunities to improve service for our customers within current resources.

3. Be a leader among transit systems in developing and implementing environmentally friendly transit service and sustainable business practices.
4. Plan and prepare for the future growth of the system, while being mindful of farebox recovery ratio realities. This could include consolidation into the RTA in order to avoid future TDA farebox recovery ratio penalties.
5. Work with the RTA and the County to develop a Joint Short Range Transit Plan that covers both local fixed-route services in the Five Cities Area and demand response services in Nipomo.

Focused 2018-20 Strategic Business Plan Goals and Objectives

Goal 1: Increase Ridership – Increase ridership through improved system design by attracting discretionary customers and improving sub-regional transit alternatives.

Objectives

1. Continue to analyze data from the SoCo Transit Route Performance Standards to evaluate service efficiencies and effectiveness.
2. Complete biannual Community Perception Survey to address current and potential customer needs.
3. Improve customer communications and information about SoCo Transit services.
4. Continue to explore alternative transit modes using emerging technologies to address underperforming and rural needs.
5. Achieve SoCo Transit Key Performance Indicators (KPIs) to improve existing service (On Time Performance, Customer Comments, Service Delivery, Accident Rate, etc.).
6. Evaluate route scheduling to maximize the convenience of transfers between the various transit systems in the region. In addition, consider consistent region-wide designation of routes and equivalent fares by service type.

Goal 2: Key Performance Indicators – Expand the development and use of our KPIs to enhance system performance, employee performance, and improve service quality to our customers.

Objectives

1. Meet or exceed KPIs that include the following Standards Categories: Service Quality and Efficiency, Resources and Revenue, Safety, Human Resources, Fleet and Facilities, Leadership.
2. With policy guidance from the SoCo Transit Board, the Administrator with input from throughout the organization shall set the standards as detailed in this document. These will be provided to everyone in the organization who will have a lead role in achieving each standard, and these efforts will be reported as part of the bi-monthly updates to the SoCo Transit Board of Directors.

Goal 3: Innovation – Explore innovative opportunities to improve our service for our customers and potential customers.

Objectives

1. Continue to look for ways to enhance decision-making processes using our Intelligent Transportation System (ITS) Program in conjunction with other jurisdictions.
2. Identify and secure funding to sustain and expand the ITS Program.
3. Ensure that persons with disabilities have adequate mobility.

Focused 2018-20 Strategic Business Plan Standards of Excellence

Standards of Excellence Section 1: Service Quality and Efficiency – 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 budgetary constraints.

Standard 1: Passengers per vehicle service hour will be 17 or greater.

Measurement: Objective.

- Administrator will review monthly and report at each Board meeting.

Standard 2: The Service Delivery rate for all regularly scheduled / year-round services shall be 99% or greater.

Measurement: Objective.

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

Standard 3: The On-time Performance for all regularly-scheduled / year-round services shall be 90% or greater. “On-time” is defined as no later than six minutes from any timepoint in the published schedule. We recognize that making scheduled transfers between buses is vitally important to riders, and staff will explore methods of regularly measuring missed transfers.

Measurement: Objective.

- Administrator will report bi-annually to the Board.

Standard 4: SoCo Transit 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.

- Reviewed quarterly by Operations, and reported by Administrator annually to the Board.

Standard 5: SoCo Transit will measure Overcrowding as the frequency of instances that the number of passengers on a bus exceeds the number of seats (i.e., 34 passengers on a 34-seat bus equates to a Load Factor of 1.00), as well as the duration of exceedances. The Overcrowding standard for regular fixed-route services is no more than 10% of the monthly total number of bus trips that exceed a Load Factor of 1.25 for greater than 20 minutes. If the Load Factor standard is exceeded, staff will assign a larger vehicle (if possible); otherwise, the Board will direct staff to evaluate adding scheduled bus trips to spread out the passenger loads.

Measurement: Objective.

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

Standards of Excellence Section 2: Revenue and Resources – 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 SoCo Transit.

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 at each regularly scheduled Board meeting.

Standard 2: Farebox Recovery Ratio shall be greater than the minimum standard required by SLOCOG to meet TDA requirements. In FY17-18, that minimum was 20%.

Measurement: Objective.

- Administrator will review monthly and report at each regularly scheduled Board meeting.

Standard 3: No significant annual fiscal and compliance audit findings.

Measurement: Objective.

- Finance and Administration will report any negative audit findings to the Board.

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

Measurement: Subjective.

- Evaluated through the Marketing Department's biannual Community Perception Survey, feedback from communities and review of the annual 5-year capital program by the Board.

Standards of Excellence Section 3: Safety – We recognize the tremendous importance of safety in the operation of SoCo Transit service to our customers and communities. Therefore, the safety of our customers and employees will be an organizational priority and we will be proactive in promoting system safety.

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

Measurement: Objective.

- Rate shall be tracked by the Safety and Training Manager, and reported annually to the Board.

Standard 2 Address all safety hazards identified and reported to the joint RTA / SoCo Transit Safety Resource Committee.

Measurement: Objective.

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

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 immediately reported by Finance and Administration to our work comp carrier.

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

Measurement: Objective.

- As measured by biannual Community Perception Survey.

Standard 5: Total risk management costs shall not exceed industry norms. Staff will undertake alternating market surveys every four years for vehicle liability / physical damage coverage and for workers compensation coverage.

Measurement: Objective.

- Reported by Finance and Administration in financials and reported at each regularly scheduled Board meeting.

Standards of Excellence Section 4: 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.

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.

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

Measurement: Subjective.

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 our Standards and KPIs.

Standards of Excellence Section 5: 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: If funding permits, SoCo Transit will match SLO Transit’s and the RTA’s standard of replacing revenue vehicles when they reach the FTA-defined useful life minimums in terms of service years or miles. If funding remains constrained, negotiate with SLO Transit and the RTA to ensure no agency’s buses surpass 40% beyond the FTA standards.

Measurement: Objective.

- As tracked by Finance and Administration as part of grant-making efforts.

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

Measurement: Objective.

- As tracked and reported by the Maintenance Department, and reported biannually to the Board.

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.

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

Measurement: Objective.

- As measured in the biannual Community Perception Survey.

Standard 5: Achieve all federal- and state-mandated maintenance minimums, as well as vendor recommended maintenance schedules, for our fleet and facilities. The following standards apply:

- A. No negative CHP Annual Terminal Inspection, FTA Triennial Review or TDA Triennial Performance Audit findings.
- B. Preventative maintenance schedules for all equipment shall be done on a timely basis (3,000 mile intervals or as mandated by equipment OEM vendor).

Measurement: Objective.

- As tracked by the Maintenance Department, and reported annually to the Board.

Standards of Excellence Section 6: 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, within our community, and with our stakeholders. We will 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 the Board.

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

Measurement: Subjective.

- To be evaluated and monitored by the Board.

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

Measure: Subjective.

- To be evaluated by the Administrator.

Standard 4: Provide effective leadership for public transportation within the Five Cities Area.

Measurement: Subjective.

- To be evaluated by the Administrator and Board.