



## REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

**Wednesday, December 11, 2013**

**10:00 a.m. – 11:30 a.m.**

**SLOCOG Conference Room**  
**1114 Marsh Street**  
**San Luis Obispo, California**

This agenda is available/posted at: <http://www.slorta.org/board/rta-board-meetings>

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

- 1. Call Meeting to Order, Roll Call**
- 2. Public Comment:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
- 3. Information Items**
  - A-1 Executive Director's Report (Information)
  - A-2 RTA Reserve Policy (Information)
- 4. Action Items**
  - B-1 Consolidation of Paso Robles Transit Services into RTA (Action) – final draft agreement to be distributed at the meeting
- 5. Consent Items**
  - C-1 Executive Committee Meeting Minutes of October 16, 2013 (Approve)

The Regional Transit Authority is a Joint Powers Agency serving the residents and visitors of:

**Arroyo Grande Atascadero Grover Beach Morro Bay Paso Robles Pismo Beach San Luis Obispo County of San Luis Obispo**

6. **RTA Board Agenda Review** – below are items that will be presented at the January 8, 2014 RTA Board meeting:

Information Items

- A-1 Executive Director's Report (Information)
- A-2 Update on North County Transit Consolidation (Information)
- A-3 RTA Reserve Policy (Information)

Action Items

- B-1 Consolidation of Paso Robles Transit Services into RTA (Action)

Consent Items

- C-1 Executive Committee Meeting Minutes of October 16, 2013 (Approve)
- C-2 RTA Board Meeting Minutes of November 6, 2013 (Approve)
- C-3 Conflict of Interest Code (Approve)
- C-4 Caltrans/FTA 5304 Grant Application for SLOT & RTA SRTP (Approve)
- C-5 Annual FTA Certifications and Assurances (Approve)

Closed Session Items

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

D-1-1 Executive Director's annual performance evaluation

D-1-2 Conference with Labor Negotiator Geoff Straw concerning the following labor organization: Teamsters Local Union No. 986

D-1-3 It is the intention of the Board to meet in closed session concerning the following items:

**CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code Sec. 54956.8):**

**Agency Negotiators:** Geoff Straw (RTA), Ronald De Carli (SLOCOG), Peter Rodgers (SLOCOG)

**Under Negotiation/Discussion:** Price and Terms of Payment

**Property:**

**40 Prado Road, San Luis Obispo, CA (APN: 053-022-014)**

Negotiating Party: Rescal SLO193 LLC

7. **Closed Session Items**

None

8. **Adjournment**

Next Executive Committee Meeting: **February 12 , 2014**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**December 11, 2013**

**STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Executive Director's Report

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Information

**BACKGROUND/DISCUSSION:**

**Operations:**

RTA continues to work with SLOCOG and the Cities of Atascadero and Paso Robles to implement the consolidation recommendations developed in the 2012 North County Transit Plan. A contract for consolidation of Paso Robles transit services into RTA is provided in Agenda Item A-2. RTA continues to work with the City of Atascadero to develop a consolidation contract.

**Maintenance:**

RTA continues to struggle with maintaining our fleet of aging Runabout vehicles – primarily engine failures of our oldest minibuses. The Board authorized staff to procure four replacement buses at its May 1, 2013 meeting. However, RTA has been unable to use the existing CalACT statewide contract to purchase these four vehicles due to a recent FTA ruling that has eliminated this option. As a result, RTA has joined a nine-agency consortium led by Paratransit in Sacramento, and we hope to issue a purchase order in the coming weeks.

**Service Planning & Marketing:**

The SLOCOG Board recommended a CMAQ grant award to fund two over-the-road coaches and operations funding for three years to operate expanded express services on the US101 corridor (RTA Routes 9 & 10). RTA has entered into a six-agency consortium led by the Antelope Valley Transit Authority, and the MCI Corporation won the bid. Staff will seek authorization to procure two of these vehicles at a future RTA Board meeting (as soon as we are permitted to do so according to CMAQ grant rules).

RTA has wrapped up its first comprehensive RTA Customer Perception Survey, which was conducted throughout the months of October and early-November. This effort included an employee survey, a Rider Survey for RTA, Runabout and SCT customers, and an Internet-based stakeholder/Non-Rider survey. We will provide an executive summary of this effort at the January 8, 2014 RTA Board meeting, with a full presentation to RTAC on January 15, 2014. Staff intends to use the findings from this report to assist us in updating our Strategic Business Plan.

**Finance and Administration:**

RTA staff has developed a “white paper” on development of a reserve fund policy, which is included in Agenda Item A-2. Six types of reserve funds are discussed, and staff hopes to bring this to the Board at its January 8, 2014 meeting for presentation and discussion. Staff would then bring a final recommended policy to the Board at its March 2014 meeting.

Staff will provide a summary of financial and operating results at the Executive Committee meeting.

**RTA Facility Planning**

Staff continues to work with its realtor services consultant to potentially acquire property to meet RTA’s long-term facility needs. This item will be discussed in Closed Session at the January 8, 2014 RTA Board meeting.

**Labor Relations**

RTA began negotiations to amend our collective bargaining agreement (CBA) with Teamsters Local 986. Staff began meeting with Teamsters officials on November 4, 2013 and preliminary findings will be discussed in Closed Session at the January 8, 2014 RTA Board meeting.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**December 11, 2013**

**STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Reserve Policy

**ACTION:** Information; Consideration in March 2014

**PRESENTED BY:** Geoff Straw  
Executive Director

**STAFF RECOMMENDATION:** Receive

**BACKGROUND/DISCUSSION:**

This staff report presents preliminary recommendations on a formal RTA reserve policy and its various components. Staff intends to solicit input from the Board at the January 8, 2014 meeting to obtain further direction regarding reserve fund level(s), and to bring a final policy recommendation to the Board at its March 2013 meeting.

As identified by the Government Finance Officers Association (GFOA), accountants employ the term fund balance to describe the net assets of an agency's funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of agency funds calculated on an agency's budgetary basis. In both cases, fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

Accountants distinguish reserved fund balance from unreserved fund balance. Typically, only the latter is available for spending. Accountants also sometimes report a designated portion of unreserved fund balance to indicate that the governing body or management have tentative plans concerning the use of all or a portion of unreserved fund balance.

It is essential that government agencies maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures). Fund balance levels are a crucial consideration, too, in long-term financial planning. In most cases, discussions of fund balance will properly focus on a government agency's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unreserved fund balance in the general fund. The GFOA recommends that government agencies establish a formal policy on the level of unreserved fund balance that should be maintained in an agency's general fund.

During the Fiscal Year 2013-14 budget making process, RTA staff expressed a desire to establish a formal reserve policy in order to provide financial stability and predictability for the RTA jurisdictions. In the discussion below, staff will present various types of reserves that have correlating goals.

The GFOA Best Practice recommendation is, at a minimum, that government agencies, regardless of size, maintain unrestricted fund balance (reserves) of no less than two months of regular general fund operating revenues or no less than 5% to 15% regular general fund operating expenditures – whichever is more predictable in a government agency’s particular circumstances. Factors for the government to consider include:

1. The predictability of its revenues and the volatility of its expenditures,
2. The agency’s perceived exposure to significant one-time outlays such as disasters, immediate capital needs, and State or Federal budget cuts,
3. The agency’s liquidity, and
4. Prior commitments and assignments of funds.

It should be noted that two of the specific reserve funds discussed below have been established by RTA staff in budget documents based on past practice rather than through Board policy. As such, staff is recommending that reserve funds be formally codified through policy for budget-making purposes and, more importantly, to guide decisions when either funding shortfalls or windfalls result in relatively large deviations from projections.

The five types of reserve funds that staff presents below include:

1. Cash Flow Reserve
2. Capital Projects Reserve
3. Operating Reserve
4. Budget Stabilization Reserve
5. Facility Rehabilitation/Replacement Reserve

Each reserve fund balance that is ultimately established should be reviewed annually during the budget development process to reflect the most recent financial information available. The allocations budgeted for these reserves would be included in the annual budget and the proposed use of any reserves would be accompanied, when feasible, with a plan for replenishment within a reasonable period of time.

### Cash Flow Reserve Fund

The current RTA two-year operating budget identifies cash flow requirements for FY13-14 and FY14-15, and it is identified as “Cash Flow Requirements per TDA” in our budget documents. This line-item is essentially a Cash Flow Reserve and equates to

one-quarter expenses less one quarter fare revenue. A Cash Flow Reserve is required because of two facts:

1. Transportation Development Act funds are disbursed quarterly, and those funds are provided by SLOCOG to RTA at the end of each quarter, and
2. FTA funds are provided on a reimbursement basis only.

In the future, staff will replace the term “Cash Flow Requirements per TDA” with “Cash Flow Reserve per TDA” in budget documents. Please note that the prior year Cash Flow Reserve is included in the beginning fund balance, and it is not accumulated from year to year. For FY13-14, the budgeted cash flow balance was \$1,479,337.

### Capital Projects Reserve Fund

RTA has traditionally identified a capital projects reserve fund that represents the carryover of surplus funds to be used for future capital projects as outlined in the projected capital expenditures budget. For FY13-14, the budgeted Capital Projects Reserve balance was \$318,373. Again, this amount represents the carryover from the previous fiscal year (FY12-13).

For future budget plans, RTA is recommending that the Capital Projects Reserve be developed using a five-year annual average that is based on two components:

1. For small capital projects that are fully-funded using 100% local funds, staff will budget the entire amount.
2. For large capital projects that use external funding, staff will budget the local match amount after deducting the reasonably anticipated amount of external funds.

An alternative and potentially simpler methodology would be to merely calculate the average annual capital expenditures and multiply by the 20% local match required for most FTA-funded capital projects. Either way, using a five-year annual average helps normalize local funding requirements over the planning horizon.

Another important consideration in developing a formal Capital Projects Reserve policy is whether or not RTA should continue to assume 80% FTA cost-sharing on bus replacement and/or expansion purchases in light of uncertain future Federal funding. In the past, RTA has been successful in attaining Federal funds to partially or completely fund buses. The current federal transportation funding bill, known as Moving Ahead for Progress in the 21<sup>st</sup> Century (also known as MAP-21), has essentially eliminated discretionary Bus and Bus Facilities funds for these types of projects. MAP-21 ends on September 30, 2014, and State Proposition 1B bond funding is approaching the end of its ten-year bond cycle. It should be noted that the cost of one completely locally-funded full-size bus is greater than the \$318,373 amount identified in the FY13-14 budget. For

the time being, staff suggests that the 20% local match strategy continue; if there is a significant future change in Federal funding, the reserve policy would be amended.

### Operating Reserve Fund

An Operating Reserve Fund equal to a percentage of the prior fiscal year actual operating expenses should also be considered. It could be used at the discretion of the Board to fund unforeseen operating costs not anticipated during the annual budget development process. An example would be a very large increase in the cost of fuel, which currently represents the second-highest line-item in the RTA operating budget.

As mentioned above, the GFOA has recommended two months' expenses to serve as an operations reserve, which rounds to approximately 15% of the annual operating budget. It would be prudent to aim for this 15% level over a specified accumulation period (i.e., two or three fiscal years); once the 15% Operating Reserve Fund level is attained, subsequent annual budget-making efforts would focus on adjusting the inputs as needed to maintain the 15% level.

### Self-Insurance Reserve Fund

Currently, RTA does not self-insure any areas of liability coverage. However, we have the option of increasing our self insured retention with our carriers. It should be noted that staff has not pursued increasing our deductible due to the lack of a Self-Insurance Reserve Fund and the challenges RTA has encountered in the past with cash flow. Should the Board wish staff to evaluate lines of insurance coverage and self insure for a portion of coverage, a Self-Insurance Reserve fund would need to be established to cover fluctuations.

### Budget Stabilization Reserve Fund

This type of reserve is sometimes referred to as a "rainy day fund" and is very similar to an operating reserve. RTA has annually identified a "Contingency" in its operating budget, although this amount has typically been development in an ad hoc way. A true Budget Stabilization Reserve Fund is typically focused on an unexpected revenue shortfall caused by a disaster, a dire emergency (i.e., flood or earthquake), or a significant economic downturn. Given that the stabilization reserve ("rainy day fund") is an unallocated reserve, this reserve is not intended to be spent except during these dire circumstances. One option is to identify a portion (i.e., one-third of the suggested 15% Operating Reserve Fund) as the Budget Stabilization Reserve Fund that could only be used in the event of a major event.

### Facility Rehabilitation/Replacement Reserve

A facility rehabilitation and replacement reserve could be established that is based on the remaining useful life and associated accumulated depreciation of a facility or

facilities. However, since RTA does not currently own any major facilities, it might be best to revisit this issue during development of future facility project budgets.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**December 11, 2013**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** RTA Operation of Paso Robles Transit Services

**ACTION:** Review and Approve

**PRESENTED BY:** Geoff Straw  
Executive Director

**STAFF RECOMMENDATION:** Approve the contract for RTA direct operation, management, administration, and vehicle maintenance of Paso Robles transit services.

**BACKGROUND/DISCUSSION:**

The SLOCOG Board adopted the North County Transit Plan in June 2012, following similar actions by the Paso Robles and Atascadero City Councils. The key Plan recommendations are to:

1. Consolidate the entire Paso Express Routes A, B and C into the RTA, with the local Route C (North Cuesta-downtown Paso Robles-Twin Cities) service replaced by an extended RTA Route 9.
2. Consolidate the Atascadero El Camino Shuttle into RTA by replacing it with an expanded RTA Route 9.

This staff report and the attached Draft Agreement focuses on the consolidation of Paso Robles transit services into RTA. The primary benefit of this consolidation is the City of Paso Robles would realize significant savings in Local Transportation Funds (LTF) (state monies eligible for transit, bicycle projects, streets and roads). The North County region would benefit by the reduced demands by municipal systems on Federal Transit Administration Section 5307 program funds apportioned to the Paso Robles – Atascadero urbanized area. Riders benefit by their ability to transfer across local and intercity/regional services. Finally, RTA benefits due to reduced sub-grantee oversight responsibilities.

Attached is a draft agreement to become effective June 1, 2014 that assumes RTA would assume full operation and administration of Paso Robles transit services, with RTA acting as the direct TDA recipient. None of the costs of providing and administering Paso Robles local transit services would be passed on to the local jurisdictions that fund RTA core operations.

**CONTRACT FOR  
CONSOLIDATION OF PASO ROBLES TRANSIT SERVICES INTO SAN LUIS  
OBISPO REGIONAL TRANSIT AUTHORITY**

**THIS CONTRACT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between the CITY OF PASO ROBLES, (hereinafter referred to as "CITY") and the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, (hereinafter referred to as "RTA").

**WITNESSETH:**

**WHEREAS**, CITY has been responsible for local transit and other local transportation services within and immediately adjacent to the incorporated areas of the City not considered part of the regional transportation system; and

**WHEREAS**, CITY desires consolidation of its local transit services into RTA to take advantage of efficiencies that result from such consolidation; and

**WHEREAS**, RTA is responsible for regional transit and other regional transportation services, and is deemed trained, experienced, expert and competent to perform such services on behalf of CITY; and

**WHEREAS**, RTA is presently providing similar services to the South County Area Transit and the County of San Luis Obispo; and

**WHEREAS**, said contract has been beneficial to RTA, South County Area Transit, and the County of San Luis Obispo; and

**WHEREAS**, CITY desires to cease direct management of local transit services in CITY limits.

**NOW THEREFORE**, the parties do mutually agree as follows:

1. Retention of Services. CITY hereby engages RTA and RTA hereby agrees to perform for the CITY the services hereinafter set forth for the compensation hereinafter set forth, all pursuant to the terms and conditions herein.
2. Scope of Services. Pursuant to this Contract, RTA shall provide to CITY the services identified in Attachment "A" attached hereto as if entirely set forth herein.
3. Compensation. CITY shall pay to RTA as compensation in full for all services performed by RTA pursuant to this Contract, a sum not to exceed the RTA's actual cost of providing the services plus administrative overhead. Said actual cost may include all appropriate overhead allocations. CITY hereby warrants that funds are available from which payment may be made. CITY's maximum obligation for funding services pursuant to this Contract is limited to the amount of Transportation Development Act (TDA) monies available after making its contribution to fund RTA regional services; no CITY general funds will be required.

Said compensation shall be paid in the following manner: RTA shall annually submit to the City Administrative Services Director by March 1 a detailed proposal to provide the services identified in Attachment "A" and an associated amount of compensation for providing those services for the subsequent fiscal year. The City Administrative Services Director shall annually provide written consent to the proposal, including the service level and amount of compensation by April 1 unless the proposal is determined to be unreasonable. Any annual proposal the Administrative Services Director determines to be unreasonable will be placed on a City Council agenda and an RTA Board of Directors agenda so that it may be considered and mutually agreed upon by these respective boards prior to May 1. CITY shall provide written direction to the San Luis Obispo Council of Governments (SLOCOG) that the agreed upon amount of compensation should be allocated to the RTA directly from the share of TDA monies allocated to the CITY through the SLOCOG allocation process. RTA will be responsible for submitting a claim for these monies to SLOCOG during the subsequent fiscal year for deposit directly into RTA's account. RTA shall account for CITY monies separately from all other monies received.

4. Transfer of funds. CITY shall transfer all non-committed monies remaining in its transit fund to RTA by the effective date of this Contract. RTA will use these monies to fund CITY transportation services and will account for these monies separately and in the same manner as all other CITY monies. This is a one-time transfer. Any fully-funded but not yet completed transit projects that remain as of June 1, 2014 will be completed by CITY using transit funds. RTA will provide technical assistance as appropriate.

5. Transfer of vehicles. CITY shall transfer ownership of and responsibility for all vehicles and transit vehicle-specific equipment by the effective date of this Contract to RTA.
6. Term of Contract. This Contract shall commence effective June 1, 2014 and shall continue, until and unless terminated earlier as provided herein. RTA will furnish sufficient personnel to complete all phases of the tasks.
7. Termination of Contract for Convenience of Either Party. Either party may terminate this Contract at any time by giving to the other party One Hundred Eighty (180) days written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of the transaction occurring prior to the effective date of such termination. RTA shall be paid for all work satisfactorily completed prior to the effective date of such termination.
8. Termination of Contract for Cause. If, through any cause within its control, either party fails to fulfill in a timely and professional manner its obligations under this Contract, or if either party violates any of the terms or provisions of this Contract, either party shall have the right to terminate this Contract effective immediately upon giving written notice thereof to the party. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. RTA shall be paid for all work satisfactorily complete prior to the effective date of such termination.
9. Modification. This Contract, together with Attachment "A," (Scope of Work) constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.
10. Non-Assignment of Contract. Inasmuch as this Contract is intended to secure the specialized services of the RTA, RTA shall not assign, transfer, delegate, or sublet this Contract or any interest herein without the prior written consent of the CITY Administrative Services Director, and any such assignment, transfer, delegation, or sublet without CITY's prior written consent shall be considered null and void.
11. Covenant. The validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California.
12. Enforceability. The invalidity and unenforceability of any terms or provisions hereof shall in no way affect the validity or enforceability of any other terms or provisions.

13. Employment Status. RTA shall, during the entire term of the Contract, be construed to be an independent agency, and shall in no event be construed to be an employee of CITY. RTA understands and agrees that its employees are not, and will not, be eligible for membership in or any benefits from any CITY group plan for hospital, surgical or medical insurance, or for membership in any CITY retirement program, or for paid vacation, paid sick leave, or other leave, with or without pay, or for any other benefit which accrues to a CITY employee.

RTA will need two new positions to operate transit services pursuant to this Contract: a Special Projects Coordinator and a Road Supervisor. Since the Administrative Services Officer position will have similar roles and responsibilities to the current Paso Robles Transit Services Coordinator position, RTA agrees to hire the Transit Service Coordinator into the Administrative Services Officer position at RTA equivalent wage and benefits levels, and according to established RTA human resources policies and procedures. The Road Supervisor position will be recruited through RTA's existing human resources process.

14. Warranty of RTA. RTA warrants that it is properly certified and licensed under the laws and regulations of the State of California to provide the services herein agreed to.
15. Conflicts of Interest. No officer, employee, director or agent of CITY shall participate in any decision relating to this Contract which affects his personal interest or the interest of any corporation, partnership, or association in which he is directly or indirectly interested; nor shall any such person have any interest, direct or indirect, in this Contract or the provisions thereof.
16. Indemnification. RTA shall defend, indemnify and hold harmless CITY, its officers and employees from all claims, demands, damages, costs, expenses, judgments, attorney fees, or other losses that may be asserted by any person or entity, including RTA, and that arise out of, or are related any act or omission of RTA relating to this Contract. The obligation to indemnify shall be effective and shall extend to all such claims or losses in their entirety. However, this indemnity will not extend to any claims or losses arising out of the sole negligence or willful misconduct of the CITY, its officers and employees.

Insurance Requirements. RTA, at its sole cost, shall purchase and maintain the insurance policies set forth below on all of its operations under this Contract. All of the insurance companies providing insurance for RTA shall have, and provide evidence of, an A.M. Best & Co. rating of A:VII or above, unless exception is granted by Risk Manager. Further, all policies shall be

maintained for the full term of this Agreement and related warranty period if applicable.

## 1. Scope and Limits of Required Insurance Policies

### A. Commercial General Liability

Policy shall include coverage at least as broad as set forth in Insurance Services Office Commercial General Liability Coverage (CG 00 01) with policy limits of not less than \$5 (five) million dollars combined single limit per occurrence. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- 1) The CITY, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- 2) The insurance provided herein shall be considered primary coverage to the CITY with respect to any insurance or self-insured retention maintained by the CITY. Further, the CITY's insurance shall be considered excess insurance only and shall not be called upon to contribute to this insurance.
- 3) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.

### B. Business Automobile Policy

Policy shall include coverage at least as broad as set forth in the liability section of Insurance Services Office Business Auto Coverage (CA 00 010) with policy limits of no less than \$5 (five) million dollars combined single limit for each occurrence. Said insurance shall include coverage for owned, non-owned, and hired vehicles. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- 1) The CITY, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement

- 2) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.

C. Worker's Compensation / Employer's Liability Insurance

- 1) Worker's Compensation: policy shall provide statutory limits as required by State of California/ Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- a. RTA and its insurer shall waive all rights of subrogation against the CITY, its officers and employees for workers' compensation losses arising out of this Agreement.

- b. The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the CITY Administrative Services Director.

- 2) Employer's Liability: policy shall provide \$1 million dollars per accident for bodily injury or disease.

2. Deductibles and Self-Insurance Retentions

All deductibles and/or self-insured retentions which apply to the insurance policies required herein will be declared in writing and approved by CITY prior to commencement of this Agreement.

3. Documentation

Prior to commencement of work and annually thereafter for the term of this Agreement, RTA will provide the CITY Administrative Services Director properly executed certificates of insurance clearly evidencing the coverage, limits, and endorsements specified in this Agreement. Further, at the CITY's request, the RTA shall provide certified copies of the insurance policies within thirty days of request.

4. Absence of Insurance Coverage

CITY may direct RTA to immediately cease all activities with respect to this Agreement if it determines that RTA fails to carry, in full force and effect, all insurance policies with coverage levels at or above the limits specified in this Agreement. Any delays or expense caused due to

stopping of work and change of insurance shall be considered RTA's delay and expense.

17. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing, and shall be sent by certified or registered mail to:

CITY:

City of Paso Robles  
Department of Administrative Services  
1000 Spring Street  
Paso Robles, California 93446

RTA

SLO Regional Transit Authority  
179 Cross St, Suite A  
San Luis Obispo, California 93401

18. Progress Reports. RTA shall submit brief progress reports the CITY, progress reports accompanied by invoices shall describe the work performed, plus any problems anticipated in performing said work in future. Said reports shall be optional upon written approval by the CITY Administrative Services Director.
19. Copyright. Any reports, maps, documents or other materials produced in whole or part under this Contract shall be the property of CITY, and shall not be subject to any application for copyright by or on behalf of the RTA.
20. Findings Confidential. No reports, maps, information, documents, or any other materials given to or prepared by RTA under this Contract which CITY requests, in writing, to be kept confidential, shall be made available to any individual or organizations by RTA without the prior written approval of CITY Administrative Services Director. However, RTA shall be free to disclose such data as is publicly available, already in its possession, or independently developed.

IN WITNESS WHEREOF, this AGREEMENT has been executed by the parties hereto, upon the date first above written.

CITY	RTA
ATTEST:	ATTEST:
<hr/> <b>City Clerk of The City of Paso Robles</b> [SEAL]	<hr/> Executive Director San Luis Obispo Regional Transit Authority
APPROVED AS TO FORM AND LEGAL EFFECT: <<NAME>> <b>City of Paso Robles Counsel</b>	APPROVED AS TO FORM AND LEGAL EFFECT: RITA NEAL County Counsel
By: _____ <<NAME>>	By: _____ Assistant County Counsel
Date: _____	Date: _____
CITY	REGIONAL TRANSIT AUTHORITY
<hr/> Mayor City of Paso Robles	<hr/> President San Luis Obispo Regional Transit Authority Board of Directors
Date: _____	Date: _____

## **ATTACHMENT "A"** **SCOPE OF WORK**

Transit services administered and operated by RTA and part of this agreement include local transportation services in the incorporated and adjacent areas of the City of Paso Robles and not considered part of the regional transportation system.

The intent of the agreement is for the RTA to consolidate local transit services into RTA. RTA will operate the following local transit services, as appropriate, for the CITY with the RTA providing as much oversight over the day-to-day operations as well as long-range planning efforts required of the CITY to comply with CITY's transportation mandates. The CITY is agreeing to pay the RTA's actual cost of providing these services plus administrative overhead. The following list is not meant to be all inclusive:

### **RTA-PROVIDED TRANSIT VEHICLE, MANAGEMENT, ADMINISTRATIVE, FINANCIAL SERVICES**

1. Operate local transit services at a level equivalent to that operated on the effective date of this agreement.
2. Provide data collection, reconciling and monitoring of local transit services to appropriate transportation monitoring agencies including, but not limited to the San Luis Obispo Council of Governments and the State of California.
3. Establish bank-clearing account and reconcile local transit fare revenues with bank deposits.
4. Reconcile fuel log with billing as necessary.
5. Provide route analysis for effectiveness and efficiency and report to CITY on an as-needed basis.
6. Monitor system-wide on-time performance.
7. Implement and monitor all phases of the approved Short Range Transit Plans, and assist SLOCOG in the development and implementation of future Short Range Transit Plans as required by SLOCOG.
8. Vehicle Purchase and Rehabilitation Projects:
  - a. Prepare bid specification and RFP
  - b. Award purchase/rehabilitation bid
  - c. Provide progress inspections during purchase/rehabilitation project
  - d. Complete necessary required paperwork for grant funding reimbursement

9. Upon approval of the CITY Administrative Services Director, provide legal services utilizing RTA Counsel to address legal issues that might arise related to the operation of local transit services.
10. Provide reprographics, including designing all schedules and marketing materials.
11. Utilize State or CITY contracts for general purchasing of various items as appropriate.
12. Attend meetings with CITY as needed.
13. Process and monitor Accounts Payable and Accounts Receivable.
14. Prepare Monthly financial summaries.
15. Prepare Monthly analysis of revenues and expenditures compared to budget.
16. Prepare Monthly financial analysis by service provider including:
  - a. Revenues and expenditures
  - b. Farebox Ratio
  - c. Passengers
  - d. Cost and Subsidy Per Passenger
17. Preparation of annual budget.
18. Preparation and administration of annual Transportation Development Act (TDA) claim.
19. Preparation and submittal of annual State Controller's Report.
20. Coordination of and responsibility for annual TDA audit.
21. Prepare appropriate Request for Proposals to secure services for fixed assets.
22. Provide all vehicles and labor to meet local transit services agreed to herein.
23. Write grant applications on behalf of the CITY for transportation purposes, purchase vehicles that will be owned by RTA that will be used to provide transportation services for the CITY.
24. All financial and budgetary reports outlined herein shall provide sufficient detail so as to report CITY transportation services separately from all other RTA transportation services.

25. All financial and budgetary reports for CITY transportation services shall have sub-ledgers or reports to provide sufficient detail to report separately by service program within CITY transportation services.
26. Provide bus stop maintenance for local transit bus stops in CITY as part of the funding identified in this Contract. RTA shall provide bus stop maintenance for regional transit bus stops in CITY as part of the funding formula identified in the RTA Joint Powers Agreement. Costs for maintenance of bus stops shared by local transit services and regional transit services in CITY will be equally shared by CITY and RTA.

The CITY is agreeing to provide to RTA the following services for the CITY's actual cost of providing these services plus administrative overhead. The following list is not meant to be all inclusive:

#### CITY-PROVIDED ASSETS AND SERVICES

1. CITY shall provide use of the existing passenger transfer area, offices and overnight parking space for CITY transit vehicles adjacent to the Paso Robles Train Station. The CITY general fund shall be compensated \$2,000 per month for the use of these facilities using TDA funds subject to annual adjustments identified in the annual budget-making process.



San Luis Obispo Regional Transit Authority  
Executive Committee Meeting  
Minutes 10/16/2013  
C-1

Members Present: Frank Mecham, President  
Shelly Higginbotham, Vice President

Members Absent: Fred Strong, Past President

Staff Present: Geoff Straw, Executive Director  
Tania Arnold, CFO and Director of Administration  
Anna Mafort-Lacy, Administrative Assistant  
Nina Negranti, County Counsel

Also Present: Ron DeCarli, SLOCOG  
Aida Nicklin, SLOCOG  
Eric Greening, Atascadero  
Fred Collins, Los Osos  
Aaron Kirby, Arroyo Grande

**1. Call to Order and Roll Call:**

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

**2. Public Comments:**

**Mr. Eric Greening**, Atascadero, said he heard from drivers that employees attended a training about driver expectations should there be a nuclear emergency. He asked if this could be agendaized or added to the Executive Director's report. Until drivers became public employees, they were not expected to take on this responsibility. Now that they are public employees, they cannot walk away from this added responsibility. I would hope their compensation will reflect this when entering labor negotiations.

### 3. Information Items

#### A. Information Items:

##### A-1 Executive Director's Report

**Mr. Straw** reminded everyone the Employee of the Quarter barbecue will be on Thursday, October 31. He reviewed some of the comments coming out of the Regional Transit Advisory Committee (RTAC) meeting that adjourned a few minutes prior. There was no quorum but staff received some good feedback. The Summer Beach Shuttle ridership was very low and the farebox recovery ratio was about 1%. For those reasons, staff is recommending we do not continue with the service next summer.

Staff is moving forward with a notice to proceed to purchase eight new buses. We hired a new utility bus stop maintenance person. The primary focus for this position is to clean and maintain bus stops throughout the RTA service area. Staff is preparing to submit an application for Congestion Mitigation Air Quality (CMAQ) funds to address overcrowding on routes 9 and 10. This application will seek 80% federal money for three new buses and funding to operate additional express service for three years. Staff is also proposing the purchase of several Over-the-Road Coaches for this service.

Staff completed its on-site bus stop assessment project and is prioritizing a list of bus stop improvements. We are also finishing up a comprehensive Customer Perception Survey. This included employees and riders for RTA, Runabout and South County Transit (SCT), as well as an Internet-based stakeholder/non-rider survey. Staff will provide a summary of findings at the January Board meeting.

RTA finance and administrative staff completed the annual fiscal and compliance audit report for the last fiscal year. Financial results were positive.

Fixed route ridership keeps building, with 129,482 boardings through August 31, compared with 118,230 the previous year. This represents an increase of 9.5%. Runabout ridership set a new single-month record in August of 7,496 boardings, which is an increase of 20.2% over the previous year.

Runabout productivity dropped in August 2013 compared with the previous year, even though we had record passenger ridership. This is due to the additional daily Runabout hours added in July as part of the budget-making process to meet demand.

In short, all measurable performance standards on the Strategic Business Plan were met or exceeded year-to-date through August 2013.

The RTA Facility Subcommittee will meet on October 21 to discuss long-term operations and maintenance facility needs. We will report the results of that meeting at the November 6 Board meeting.

We will begin labor negotiations for the collective bargaining agreement (CBA) with Teamsters Local 986 that will expire on January 31, 2014. The first meeting will take place November 4 and will occur every two weeks until we finalize an agreement.

**Mr. Straw** concluded the Executive Director's report.

**Mr. Greening** raised two issues—the over-the-road coach passenger capacity is great. However, they have awkward bicycle and wheelchair loading and unloading. Can these be remedied? This is still a concern.

**Mr. Straw** said CHP will not allow bike racks on a 45 foot bus. The bike storage on this type of vehicle is in the belly of the bus. Something we will have to discuss is whether or not we allow bicycles in the bus for these express trips.

**President Mecham** inquired why CHP will not allow front bike racks. **Mr. Straw** informed him that it adds 3-4 feet and makes the vehicle too long.

#### A-2 Planning & Programming FTA-Funded Projects

**Mr. Straw** said staff went through each bus in the fleet and compared at least two replacement cycles based upon the number of miles each runs every year and created a replacement schedule for when we secure funding. The report looked at how much it cost by urbanized area in the county. We no longer have access to discretionary funding on the federal level. He reviewed with the committee operating costs, fleet replacement and other capital needs.

We assumed \$4M over 10 years using federal dollars to finance a new operations/maintenance facility. This was split into the three urbanized areas: North County, San Luis Obispo and South County. SLOCOG is authorized to move the federal money around based upon need.

Staff assumed zero growth in federal dollars and 5% annual increase in operating and all capital costs.

The committee discussed the need for a reserve policy, which hasn't been necessary because staff has been successful in securing grant money. **Ms. Tania Arnold** said we will probably bring to the January Board meeting a reserve policy to implement.

#### A-3 North County Transit Consolidation

**Mr. Straw** reviewed and discussed recent developments related to the North County Transit Consolidation. He presented a summary of costs, savings and possible penalties for both Atascadero and Paso Robles. **Ms. Arnold** pointed out we are making many assumptions regarding costs. Mr. Straw noted staff needs to know by the end of November if Atascadero will consolidate.

**Vice President Higginbotham** clarified that if Atascadero does not consolidate, the other jurisdictions will not back-fill. **Mr. Ron DeCarli** pointed to areas where the city will realize cost savings through consolidation. **Mr. Straw** indicated a projected \$500,000 of reduced need for 5307 funds through consolidation. This is important for all jurisdictions to consider.

**President Mecham** inquired about the cost for Atascadero to consolidate in a few years as opposed to now. **Mr. Straw** said from RTA's standpoint, there is no real difference related to start-up costs.

**Mr. Greening** inquired if RTA and/or SLOCOG will attend next week's Atascadero City Council meeting that will address the topic of consolidation. **President Mecham** said he assumed the council would be briefed by city staff on this subject. **Mr. Greening** said he wanted to make sure we were prepared to get all information to them and record RTA/SLOCOG's efforts. **Mr. Straw** added that based upon the meetings he's attended with Atascadero staff; they seem to be in favor of consolidating. **Mr. Greening** said he was looking forward to seeing the staff report.

#### **4. Action Items**

##### B-1 RTA Summer Special Services

**Mr. Straw** outlined the results of the Summer Beach Shuttle and the Youth Ride Free promotion.

Youth boardings on RTA routes went up from 30,820 in 2012 to 39,058 this year, representing 26.7% increase. Overall year-over-year ridership on RTA routes increased by 7.8%. Overall fare revenue went up by 31.4%. The average fare per passenger trip increased by 21.5% overall. The YRF promotion was very successful and many of the obstacles we observed last year were reduced or evaporated.

The Summer Beach Shuttle did not meet either performance standard that staff established. The ridership standard was 9.5 passengers per service hour, or 60 passengers per day, which totals 3,450 for the season. Actual ridership totaled only 2,085, or 6.2 passenger-boardings per hour.

The second standard was the farebox revenue expectation of \$2,588 total. The farebox receipts totaled only \$562, which equates to a farebox recovery ratio of about 1%. Even with Youth Ride Free offered on the Shuttle, we didn't attain the ridership standard. Because of this poor performance, staff is recommending that the Beach Shuttle program not be continued next year.

**Vice President Higginbotham** asked if the poor performance is because it is a new service. Sometimes you hear about service taking 2-3 years to gain steam. **Mr. Straw** said the rule of thumb is two years to build up a new service, with 65% of goals met in the first year. We just didn't get there.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of August 7, 2013

**Vice President Higginbotham** moved to approve Item C-1 and **President Mecham** seconded. The motion passed on a voice vote.

6. **Agenda Review:**

**Mr. Straw** reviewed the Board agenda, stating we will have closed session related to the property and labor negotiations.

The next Executive Committee meeting will be on December 11. He asked the Committee if they want to meet more frequently during Union negotiations. **President Mecham** suggested only meeting more often when necessary.

7. **Closed Session Items:**

None

8. **Open Session:**

None

9. **Adjournment:** **President Mecham** adjourned the meeting at 11:00 a.m.

Respectfully Submitted,

Acknowledged by,

---

Anna Mafort-Lacy  
Administrative Assistant

---

Frank Mecham  
RTA President