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## **SPECIAL BOARD AGENDA**

**Wednesday, September 19, 2018**

**CITY OF ARROYO GRANDE, CITY COUNCIL CHAMBERS**  
**215 E. Branch Street, Arroyo Grande, California**  
**1:30 p.m. to 2:30 p.m.**  
***(Ending time is approximate)***

Chairperson: Tim Brown

Vice Chair: John Shoals

### Board Members:

Lynn Compton (Fourth District – SLO County)  
Tim Brown (Arroyo Grande)

John Shoals (Grover Beach)  
Sheila Blake (Pismo Beach)

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

**NOTE:** Arroyo Grande City Offices are served hourly by SoCo Transit Route 24.  
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.

Closed Session Items – CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Board to meet in closed session concerning the following item:

Administrator Performance Evaluation (Govt. Code Section 54957)

### **A. INFORMATION AGENDA**

A-1 Administrator's Report (Receive)

### **B. ACTION AGENDA**

B-1 South County Transit Contribution for Health Insurance Coverage (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 SoCo Transit Minutes of July 18, 2018 (Approve)

**D. DIRECTORS' COMMENTS**

**E. EXECUTIVE COMMITTEE MEMBERS' COMMENTS**

**ADJOURNMENT**

Next South County Transit Board meeting: October 2018 TBD

## SOUTH COUNTY TRANSIT

September 19, 2018

### STAFF REPORT

**AGENDA ITEM:** A-1

**TOPIC:** Administrator's Report

**PRESENTED BY:** Geoff Straw, Administrator

**STAFF RECOMMENDATION:** Accept as Information

#### BACKGROUND/DISCUSSION:

##### Operations:

The combined SoCo Transit / RTA Annual CHP Terminal Inspection was completed in early August, and no significant findings were reported. Congratulations to the Maintenance and Operations departments for another "clean bill of health" regarding vehicle maintenance, drug/alcohol testing, driver record-keeping, and other safety-related areas of inspection.

Please join me in congratulating Mechanic Michael Moores for being selected by his peers as the Employee of the Quarter. He was honored at a company barbecue at the RTA facility on July 20<sup>th</sup> and by the RTA Board at its September 5<sup>th</sup> meeting. Outstanding Achievement awards were also awarded to bus operators Cliff Bidleman and Mark Whittaker.

To address recent declines in fixed-route ridership, the RTA is investing in additional Intelligent Transportation Systems to both ease the boarding/fare-paying process and to make the ride more enjoyable on the long-haul/commuter trips. With regard to fare-paying, we have worked with Token Transit (the same system used by SLO Transit) to enable fare-sharing among different transit agencies in the county, including on SoCo Transit buses. This system allows fare payment using a SmartPhone app and Bluetooth communications. The RTA is also demonstrating a Wi-Fi system on four RTA commuter buses (three of the four MCI over-the-road coaches and bus #1508); one roundtrip of express commuter runs is provided on RTA Route 10, which operates in South County along US-101 between SLO and Santa Maria.

We are still struggling to attract good Bus Operator candidates for openings at SoCo Transit and the RTA, and this shortage is causing our overtime costs to increase. We recently obtained agreement with the Teamsters to temporarily suspend the \$11.00 per hour Bus Operator Training Wage for this fiscal year and instead hire directly at the \$14.30 per hour rate to determine if this will help us recruit in this current difficult hiring environment. We will also continue to run radio ads, and we have posted notices on the bus LCD screens and our website seeking the next slate of trainees. We also completed

our first abbreviated/one-on-one training of training candidate in lieu of waiting to assemble a class, and we have two candidates in the pipeline now.

The RTA and SoCoTransit will conduct its annual Bus Roadeo on Sunday October 14<sup>th</sup> from 11:00 AM to 3:00 PM. All Board members and their families are invited to join us at this exciting event where Bus Operators pit their skills operating buses in very tight spaces against their peers. The Bus Roadeo will take place at the RTA's operating facility at 179 Cross Street in San Luis Obispo.

### **Planning & Marketing:**

The RTA Board authorized procurement of Short Range Transit Plan services for the South County at its September 5<sup>th</sup> meeting. This SRTP effort will cover SoCo Transit fixed-route and Avila Beach Trolley services, as well as Nipomo Dial-A-Ride services. We also added in the other local Dial-A-Ride services provided in Paso Robles, Shandon and Templeton. The RTA was able to fully-fund this study using FTA Section 5307 funds allocated in the Arroyo Grande – Grover Beach Urbanized Area and SB-1 funds allocated to the County. We expect to release the Request for Proposals in October.

### **Finance and Administration:**

Staff has developed preliminary year-end FY17-18 operating and financial results and presented the tables toward the end of this report. Below are some important findings for the past fiscal year:

- SoCo Transit's fixed-route ridership totaled 220,498 one-way passenger-trips, which is down 2.1% in comparison to last year (225,071 in FY16-17). See the graphs below for details on each fixed-route's ridership trends over the past five fiscal years.
- The farebox recovery ratio for fixed-route services equated to 12.2% (11.6% last year). TDA law permits SLOCOG to deduct the proportional change beyond inflation for liability costs and fuel, as well as extensions of service such as Route 27. However, even with these deductions, the agency did not come close to achieving the 20% standard. In comparison, the RTA achieved a 21.9% result – well above the 17.34% blended rural/urban standard.
- The subsidy per passenger-trip on fixed route services was \$6.12 (\$5.57 last year). In comparison, the RTA's was \$5.71 per passenger in FY17-18.

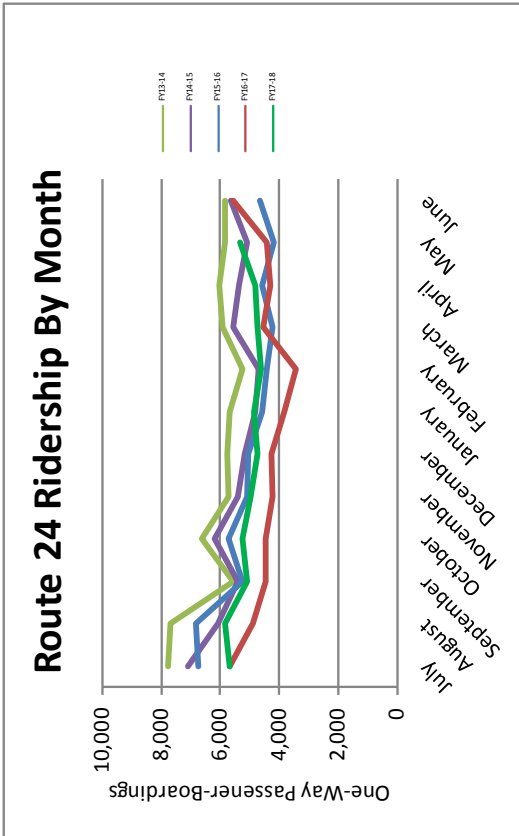
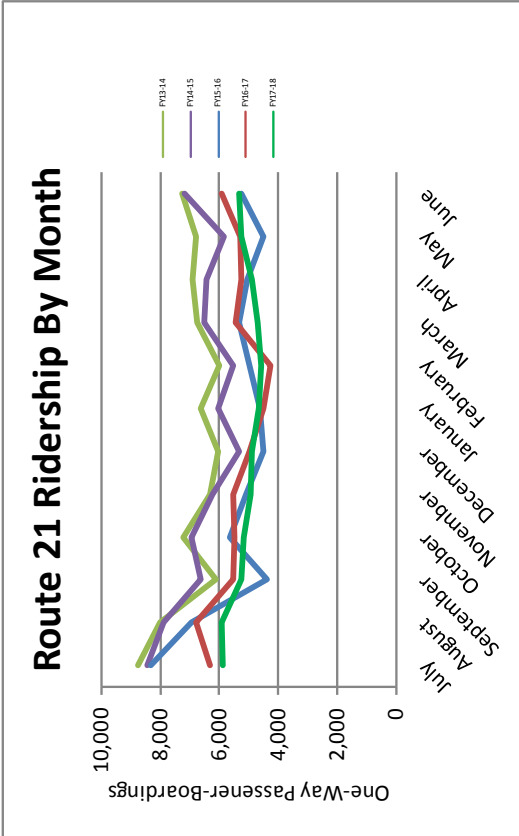
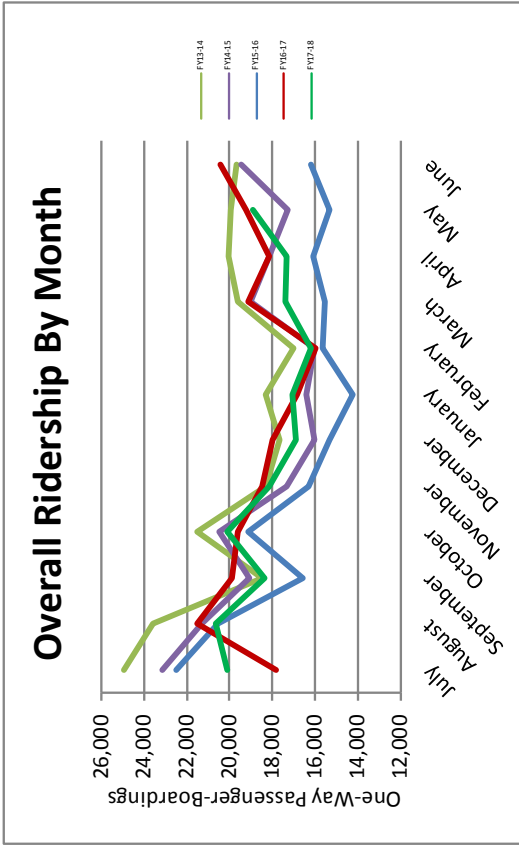
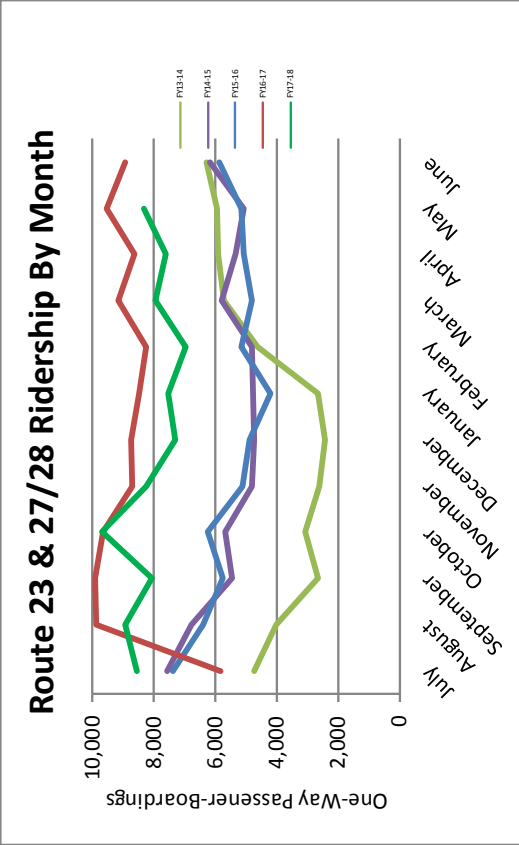
- In terms of financial results, staff worked hard to keep operating and capital costs within budget in light of the declining ridership. Some important takeaways include:
  - Total operating costs equated to 94.5% of budget. Staff focused on reducing costs that are essentially discretionary, while most other “fixed” operating costs were also closely monitored to ensure good stewardship of public funds. The greatest variance was experienced in lower than budgeted fuel costs (83.8% of budget), which is the second-greatest single line-item in our budget. It was a welcome relief on the financial side, but also likely impacted fixed-route ridership as some riders chose to instead drive their personal automobiles. Staff was able to get a better control on costs related to vehicle maintenance (parts, supplies & materials) toward the end of the year; we ended up at 92.4% of budget.

Also, attached are preliminary operating and financial data for the first month of FY18-19. Those two tables are provided at the end of this report. Ridership in July 2018 is up 1.5% in comparison to July 2017 (20,396 vs. 20,088). The greatest gain was experienced on the weekday-only Route 27 service (8.7% increase), while the ridership on the remaining three routes was relatively unchanged year over year. The financial results are also provided in a table at the end of this report, although with only one month of information no substantial variances can be discerned.

Staff expects to bring a budget revision recommendation to the SoCo Transit Board at its January 2019 meeting to account for capital carryover projects.

**STAFF RECOMMENDATION:**

Accept and file this Administrator’s Report as an information item.



**SOUTH COUNTY TRANSIT  
2017-18 Budget vs. Actual (unaudited)**

A-1-5

	<b>FY 17/18 Adopted</b>	<b>Year to Date</b>	<b>Percent Year to Date</b>
<b>Use of Resources</b>			
<u>Administrative Expenditures</u>			
Insurance			
Liability & Physical Damage	\$ 99,200	\$ 101,135	102.0%
Workers Compensation	71,180	57,997	81.5%
Property Insurance	740	638	86.2%
Rent	30,600	32,555	106.4%
Utilities	8,980	8,684	96.7%
Radio Expense	1,240	1,133	91.4%
Legal Services	3,000	3,875	129.2%
Payroll Processing	1,280	876	68.4%
Administration - Staff Time	77,600	77,600	100.0%
Finance - Staff Time	13,700	13,700	100.0%
Marketing - Staff Time	5,290	5,290	100.0%
Office Expense/Miscellaneous	12,790	7,207	56.4%
Audit	3,150	3,105	98.6%
Marketing/Community Relations/Printing	16,000	13,902	86.9%
Uniforms/Laundry/Physicals/Ads	9,740	4,936	50.7%
<u>Operating Expenditures</u>			
Salaries/Benefits	\$ 611,270	\$ 616,930	100.9%
Maintenance	197,550	182,488	92.4%
Dispatch	22,680	22,680	100.0%
SCT Bus Fuel	199,280	166,972	83.8%
Contingency	13,850	750	5.4%
9 Total Operating Expenditures	\$ 1,399,120	\$ 1,322,453	94.5%
<u>Capital Service</u>			
Facility Improvements/Bus Stop Amenities	\$ 41,350	\$ -	0.0%
Computer Upgrade	1,500	843	56.2%
Transit Center Improvements	120,000	-	0.0%
Total Capital Service	\$ 162,850	\$ 843	0.5%
10 <b>Total Use of Resources</b>	<b>\$ 1,561,970</b>	<b>\$ 1,323,296</b>	<b>84.7%</b>

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU JUNE 2018**

	RT 21 PISMO & SHELL BEACH	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
<b>REVENUES:</b>						
FARES	\$ 30,668	\$ 27,444	\$ 32,166	\$ 35,643	\$ 125,921	\$ 8,016
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 30,668</b>	<b>\$ 27,444</b>	<b>\$ 32,166</b>	<b>\$ 35,643</b>	<b>\$ 125,921</b>	<b>\$ 8,016</b>
<b>EXPENDITURES:</b>						
ADMINISTRATION	\$ 19,301	\$ 19,345	\$ 20,563	\$ 21,811	\$ 81,020	\$ 4,757
MARKETING	3,426	3,420	3,612	3,782	14,239	1,181
OPERATIONS/CONTINGENCY	157,291	157,781	168,044	178,407	661,522	34,853
FUEL	36,152	27,764	29,322	30,520	123,758	10,127
INSURANCE	34,710	26,650	28,134	29,321	118,814	9,070
<b>TOTAL EXPENDITURES</b>	<b>\$ 250,879</b>	<b>\$ 234,959</b>	<b>\$ 249,675</b>	<b>\$ 263,841</b>	<b>\$ 999,354</b>	<b>\$ 59,988</b>
FAREBOX RATIO	12.22%	11.68%	12.88%	13.51%	12.60%	13.36%
SERVICE MILES	50,216.6	38,552.8	40,675.2	42,366.6	171,811.1	13,914.3
SERVICE HOURS	2,614.5	2,621.4	2,789.0	2,959.5	10,984.4	621.4
RIDERSHIP (Automatic Counters)	47,712	47,862	32,063	49,835	177,472	7,479
RIDERS PER MILE	1.0	1.2	0.8	1.2	1.0	0.5
RIDERS PER HOUR	18.2	18.3	11.5	16.8	16.2	12.0
COST PER PASSENGER	\$ 5.26	\$ 4.91	\$ 7.79	\$ 5.29	\$ 5.63	\$ 8.02
SUBSIDY PER PASSENGER	\$ 4.62	\$ 4.34	\$ 6.78	\$ 4.58	\$ 4.92	\$ 6.95
RIDERSHIP (GFI Fareboxes)	40,904	37,310	29,266	41,609	149,089	7,346
RIDERS PER MILE	0.81	0.97	0.72	0.98	0.87	0.53
RIDERS PER HOUR	15.65	14.23	10.49	14.06	13.57	11.82
COST PER PASSENGER	\$ 6.13	\$ 6.30	\$ 8.53	\$ 6.34	\$ 6.70	\$ 8.17
SUBSIDY PER PASSENGER	\$ 5.38	\$ 5.56	\$ 7.43	\$ 5.48	\$ 5.86	\$ 7.07

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**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS  
YEAR TO DATE THRU JUNE 2018**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	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
<b>REVENUES:</b>									
FARES	\$ 5,296	\$ 3,496	\$ 5,125	\$ 4,017	\$ 5,211	\$ 5,429	\$ 28,575	\$ 154,495	\$ 162,511
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 5,296</b>	<b>\$ 3,496</b>	<b>\$ 5,125</b>	<b>\$ 4,017</b>	<b>\$ 5,211</b>	<b>\$ 5,429</b>	<b>\$ 28,575</b>	<b>\$ 154,495</b>	<b>\$ 162,511</b>
<b>EXPENDITURES:</b>									
ADMINISTRATION	\$ 3,718	\$ 3,371	\$ 3,705	\$ 3,233	\$ 3,901	\$ 3,407	\$ 21,336	\$ 102,356	\$ 107,113
MARKETING	653	593	662	571	692	600	3,771	18,010	19,192
OPERATIONS/CONTINGENCY	30,020	27,470	29,859	26,374	31,487	27,821	173,030	834,553	869,406
FUEL	6,833	6,136	5,209	4,749	5,332	4,827	33,087	156,845	166,972
INSURANCE	6,588	5,915	5,019	4,575	5,139	4,649	31,886	150,700	159,770
<b>TOTAL EXPENDITURES</b>	<b>\$ 47,813</b>	<b>\$ 43,486</b>	<b>\$ 44,454</b>	<b>\$ 39,502</b>	<b>\$ 46,552</b>	<b>\$ 41,305</b>	<b>\$ 263,111</b>	<b>\$ 1,262,465</b>	<b>\$ 1,322,453</b>
FAREBOX RATIO	11.08%	8.04%	11.53%	10.17%	11.19%	13.14%	10.86%	12.24%	12.29%
<b>SERVICE MILES</b>	<b>9,517.8</b>	<b>8,552.3</b>	<b>7,249.4</b>	<b>6,615.9</b>	<b>7,425.1</b>	<b>6,722.9</b>	<b>46,083.4</b>	<b>217,894.5</b>	<b>231,808.8</b>
<b>SERVICE HOURS</b>	<b>501.3</b>	<b>458.9</b>	<b>498.3</b>	<b>440.4</b>	<b>523.6</b>	<b>464.0</b>	<b>2,886.5</b>	<b>13,870.9</b>	<b>14,492.2</b>
<b>RIDERSHIP (Automatic Counters)</b>	<b>7,760</b>	<b>6,021</b>	<b>7,529</b>	<b>5,717</b>	<b>8,089</b>	<b>7,919</b>	<b>43,035</b>	<b>220,507</b>	<b>227,986</b>
RIDERS PER MILE	0.8	0.7	1.0	0.9	1.1	1.2	0.9	1.0	1.0
RIDERS PER HOUR	15.5	13.1	15.1	13.0	15.4	17.1	14.9	15.9	15.7
COST PER PASSENGER	\$ 6.16	\$ 7.22	\$ 5.90	\$ 6.91	\$ 5.75	\$ 5.22	\$ 6.11	\$ 5.73	\$ 5.80
SUBSIDY PER PASSENGER	\$ 5.48	\$ 6.64	\$ 5.22	\$ 6.21	\$ 5.11	\$ 4.53	\$ 5.45	\$ 5.02	\$ 5.09
<b>RIDERSHIP (GFI Fareboxes)</b>	<b>5,848</b>	<b>4,098</b>	<b>5,656</b>	<b>4,246</b>	<b>6,248</b>	<b>5,989</b>	<b>32,085</b>	<b>181,174</b>	<b>188,520</b>
RIDERS PER MILE	0.61	0.48	0.78	0.64	0.84	0.89	0.70	0.83	0.81
RIDERS PER HOUR	11.66	8.93	11.35	9.64	11.93	12.91	11.12	13.06	13.01
COST PER PASSENGER	\$ 8.18	\$ 10.61	\$ 7.86	\$ 9.30	\$ 7.45	\$ 6.90	\$ 8.20	\$ 6.97	\$ 7.01
SUBSIDY PER PASSENGER	\$ 7.27	\$ 9.76	\$ 6.95	\$ 8.36	\$ 6.62	\$ 5.99	\$ 7.31	\$ 6.12	\$ 6.15

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**SOUTH COUNTY TRANSIT**  
**2018-19 Budget vs. Actual (unaudited)**

	<b>FY 18/19 Adopted</b>	<b>July 2018</b>	<b>Year to Date</b>	<b>Percent Year to Date</b>
<b>Use of Resources</b>				
<u>Administrative Expenditures</u>				
Insurance				
Liability & Physical Damage	\$ 115,280	\$ 9,510	\$ 9,510	8.2%
Workers Compensation	51,000	4,153	4,153	8.1%
Property Insurance	740	53	53	7.1%
Rent	30,600	2,550	2,550	8.3%
Utilities	8,980	740	740	8.2%
Radio Expense	1,240	103	103	8.3%
Legal Services	1,590	-	-	0.0%
Payroll Processing	760	67	67	8.8%
Administration - Staff Time	81,110	6,759	6,759	8.3%
Finance - Staff Time	14,320	1,193	1,193	8.3%
Marketing - Staff Time	5,530	461	461	8.3%
Office Expense/Miscellaneous	7,150	156	156	2.2%
Audit	3,310	-	-	0.0%
Marketing/Community Relations/Printing	16,000	-	-	0.0%
Uniforms/Laundry/Physicals/Ads	5,660	75	75	1.3%
<u>Operating Expenditures</u>				
Salaries/Benefits	\$ 667,510	\$ 43,978	\$ 43,978	6.6%
Maintenance	226,920	15,490	15,490	6.8%
Dispatch	23,700	1,975	1,975	8.3%
SCT Bus Fuel	201,490	16,650	16,650	8.3%
Contingency	14,630	-	-	0.0%
<b>9</b> Total Operating Expenditures	<b>\$ 1,477,520</b>	<b>\$ 103,911</b>	<b>\$ 103,911</b>	<b>7.0%</b>
<u>Capital Service</u>				
Support Vehicle	\$ 33,000	\$ -	\$ -	0.0%
Short Range Transit Plan	105,000	-	-	0.0%
Facility Improvements/Bus Stop Amenities	43,410	-	-	0.0%
Transit Center Improvements	93,750	-	-	0.0%
Total Capital Service	\$ 275,160	\$ -	\$ -	0.0%
<b>10</b> Total Use of Resources	<b>\$ 1,752,680</b>	<b>\$ 103,911</b>	<b>\$ 103,911</b>	<b>5.9%</b>

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKDAY AND TROLLEY  
YEAR TO DATE THRU JULY 2018**

	RT 21 PISMO & SHELL BEACH	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
<b>REVENUES:</b>						
FARES	\$ 2,362	\$ 1,852	\$ 1,462	\$ 1,863	\$ 7,540	\$ 2,332
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 2,362</b>	<b>\$ 1,852</b>	<b>\$ 1,462</b>	<b>\$ 1,863</b>	<b>\$ 7,540</b>	<b>\$ 2,332</b>
<b>EXPENDITURES:</b>						
ADMINISTRATION	\$ 1,470	\$ 1,425	\$ 1,386	\$ 1,459	\$ 5,740	\$ 824
MARKETING	92	89	87	91	360	-
OPERATIONS/CONTINGENCY	11,831	11,468	11,151	11,739	46,189	5,759
FUEL	3,435	2,628	2,622	2,640	11,324	2,179
INSURANCE	2,827	2,162	2,157	2,172	9,318	1,808
<b>TOTAL EXPENDITURES</b>	<b>\$ 19,655</b>	<b>\$ 17,773</b>	<b>\$ 17,403</b>	<b>\$ 18,102</b>	<b>\$ 72,932</b>	<b>\$ 10,570</b>
FAREBOX RATIO	12.02%	10.42%	8.40%	10.29%	10.34%	22.06%
<b>SERVICE MILES</b>	<b>4,288.1</b>	<b>3,280.1</b>	<b>3,272.6</b>	<b>3,295.1</b>	<b>14,135.9</b>	<b>2,742.3</b>
<b>SERVICE HOURS</b>	<b>228.2</b>	<b>221.2</b>	<b>215.1</b>	<b>226.5</b>	<b>891.0</b>	<b>127.9</b>
<b>RIDERSHIP (Automatic Counters)</b>	<b>4,762</b>	<b>4,270</b>	<b>2,993</b>	<b>4,559</b>	<b>16,584</b>	<b>2,057</b>
RIDERS PER MILE	1.1	1.3	0.9	1.4	1.2	0.8
RIDERS PER HOUR	20.9	19.3	13.9	20.1	18.6	16.1
COST PER PASSENGER	\$ 4.13	\$ 4.16	\$ 5.81	\$ 3.97	\$ 4.40	\$ 5.14
SUBSIDY PER PASSENGER	\$ 3.63	\$ 3.73	\$ 5.33	\$ 3.56	\$ 3.94	\$ 4.00
<b>RIDERSHIP (GFI Fareboxes)</b>	<b>3,921</b>	<b>3,442</b>	<b>2,289</b>	<b>3,125</b>	<b>12,777</b>	<b>2,057</b>
RIDERS PER MILE	0.91	1.05	0.70	0.95	0.90	0.75
RIDERS PER HOUR	17.18	15.56	10.64	13.80	14.34	16.09
COST PER PASSENGER	\$ 5.01	\$ 5.16	\$ 7.60	\$ 5.79	\$ 5.71	\$ 5.14
SUBSIDY PER PASSENGER	\$ 4.41	\$ 4.63	\$ 6.96	\$ 5.20	\$ 5.12	\$ 4.00

A-1-9

**SOUTH COUNTY TRANSIT  
OPERATING STATEMENT BY ROUTE - WEEKEND, AND TOTALS  
YEAR TO DATE THRU JULY 2018**

	RT 21 - SAT PISMO & SHELL BEACH	RT 21 - SUN PISMO & SHELL BEACH	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
<b>REVENUES:</b>									
FARES	\$ 384	\$ 333	\$ 276	\$ 291	\$ 358	\$ 510	\$ 2,150	\$ 9,691	\$ 12,022
<b>TOTAL ROUTE REVENUES</b>	<b>\$ 384</b>	<b>\$ 333</b>	<b>\$ 276</b>	<b>\$ 291</b>	<b>\$ 358</b>	<b>\$ 510</b>	<b>\$ 2,150</b>	<b>\$ 9,691</b>	<b>\$ 12,022</b>
<b>EXPENDITURES:</b>									
ADMINISTRATION	\$ 256	\$ 285	\$ 256	\$ 282	\$ 249	\$ 283	\$ 1,611	\$ 7,351	\$ 8,175
MARKETING	16	18	16	18	16	18	101	461	461
OPERATIONS/CONTINGENCY	2,058	2,297	2,058	2,269	2,005	2,274	12,961	59,150	64,910
FUEL	579	646	442	512	450	519	3,147	14,471	16,650
INSURANCE	477	531	364	421	370	427	2,590	11,908	13,715
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,386</b>	<b>\$ 3,777</b>	<b>\$ 3,136</b>	<b>\$ 3,501</b>	<b>\$ 3,090</b>	<b>\$ 3,520</b>	<b>\$ 20,409</b>	<b>\$ 93,341</b>	<b>\$ 103,911</b>
<b>FAREBOX RATIO</b>	<b>11.33%</b>	<b>8.82%</b>	<b>8.79%</b>	<b>8.30%</b>	<b>11.57%</b>	<b>14.48%</b>	<b>10.54%</b>	<b>10.38%</b>	<b>11.57%</b>
<b>SERVICE MILES</b>	<b>723.3</b>	<b>805.9</b>	<b>552.3</b>	<b>638.5</b>	<b>561.2</b>	<b>647.4</b>	<b>3,928.6</b>	<b>18,064.5</b>	<b>20,806.8</b>
<b>SERVICE HOURS</b>	<b>39.7</b>	<b>44.3</b>	<b>39.7</b>	<b>43.8</b>	<b>38.7</b>	<b>43.9</b>	<b>250.0</b>	<b>1,141.0</b>	<b>1,268.8</b>
<b>RIDERSHIP (Automatic Counters)</b>	<b>644</b>	<b>628</b>	<b>542</b>	<b>574</b>	<b>649</b>	<b>775</b>	<b>3,812</b>	<b>20,396</b>	<b>22,453</b>
RIDERS PER MILE	0.9	0.8	1.0	0.9	1.2	1.2	1.0	1.1	1.1
RIDERS PER HOUR	16.2	14.2	13.7	13.1	16.8	17.7	15.2	17.9	17.7
COST PER PASSENGER	\$ 5.26	\$ 6.01	\$ 5.79	\$ 6.10	\$ 4.76	\$ 4.54	\$ 5.35	\$ 4.58	\$ 4.63
SUBSIDY PER PASSENGER	\$ 4.66	\$ 5.48	\$ 5.28	\$ 5.59	\$ 4.21	\$ 3.88	\$ 4.79	\$ 4.10	\$ 4.09
<b>RIDERSHIP (GFI Fareboxes)</b>	<b>432</b>	<b>481</b>	<b>401</b>	<b>431</b>	<b>492</b>	<b>678</b>	<b>2,915</b>	<b>15,692</b>	<b>17,749</b>
RIDERS PER MILE	0.60	0.60	0.73	0.68	0.88	1.05	0.74	0.87	0.85
RIDERS PER HOUR	10.88	10.86	10.10	9.85	12.72	15.45	11.66	13.75	13.99
COST PER PASSENGER	\$ 7.84	\$ 7.85	\$ 7.82	\$ 8.12	\$ 6.28	\$ 5.19	\$ 7.00	\$ 5.95	\$ 5.85
SUBSIDY PER PASSENGER	\$ 6.95	\$ 7.16	\$ 7.13	\$ 7.45	\$ 5.55	\$ 4.44	\$ 6.26	\$ 5.33	\$ 5.18

A-1-10

**SOUTH COUNTY TRANSIT  
SEPTEMBER 19, 2018  
STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** South County Transit Contribution for Insurance Coverage

**PRESENTED BY:** Tania Arnold

**STAFF RECOMMENDATION:** Approve South County Contribution for 2019 Employee Health Insurance Coverage and Authorize Administrator to Revise Ancillary Insurance if Cost Effective

**BACKGROUND/DISCUSSION:**

The Collective Bargaining Agreement (CBA) with Teamsters Local 986 dated January 1, 2018, includes *Article 24 – Health, Dental, Vision and Life Insurance*. Section 2 of that Article addresses South County Transit’s contributions towards the various insurance premiums in Item B. This section states:

*For Full-Time employees, SoCo Transit will pay for 93% of the monthly premiums to provide the base healthcare plan (as of January 1, 2017, this plan is known as the "PERS Select Anthem Blue Cross PPO") for the employee, as well as 93% of the Humana Dental and VSP Vision plans. The employee will be responsible for the remaining 7%, as well as 100% of the additional monthly premiums should the employee choose a richer medical plan and/or to cover a spouse/dependents. For example, based on January 1, 2017 rates, a Full-Time employee who has selected the PERS Select plan will pay \$44.34 per month (\$45.83 starting January 2018), while an employee who has selected the Blue Shield Access+ Plan will pay \$199.33 per month (\$87.06 starting January 2018).*

Based on this language, the South County Transit contribution toward health insurance in calendar year 2018 is \$608.91 per month for each full-time employee. South County Transit currently budgets one full-time Supervisor and four full-time Bus Operators. For 2019, significant changes were made by CalPERS to the designated base PERS Select Anthem Blue Cross PPO plan, including buying down the premiums (29% decline) by raising the premiums on other plans – most notably the PERS Care Anthem Blue Cross PPO plan (24% increase).

The result of CalPERS buying down the base PERS Select premium resulted in a large increase in the price differential between the PERS Select plan and the other health plans available based on the method that South County Transit’s contributions for health insurance are calculated. Based on the CBA, South County Transit’s contribution

should drop to \$430.32 if we continued to designate the PERS Select plan as the base plan, but that results in large increases in employee contributions for the other available plans. For example, the employee contribution for the United Healthcare HMO plan would go from \$7.75 in 2018 to \$216.33 in 2019, even though that plan saw only a 5% increase in premiums.

Given that information and the budget for FY18-19, staff is recommending the CBA language remain unchanged but that the South County Transit contribution for employee health insurance remain frozen at \$608.91 per full-time employee for the 2019 calendar year. In the summer of 2019, staff will review the changes that CalPERS makes to health and determine if language changes to the CBA are needed going forward.

Staff has also been working on improving the dental, vision, life and disability insurance rates and benefit levels offered to South County Transit employees. As part of that process, staff reached out to California State Association of Counties Excess Insurance Authority (CSAC EIA) and is in the process of negotiating rates and coverage levels. These changes would be effective January 1, 2019 if the rates come in lower with equal or better coverage levels.

#### **Staff Recommendation**

1. Approve the South County Transit contribution for employee health insurance at \$608.91 per full-time employee for the 2019 calendar year.
2. Following Counsel's consent, authorize the South County Transit Administrator to execute the needed agreements with CSAC EIA should the rate come in lower than current levels with equal or better coverage for dental, vision, life and disability insurance.

**DRAFT**  
**SOUTH COUNTY TRANSIT**  
**MINUTES OF JULY 18, 2018 BOARD MEETING**  
**City Council Chamber, Arroyo Grande**  
**C-1**

Directors Present:	Tim Brown, Chairperson	Mayor Pro Tem, Arroyo Grande
	Lynn Compton	County Supervisor, District 4
	Sheila Blake	City Council Member, Pismo Beach
	John Shoals, Vice Chair	City Council Member, Grover Beach

Directors Absent:

Staff Present:	Geoff Straw	Administrator
	Tania Arnold	RTA Deputy Director and CFO
	Phil Moores	Operations Manager
	Mary Gardner	Marketing Manager
	Shelby Walker	Administrative Assistant

**CALL TO ORDER AND ROLL CALL:** Chairperson **Tim Brown** called the meeting to order at 1:31 p.m., and a quorum was present.

**PUBLIC COMMENT:** None

**A. INFORMATION AGENDA:**

**A-1 Administrator's Report (Receive):** **Mr. Geoff Straw** stated that we were unsuccessful in attracting any good Bus Operator candidates for our planned July 9th training class. We recently thought that we had one qualified candidate but did not pass the drug test. Use of recreational marijuana poses an issue for recruitment. **Director Brown** asked if the standard would ever change. **Mr. Straw** stated that he does foresee that happening. He continued by stating we recently obtained agreement with the Teamsters to temporarily suspend the lower Bus Operator Training Wage for this fiscal year and instead hire directly at the \$14.30 per hour rate to determine if this will help us recruit. We will also continue to run radio ads, and we have posted notices on the bus LED screens and our website. He mentioned that the next Employee of the Quarter BBQ is scheduled for July 20th at the RTA bus maintenance facility and stated all Board members and senior staff are invited.

SB-1, which is now officially referred to as Proposition 6, is on the November ballot for repeal. If SB-1 is ultimately repealed, the South County jurisdictions would need to make difficult decisions on service levels, possible capital project delays, and the financial impacts of using TDA funds in lieu of roadway repairs.

On June 27th, Governor Brown signed the FY18-19 State Budget and a host of trailer bills implementing various aspects of the budget. This year's budget holds lots of good news for public transit. The cost of diesel fuel has increased funding for the STA program to approximately \$167 million in the coming fiscal year. The Cap and Trade budget appropriates \$1.4 billion in previously unallocated Cap and Trade auction proceeds, providing support to transit agencies through several programs including Hybrid and Zero-Emission Truck and Bus, Voucher Incentive Program, Alternative and Renewable Fuel and Vehicle Technology Program, Community Air Protection, LCTOP, and the Transit and Intercity Rail Capital Program.

Staff continues to engage California Air Resources Board and SLO Air Pollution Control District officials in discussions on the proposed draft Innovative Clean Transit regulation. This aggressive plan would have a profound impact, both in the terms of the capital infrastructure costs associated with electrifying our fleet and possible operating impacts due to limited range of current battery electric bus technologies. We will continue to work with our partners at the California Transit Association and CalACT to ensure the ARB understands our grave concerns about this unfunded mandate. He mentioned that three of the California Transit Association's sponsored bills address staff's concerns related to the ICT proposal. The bills are AB-3201, SB-1119, and SB-1434.

In terms of overall non-capital expenses, we are slightly below budget at 85.6% of budget through 91.7% of the fiscal year. Notable large-tickets variances include labor, fuel, and vehicle maintenance. Any savings realized at the end of FY17-18 will be carried over into the next budget year, which helps conserve limited TDA funds at the jurisdiction level.

The ridership has a decline of 1.7%. This rebound in ridership compared to the declines over the past three years is encouraging. Despite transit ridership declines across America over the past several years and the fact that we increased fares in July 2016.

**Mr. Straw** concluded his report.

**Chairperson Brown** opened Board and public comment.

**Chairperson Brown** closed Board and public comment.

## **B. ACTION AGENDA:**

**B-1 Support Amended & Restated RTA JPA & Terminate SoCo Transit JPA (Action):** **Mr. Straw** stated as discussed at previous Board meetings, there is a net benefit of consolidating SoCo Transit into the RTA. The attached resolution summarizes the benefits and next steps to fully implement consolidation. The RTA Board supported the changes at its meeting on July 11<sup>th</sup>. This will maintain local control and assist in the absorption of SoCo Transit.



During recent staff presentations to each of the RTA jurisdictions, it was clear that there is conceptual support for the notion of consolidating SoCo Transit into the RTA through measures identified in an amended and restated JPA for the RTA. The new JPA includes policy statements that ensure local control of service levels and financial commitments for services by the four jurisdictions in the South County area. The RTA Board ratified the new JPA at its July 11th meeting, and staff is scheduling presentations on the new JPA at each jurisdiction in the ensuing months for adoption. The new JPA will be effective 12:00 AM on January 1, 2019.

In addition, during recent presentations to the SoCo Transit jurisdictions, universal support was voiced for the notion of terminating the existing South County Area Transit JPA as part of the consolidation effort. The termination would be effective 11:59 PM on December 31, 2018. The attached Resolution effectively assigns all of the SoCo Transit property and obligations to the RTA upon consolidation on January 1, 2019.

The RTA Board would then consider a budget amendment at its November 7th meeting that recognizes the operating and capital costs of SoCo Transit services for the second half of FY18-19 – similar to the way that SLOCAT and North County services are portrayed in separate columns.

He stated that staff is recommending the Board approve the attached Resolution, which addresses the SoCo Transit Board's support for the amended and restated Joint Powers Agreement for the San Luis Obispo Regional Transit Authority, and support for terminating the current Joint Powers Agreement for South County Area Transit. Direct staff to work with the Clerk at each jurisdiction to present a resolution seeking concurrence on termination of the South County Area Transit Joint Powers Agreement. Following termination of the Joint Powers Agreement, file necessary paperwork with the California Secretary of State. Direct staff to bring a budget amendment to the SoCo Transit Board at its last meeting in October 2018.

**Mr. Straw** concluded her report.

**Chairperson Brown** opened Board and public comment.

**Director John Shoals** stated as we go forward with the consolidation and the possibility of SB-1 being repealed, there will be serious conversations of the use of LTF for the jurisdictions. He stated he would like clarification on the resolution, if the jurisdictions choose to terminate the changes that are suggested, would it come back to the Board. **Mr. Straw** stated that if the cities recommend changes to the resolution then that would change the reinstated and amended JPA and it would start the process over again. **Director Shoals** said it may have been better to go to the jurisdictions first and then bring back to the Board. **Mr. Straw** stated that the city managers and delegates from it cities had a chance to review it, this was the process that was suggested by County Counsel.

**Director Brown** if there are changes can we get it done before the October meeting. **Mr. Straw** stated yes that is correct, he stated that he is going to present at the South County cities first.

**Director Blake** asked about how the seniority list will be integrated for the bus operators. **Mr. Straw** stated that the first bid would not happen until May and the integration was part of the recently adopted collective bargaining agreement, the two highest seniority bus operators are SoCo Transit drivers.

**Chairperson Brown** closed Board and public comment.

**Director Shoals** moved to approve Agenda Item B-1 with a slight change of the heading stating that “supporting” instead of “expressing” in the resolutions. **Director Compton** seconded and the motion carried unanimously on a roll call vote.

**B-2 Reschedule the October Meeting (Action): Mr. Straw** stated that the CalTIP Board of Directors Oversight Committee meeting in Sacramento is scheduled on the same date as the SoCo Transit Board’s regularly-scheduled October 17th meeting. As such, staff is requesting that the regularly-scheduled SoCo Transit Board meeting be rescheduled one week later to October 24th. If the Board concurs with the new meeting date, staff will update the 2018 Board Meeting Dates section on our website, and notify riders using the LCD screens on our buses.

**Mr. Straw** concluded his report.

The SoCo Transit Board were all in favor of the new meeting date and the motion carried on a roll call vote.

**Mr. Straw** stated it is important to note that it will be the last meeting of the SoCo Transit Board of Directors prior to planned consolidation with the RTA. It will be important to recognize this important milestone, and we will make a special invitation to all SoCo Transit employees to voluntarily attend so that they can thank the Board for all its hard work over the past 40 years.

**C. CONSENT AGENDA:**

- C-1 Draft SCT Minutes of June 20, 2018, 2018 (Approve)
- C-2 Amendment #2 of Pacific Surfliner Transit Transfer Program Agreement (Approve)

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

**D. CLOSED SESSION:** None

**E. DIRECTORS’ COMMENTS:** None

**F. EXECUTIVE COMMITTEE MEMBERS’ COMMENTS:** None

**ADJOURNMENT:** The meeting was adjourned at 1:56 p.m.

Respectfully submitted, Shelby Walker, Administrative Assistant