



## RTA BOARD AGENDA

Wednesday, July 9, 2014

BOARD OF SUPERVISORS' CHAMBER  
COUNTY GOVERNMENT CENTER

1055 Monterey Street, San Luis Obispo, California 93401

**RTA starts at 8:30 a.m.**

The *AGENDA* is available/posted at: <http://www.slorta.org>

**President: Shelly Higginbotham**

**Vice President: Debbie Arnold**

Board Members:

Frank Mecham (First District – SLO County)  
Bruce Gibson (Second District – SLO County)  
Adam Hill (Third District – SLO County)  
Caren Ray (Fourth District – SLO County)  
Debbie Arnold (Fifth District – SLO County)  
Tony Ferrara (Arroyo Grande)

Tom O'Malley (Atascadero)  
Debbie Peterson (Grover Beach)  
Jamie Irons (Morro Bay)  
Fred Strong (Paso Robles)  
Shelly Higginbotham (Pismo Beach)  
Jan Howell Marx (San Luis Obispo)

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 781-4472. Please note that 48 hours advance notice will be necessary to honor a request.

### 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 San Luis Obispo Regional Transit Authority (RTA) 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.

### A. INFORMATION AGENDA

- A-1 Executive Director's Report (Information)
- A-3 Introduce Potential Runabout Fare Program Changes (Information)

### B. ACTION AGENDA

- B-1 RTA FY15 Budget Amendment (Approve)
- B-2 "Dunk Your Kicks" for Day Pass benefiting the Max Cure Foundation (Approve)
- B-3 Strategic Business Plan Updated (Approve)

- 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 RTA 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 RTA Board members, without the removal of the item from the Consent Agenda. Staff recommendations for each item are noted following the item.

- C-1 Draft Executive Committee Meeting Minutes of April 16, 2014 (Information)
- C-2 Lease Agreement for Paso Transit Center Building (Approve)
- C-3 Amended Contract with Executive Director (Approve)
- C-4 Maintenance Equipment Procurement – Bus Wash and Bus Lift (Approve)
- C-5 APCD Grant Agreement Amendment for SCT Bus #208 (Approve)
- C-6 RTA Board Meeting minutes of May 7, 2014 (Approve)
- C-7 Amended Contract with Cuesta College for North County Campus Evening Service (Approve)

**E. BOARD MEMBER COMMENTS**

Next regularly-scheduled RTA Board meeting on September 3, 2014

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Executive Director's Report

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Accept as Information

**BACKGROUND/DISCUSSION:**

**Operations:**

RTA will conduct its next quarterly Employee of the Quarter barbecue lunch on July 18<sup>th</sup>, and the winner will join us at the September 3<sup>rd</sup> Board meeting. Please add that July 18<sup>th</sup> event to your calendars so that you can participate in the festivities.

RTA began operating the services identified in the North County Transit Consolidation agreement on June 1. While there were a few challenges – mostly service delays due to customer inquiries on the buses, missed passenger boardings due to altered Route 9 timepoints, and a large increase in phone calls – things have smoothed out considerably since the launch. We anticipate making slight schedule adjustments to the Paso Express Routes A and B to improve connections with RTA Route 9 at the Paso Train Station, as well as possible schedule adjustments in Atascadero at the new transit center (the scheduled layover is currently too long). Those changes will be implemented in mid-August after we conduct a focused information campaign during July and early August.

As part of the North County consolidation, please join me in wishing a warm welcome to Terry Gillespie to the RTA Supervisor team. Terry has served in leadership positions at First Group (a third-party operations contractor) for the Paso Robles and Atascadero transit programs since 1992. She brings a wealth of knowledge to RTA, and will focus on Paso Express, RTA and Runabout services in the North County.

RTA began a new Bus Operator training class of six candidates on June 2<sup>nd</sup> to fill open positions, although the class has since dwindled down to two. Based on our standard six-week training period, it is expected that these new Bus Operators will be ready for revenue service in mid-July. We anticipate beginning another recruitment effort in August, with the resulting training class beginning in September.

The next Regional Transportation Advisory Committee meeting is scheduled for July 16<sup>th</sup>. Issues likely to be included on the agenda include Runabout fare program changes (see Agenda Item A-2), final design of the CMAQ funded service, and an update on North County Transit Consolidation.

**Maintenance:**

RTA received six proposals in response to our Request for Proposals to furnish and install a computerized vehicle/facility maintenance tracking software system. On June 19<sup>th</sup>, RTA awarded the contract to Ron Turley and Associates. The winning proposal was within the budgeted amount, and we anticipate being “live” with the new program in Fall 2014.

The California Highway Patrol completed its annual Terminal Inspection of RTA, SCT and Paso Express buses/records in early June. With the incorporation of the Paso Express fleet, RTA is now considered a “large” provider, and the inspection sampling rates have been bumped up to the highest level used by CHP. I am happy to report that RTA received a Satisfactory Rating in all areas of inspection.

RTA wishes to congratulate Vernon Griego for his promotion to Mechanic B, filling a recently-vacated position. Vernon started as an Apprentice in 2011, and has demonstrated a strong willingness to learn and to excel in the RTA Shop environment. He continues to complete certifications at Cuesta College and through other venues, further demonstrating his commitment to professional growth.

RTA wishes to welcome two new technicians to the RTA Shop: Michael O’Marr as a Mechanic B, and Brandon Butcher as a Mechanic C (filling Vernon’s former position). The Mechanic B position is funded primarily through RTA’s North County contract. Michael has direct experience working with a similar fleet to RTA’s, so he was able to hit the ground running. Brandon formerly worked at a Ford dealership, where he maintained chassis and drivetrains similar to those used in RTA’s Runabout fleet.

As part of the FY13-14 Budget, RTA planned to abandon its tire lease program with Bridgestone. The delivery of seven new Gillig buses provided a good impetus; we replaced the brand new Gillig-delivered rear tires with recaps, and began placing the new tires on the fronts of existing buses as needed. After many months of planning, we closed out the contract on June 22<sup>nd</sup>. Owning our own tires will reduce on-site inventory space formerly required by Bridgestone, and our per-mile operating costs will decline.

RTA continues to meet preventive maintenance schedules according to manufacturer recommendations.

**Service Planning & Marketing:**

RTA began the recruitment for a new Marketing and Community Relations Manager in May, and we requested supplemental sample work from the top eleven candidates in early June. Following reviews of these submissions, we have scheduled interviews with the final candidates. We will include representatives from partner agencies on the interview panel; the interviews are scheduled for July 15<sup>th</sup>. Staff hopes to have the new incumbent on-board in time for the September 3<sup>rd</sup> RTA Board meeting.

RTA will complete installation of new bus stop signs on the new expanded portion of Route 9 (formerly served by the Atascadero El Camino Shuttle and Paso Express Route C) by the end of August. Staff has provided authorization to proceed with the new sign heads, which are reflective and meet ADA guidelines, and we are awaiting delivery by the vendor. These new signs will serve as the template for bus stop signs that need to be replaced in the future.

#### **Finance and Administration:**

Included in this agenda is the budget amendment for the North County Cuesta campus late evening service to begin August 18<sup>th</sup>. Staff is still working with funding partners on the CMAQ funding and a budget amendment will likely be brought to the Board in September for approval.

Preliminary financial data for the first ten months of FY13-14 are included in the ensuring pages. In summary, this report covers 83.3% of the budget year, and overall non-capital expenditures equaled 72.8% of the annual budgeted amount. The greatest year to date savings have been achieved in vehicle maintenance parts, supplies, services, and fuel – all of which can be attributed to the subfleet of new Gillig buses delivered in August 2013. The 32.5% FRR reported for fixed route has improved in comparison to 28.1% for the same period last year.

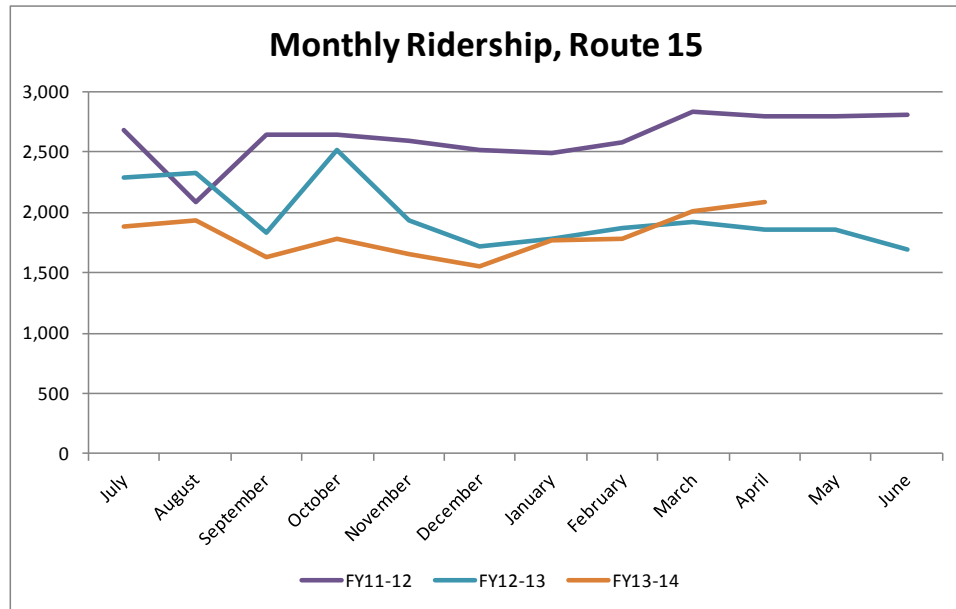
Fixed route ridership remains strong, with 640,411 boardings through April 30, 2014, in comparison to 614,917 in the prior year. This represents a year-over-year increase of 25,494 boardings, or a proportional increase of 4.1%. Year to date Runabout boardings total 36,236 passenger-trips through April 30<sup>th</sup>, equating to a year-over-year increase of 16.8% over the previous year (31,020). The graphs at the end of this report depict ridership trends over the past four fiscal years.

Based on a recent analysis provided for the North Coast Advisory Council, the ridership on Route 15 has been declining over the past few years as depicted for FY11-12 through year to date FY13-14. It is interesting to note that there is not a clear seasonal ridership pattern on Route 15; in comparison, overall RTA fixed routes demonstrate a clear seasonal trend.

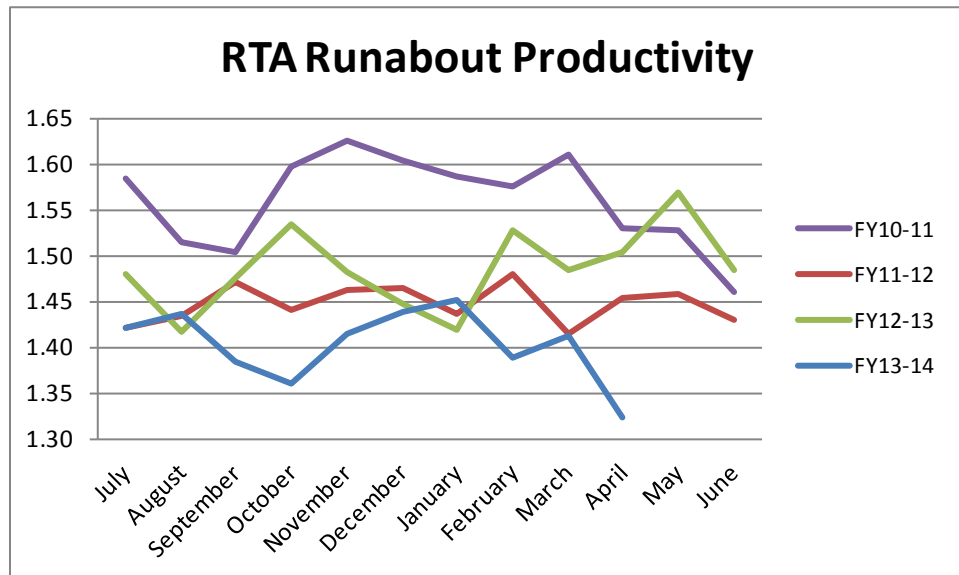
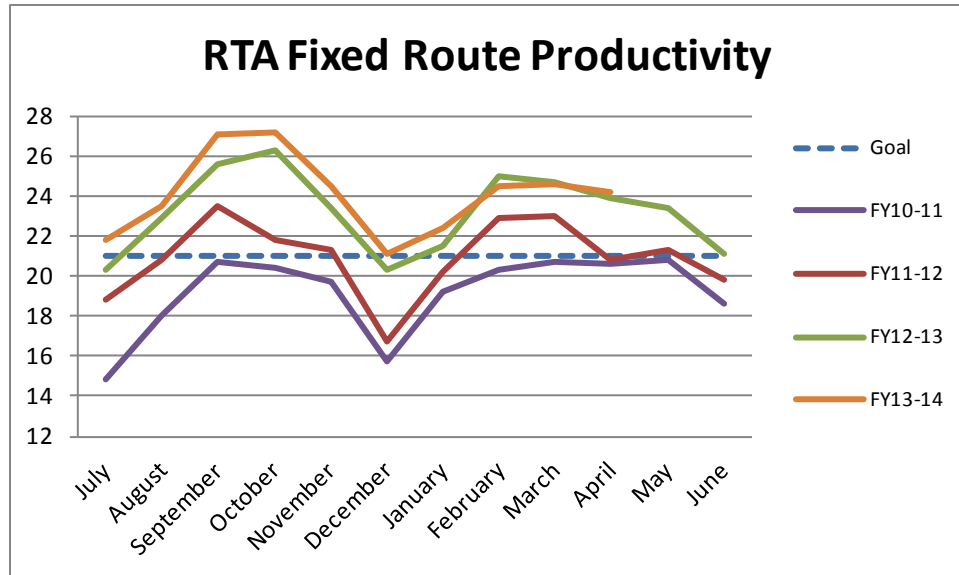
As expected, the ridership on Route 15 is relatively low in comparison to total ridership on all RTA fixed routes. However, it is important to note that Route 15 is somewhat of a “lifeline” service, since it only operates five trips per day on weekdays and Saturdays, and only three on Sundays. In comparison, RTA Routes 9, 10 and 12 operate hourly service between 6:30 AM to 9:00 PM on weekdays. Remember that the Jobs Access Reverse Commute (JARC) grant that partially funds Route 15 and accompanying Runabout service along the North Coast will cease after FY14-15, and the Board will need to decide:

1. If the traditional fixed route / Runabout model should continue using additional TDA or other funds,

2. If a new operating model (i.e., deviated fixed route only) should be considered, or
3. If reduced Route 15 service should be implemented using existing TDA funding levels.



The year to date RTA fixed route productivity of 24.8 passenger-boardings per service hour through April 30<sup>th</sup> exceeded RTA's goal of 21. During the first ten months of FY12-13, the fixed route productivity was only 23.4. Year to date Runabout productivity equaled 1.40, which is 5.1% lower than in the prior partial year (1.48). The graphs below depict productivity over the past four years.



In summary, all objective/measurable year to date Performance Measure Standards identified in the 2011 RTA Strategic Business Plan were met or exceeded through April 2014.

**RTA Maintenance Facility Planning**

RTA closed on the 40 Prado Road property acquisition on June 18<sup>th</sup>. Since the objective of the Facility Search Subcommittee has essentially been fulfilled – both in terms of the Consolidated Downtown Transit Center and RTA’s maintenance facility – staff will bring back a proposal at the September RTA Board meeting on establishing a Facility Development Technical Advisory Committee. The focus of this new TAC would be to provide guidance on environmental review, project development, and implementation. The TAC could be made up of elected officials and/or staff members from the City of SLO and the County.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

			Adopted Budget FY 2013-14	March Actual	April Budget	April Actual	April Variance	Year to Date FY 2013-14	Percent of Total Budget FY 2013-14
	Hours		60,118	5,511	5,010	5,516	(507)	53,335	88.72%
	Miles		1,594,232	137,441	132,853	138,107	(5,254)	1,345,274	84.38%
<b>Administration:</b>									
Labor	operations cost		731,454	53,067	60,954	59,845	1,109	569,953	77.92%
Labor - Administration Workers Comp	operations cost		35,690	2,066	2,974	2,066	908	20,663	57.90%
Office Space Rental	operations cost		416,190	32,482	34,683	32,422	2,261	347,080	83.39%
Property Insurance	operations cost		16,186	-	-	-	-	15,820	97.74%
Professional Technical Services	operations cost		90,725	-	22,681	3,975	18,706	32,050	35.33%
Professional Development	operations cost		16,250	603	1,354	2,886	(1,532)	15,102	92.94%
Operating Expense	operations cost		183,670	14,242	15,306	15,220	86	172,621	93.98%
Marketing and Reproduction	hourly		92,300	7,466	7,692	7,534	158	56,378	61.08%
North County Management Contract	operations cost		(6,620)	-	-	-	-	-	0.00%
County Management Contract	operations cost		(87,500)	(7,292)	(7,292)	(7,292)	-	(72,917)	83.33%
SCAT Management Contract	operations cost		(77,500)	(6,458)	(6,458)	(6,458)	-	(64,583)	83.33%
<b>Total Administration</b>			<b>1,410,846</b>	<b>96,176</b>	<b>131,894</b>	<b>110,199</b>	<b>21,695</b>	<b>1,092,168</b>	<b>77.41%</b>
<b>Service Delivery:</b>									
Labor - Operations	hourly		2,869,163	220,560	239,097	237,641	239,097	2,254,966	78.59%
Labor - Operations Workers Comp	hourly		206,962	11,982	17,247	11,982	5,265	119,823	57.90%
Labor - Maintenance	hourly		760,398	59,201	63,366	44,958	18,409	582,628	76.62%
Labor - Maintenance Workers Comp	hourly		63,811	3,694	5,318	3,694	1,623	36,930	57.88%
Fuel	miles		1,490,155	72,756	124,180	98,434	25,746	935,251	62.76%
Insurance	miles		352,037	28,636	29,336	28,617	720	287,437	81.65%
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	n/a		81,700	6,027	6,808	5,894	914	59,730	73.11%
Avila Trolley	n/a		66,100	-	5,508	5,605	(97)	27,761	42.00%
Maintenance (parts, supplies, materials)	miles		536,934	31,791	44,744	53,553	(8,809)	390,886	72.80%
Maintenance Contract Costs	miles		127,202	7,262	10,600	4,384	6,217	49,372	38.81%
<b>Total Operations</b>			<b>6,554,461</b>	<b>441,909</b>	<b>546,205</b>	<b>494,762</b>	<b>51,443</b>	<b>4,744,785</b>	<b>72.39%</b>
<b>Capital/Studies:</b>									
Computer System Maintenance/Upgrades			13,310	-	-	-	-	13,416	100.80%
Miscellaneous Capital									
Facility Improvements			187,820	-	-	-	-	-	0.00%
Maintenance Software and Maintenance Equipment			60,000	-	-	-	-	-	0.00%
Tire Lease Buyout			37,170	-	-	13,292	(13,292)	13,292	35.76%
Marking and Tethering Program			5,500	-	-	898	(898)	898	16.32%
Rotary Lift			18,700	-	-	-	-	-	0.00%
Specialized Maintenance Tools			12,650	-	-	-	-	4,308	34.06%
Maintenance Staff Office/Additional Desks			34,100	22,668	-	1,156	(1,156)	25,854	75.82%
Backup Generator			17,250	-	-	-	-	-	0.00%
Vehicle ITS/Camera System			461,787	-	-	-	-	-	0.00%
Bus Stop Improvements			61,750	-	-	-	-	-	0.00%
Bus Rehabilitation			125,000	-	-	-	-	-	0.00%
Bus Procurement Reserve/Large Capital Repairs			44,779	-	-	9,461	(9,461)	9,461	21.13%
Vehicles									
Support Vehicles			102,500	-	-	-	-	98,669	96.26%
40' Coaches			3,336,000	-	-	-	-	2,724,173	81.66%
Runabout Vehicles			360,000	-	-	-	-	-	0.00%
<b>Total Capital Outlay</b>			<b>4,878,316</b>	<b>22,668</b>	<b>-</b>	<b>24,807</b>	<b>(24,807)</b>	<b>2,890,070</b>	<b>59.24%</b>
Contingency	hourly		101,915	-	8,333	480	7,853	7,980	7.83%
Interest Expense	operations cost		133,954	8,138	11,163	6,595	4,568	111,874	83.52%
Loan Paydown			1,108,262	-	154,131	154,963	(832)	1,108,262	100.00%
Property Purchase			1,534,165	-	-	-	-	-	0.00%
Management Contracts			171,620	13,750	13,750	13,750	-	137,500	80.12%
<b>TOTAL FUNDING USES</b>			<b>14,359,373</b>	<b>582,641</b>	<b>865,476</b>	<b>805,556</b>	<b>59,921</b>	<b>10,092,640</b>	<b>70.29%</b>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>			<b>8,372,795</b>	<b>559,973</b>	<b>711,345</b>	<b>625,786</b>	<b>85,559</b>	<b>6,094,308</b>	<b>72.79%</b>

***SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU APRIL 30, 2014 - WEEKDAYS ONLY  
CURRENT FISCAL YEAR - 2013/2014***

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 80 NORTH COUNTY BEACH SHUTTLE	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	RT 83 FORT HUNTER LIGGETT	TOTAL WEEKDAY
<b>REVENUES:</b>								
FARES	283,382	324,668	1,278	227,488	23,309	23,083	85,016	968,225
<b>TOTAL ROUTE REVENUES</b>	<b>283,382</b>	<b>324,668</b>	<b>1,278</b>	<b>227,488</b>	<b>23,309</b>	<b>23,083</b>	<b>85,016</b>	<b>968,225</b>
<b>EXPENDITURES:</b>								
ADMINISTRATION	172,909	174,120	5,341	114,340	11,192	41,185	19,025	538,112
MARKETING	16,314	16,430	536	10,783	1,088	3,879	0	49,030
OPERATIONS/CONTINGENCY	495,618	504,529	13,225	323,770	33,611	120,634	59,557	1,550,944
FUEL	186,656	201,288	7,102	113,583	13,436	50,471	33,390	605,927
INSURANCE	49,978	53,894	1,492	30,415	3,731	13,518	8,942	161,971
<b>TOTAL EXPENDITURES</b>	<b>921,475</b>	<b>950,262</b>	<b>27,696</b>	<b>592,891</b>	<b>63,057</b>	<b>229,689</b>	<b>120,915</b>	<b>2,905,984</b>
<b>FAREBOX RATIO</b>	<b>30.75%</b>	<b>34.17%</b>	<b>4.61%</b>	<b>38.37%</b>	<b>36.97%</b>	<b>10.05%</b>	<b>70.31%</b>	<b>33.32%</b>
<b>RIDERSHIP</b>	<b>192,102</b>	<b>206,525</b>	<b>1,617</b>	<b>153,339</b>	<b>19,559</b>	<b>14,834</b>	<b>7,317</b>	<b>595,293</b>
<b>SERVICE MILES</b>	<b>240,489.30</b>	<b>259,341.00</b>	<b>7,792.20</b>	<b>146,341.20</b>	<b>17,742.55</b>	<b>65,027.40</b>	<b>43,054.00</b>	<b>779,787.65</b>
<b>SERVICE HOURS</b>	<b>7,857.30</b>	<b>7,912.95</b>	<b>244.53</b>	<b>5,194.35</b>	<b>512.10</b>	<b>1,869.75</b>	<b>865.26</b>	<b>24,456.24</b>
<b>RIDERS PER MILE</b>	<b>0.80</b>	<b>0.80</b>	<b>0.21</b>	<b>1.05</b>	<b>1.10</b>	<b>0.23</b>	<b>0.17</b>	<b>0.76</b>
<b>RIDERS PER HOUR</b>	<b>24.45</b>	<b>26.10</b>	<b>6.61</b>	<b>29.52</b>	<b>38.19</b>	<b>7.93</b>	<b>8.46</b>	<b>24.34</b>
<b>COST PER PASSENGER</b>	<b>4.80</b>	<b>4.60</b>	<b>17.13</b>	<b>3.87</b>	<b>3.22</b>	<b>15.48</b>	<b>16.53</b>	<b>4.88</b>
<b>SUBSIDY PER PASSENGER</b>	<b>3.32</b>	<b>3.03</b>	<b>16.34</b>	<b>2.38</b>	<b>2.03</b>	<b>13.93</b>	<b>4.91</b>	<b>3.26</b>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU APRIL 30, 2014  
CURRENT FISCAL YEAR - 2013/2014**

	RT 9 SAT P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 9 SUN P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 SAT S.M., NIPOMO, A.G., S.L.O.	RT 10 SUN S.M., NIPOMO, A.G., S.L.O.	RT 12 SAT MORRO BAY, CUESTA, SAN LUIS	RT 12 SUN MORRO BAY, CUESTA, SAN LUIS	RT 15 SAT SAN SIM., MORRO BAY, SAN LUIS	RT 15 SUN SAN SIM., MORRO BAY, SAN LUIS	TOTAL WEEKEND	TOTAL FIXED ROUTE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	18,776	10,102	21,172	12,205	13,263	9,354	3,501	2,141	90,514	1,058,739	95,313	1,154,052
<b>TOTAL ROUTE REVENUES</b>	18,776	10,102	21,172	12,205	13,263	9,354	3,501	2,141	90,514	1,058,739	95,313	1,154,052
<b>EXPENDITURES:</b>												
ADMINISTRATION	11,936	7,701	11,158	6,702	8,147	7,653	8,166	4,896	66,360	604,472	568,819	1,173,291
MARKETING	1,141	723	1,066	630	779	719	781	460	6,299	55,329	0	55,329
OPERATIONS/CONTINGENCY	34,134	22,371	32,254	19,603	22,919	21,839	23,895	14,492	191,506	1,742,450	1,525,521	3,267,971
FUEL	12,631	7,917	12,654	7,543	7,693	7,325	9,967	5,916	71,646	677,573	232,989	910,562
INSURANCE	3,398	2,648	3,404	2,049	2,069	1,990	2,681	1,607	19,846	181,817	98,057	279,874
<b>TOTAL EXPENDITURES</b>	63,240	41,359	60,536	36,528	41,607	39,526	45,491	27,370	355,657	3,261,641	2,425,386	5,687,027
<b>FAREBOX RATIO</b>	29.69%	24.43%	34.97%	33.41%	31.88%	23.66%	7.70%	7.82%	25.45%	32.46%	3.93%	20.29%
<b>RIDERSHIP</b>	11,088	6,297	12,312	6,788	7,842	4,891	1,958	1,259	52,435	647,728	36,236	683,964
<b>SERVICE MILES</b>	16,309.90	10,797.30	16,340.00	9,804.00	9,933.00	9,520.20	12,869.90	7,688.40	93,262.70	873,050.35	471,701.00	1,344,751.35
<b>SERVICE HOURS</b>	540.51	348.30	505.25	303.15	368.94	346.15	369.80	221.45	3,003.55	27,459.79	25,855.45	53,315.24
<b>RIDERS PER MILE</b>	0.68	0.58	0.75	0.69	0.79	0.51	0.15	0.16	0.56	0.74	0.08	0.51
<b>RIDERS PER HOUR</b>	20.51	18.08	24.37	22.39	21.26	14.13	5.29	5.69	17.46	23.59	1.40	12.83
<b>COST PER PASSENGER</b>	5.70	6.57	4.92	5.38	5.31	8.08	23.23	21.74	6.78	5.04	66.93	8.31
<b>SUBSIDY PER PASSENGER</b>	4.01	4.96	3.20	3.58	3.61	6.17	21.45	20.04	5.06	3.40	64.30	6.63

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**JULY 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** A-2

**TOPIC:** Introduce Potential Runabout Fare Program Changes

**ACTION:** Authorize staff to present a Runabout fare increase at two public workshops to obtain feedback

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Direct staff to present a Runabout fare increase proposal at two public workshops in the County

**BACKGROUND/DISCUSSION:**

Executive Summary

Staff has explained at previous Board meetings various methods to reduce Runabout operating costs, since the subsidy per passenger-trip on Runabout is approximately \$60.00, while it is under \$4.00 on RTA fixed route services. As previously discussed, the demand for Runabout service – and resulting increases in service levels – has increased substantially in the past few years. If the trend continues, either fixed route service will need to be reduced or additional revenues will be required from the RTA jurisdictions to meet Runabout demand. ***This staff report focuses on fare-related changes RTA could implement to reduce the Runabout subsidy per passenger-trip, while also potentially slowing the increasing demand for Runabout services.***

In summary, staff is recommending that Runabout fares be increased to reflect the common practice (as permitted under ADA law) of setting complementary paratransit fares at twice the corresponding base fixed route cash fare. To meet RTA's public participation policies, staff is recommending that at least two workshops in September be conducted to present the Runabout funding/cost challenge and to solicit input on the proposed Runabout fare structure. Staff would then bring the issue back to the RTA Board for consideration at its November meeting.

The ensuing pages provide a vast array of data to support the need for a Runabout fare system amendment. This data would be greatly simplified as part of the public outreach effort.

## Current Runabout Services and ADA Regulations

RTA operates Runabout service to meet the complementary paratransit requirement identified in the Americans with Disabilities Act of 1990. Specifically, public transit agencies that operate fixed route services must ensure that door-to-door complementary ADA paratransit services:

1. Are available during the same days and hours for persons that are unable to use fixed route services due to a transportation-related disability.
2. Are provided within ¾-mile of each fixed route.
3. Charge no more than twice the comparable regular fixed route cash fare.
4. Exhibit no pattern of trip denials.

The RTA FY14-15 budget directs staff to bring a proposal to the Board if TDA or other funding shortfalls emerge, or if the collective bargaining agreement wages/benefits currently that were negotiated in early 2014 require it. While there is no immediate anticipated funding shortfall, the collective bargaining agreement resulted in higher expenses, which suggests a fare program revision should be considered. In addition, because there are fare inequities between the fixed route and Runabout services, an increased Runabout fare program should be considered. Finally, based on our partner South County Transit's desire to consider a fare increase for implementation in February 2015, it seems prudent to attempt to align with SCT's schedule.

Runabout provides complementary ADA paratransit services for the following fixed route systems in SLO County:

1. RTA fixed routes along the US101 and Highway 1 corridors, as well as in Los Osos.
2. San Luis Obispo Transit fixed routes operating in city limits and on the Cal Poly campus.
3. South County Transit fixed routes operating in the Five Cities Area.
4. Paso Express fixed routes operating in Paso Robles.
5. Seasonal trolley services operating in Morro Bay and Avila Beach.

Runabout service is tailored to closely match the fixed route daily hours of service and service days in each of these areas, based on when each service is operated. For example, the Avila Beach Trolley only operates Thursday through Sunday during the peak summer season, so Runabout is not available in Avila Beach Monday through Wednesday, or at all during the non-peak seasons. Another example is the peak period

service operated by SLO Transit during the Cal Poly academic year; when late-night service is reduced during the summer break and winter holiday seasons, Runabout ceases being available along those fixed route corridors during those late-night hours. Obviously, crossover occurs when more than one fixed route agency operates on the same corridor (i.e., South Higuera is served by RTA Route 10 and SLO Transit Route 2); in those cases, the days/hours are based on whichever fixed route service is still operating.

### Current Fare Programs in the Region

The current Runabout fare program is based on zones that were adopted in August 2010, and these zonal fares do not approach double the fixed route fare level permitted under the ADA. See Table 1 below for details. As shown, the current maximum Runabout fare is \$6.25. It should be noted that it is the industry standard to charge twice the fixed route fare. Note that the internal Avila Beach fare on Runabout is shown as zero because the Avila Beach Trolley fixed route service is donation-only and by ADA law the complementary fare cannot exceed twice the fixed route fare (\$0.00 times two = \$0.00).

Table 2 below presents the fixed route cash fare matrix. When compared to the data in Table 1 above, it is clear that in many cases the comparable fixed route cash fare is lower than the current Runabout fare. As indicated in Table 2, the maximum fixed route cash fare is currently \$6.25, which includes transfers from South County Transit buses to RTA Route 10 in Pismo Beach, and then to relatively far destinations in North County or along the North Coast. It should be noted that Table 2 is somewhat simplified to correspond with the currently adopted Runabout fare matrix. In reality, transferring between South County Transit, Paso Express and Morro Bay Trolley local fixed routes and RTA regional routes technically require a greater cash fare outlay than shown in Table 2 – but the current Runabout fare matrix does not correctly address those additional cash fares. For example, the greatest actual cash fare is \$8.25, which includes transfers to/from the Morro Bay Trolley (\$1.25) to the Morro Bay transit center, RTA Route 12 Morro Bay to the SLO Government Center (\$2.50), RTA Route 9 from Government Center to the Paso Train Station (\$3.00) and Paso Express Route A (\$1.50). The ADA would permit a Runabout fare of \$16.50, although we currently only charge \$4.75 on Runabout – less than a third of the amount permitted.

It should also be noted that ADA law permits transit agencies to determine complementary ADA paratransit fares based on the fixed route(s) that would be used by a non-ADA passenger to travel from point A to point B. Take the example of a rider traveling from east Paso Robles to Cambria, which requires significant out-of-direction travel on the fixed route buses. The fixed route traveler would transfer from the Paso Express Route A to the Paso Train Station (\$1.50), on RTA Route 9 to the Government Center (\$3.00), and on RTA Routes 12 and 15 to Cambria (\$3.00). The fixed route traveler would pay a total cash fare of \$7.50, while the current Runabout fare would be \$5.75 – even though the ADA permits the Runabout to be twice the comparable fixed route fare, or \$15.00.

TABLE 1: CURRENT RUNABOUT FARE MATRIX

ORIGIN	DESTINATION														
	Arroyo Grande	Atasc.	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	San Miguel
Arroyo Grande	\$2.25	\$4.75	\$2.25	\$4.75	\$4.75	\$4.25	\$2.25	\$4.75	\$4.75	\$2.75	\$2.25	\$4.75	\$2.25	\$3.25	\$4.75
Atasc.	\$4.75	\$2.25	\$4.25	\$4.75	\$4.75	\$4.25	\$4.75	\$4.75	\$4.75	\$4.25	\$5.25	\$3.25	\$4.25	\$3.25	\$3.75
Avila Beach	\$2.25	\$4.25	\$0.00	\$4.25	\$4.25	\$4.25	\$2.25	\$5.00	\$4.25	\$3.25	\$2.25	\$4.25	\$2.25	\$2.75	\$4.25
Cambria	\$4.75	\$4.75	\$4.25	\$2.25	\$2.75	\$3.75	\$4.75	\$3.75	\$3.25	\$5.25	\$5.25	\$5.75	\$4.25	\$4.25	\$2.75
Cayucos	\$4.75	\$4.75	\$4.25	\$2.75	\$2.25	\$3.25	\$4.75	\$3.25	\$2.75	\$5.25	\$5.25	\$5.25	\$4.25	\$3.75	\$5.25
Cuesta Area	\$4.25	\$4.25	\$4.25	\$3.75	\$3.25	\$2.25	\$4.25	\$3.25	\$2.75	\$4.25	\$5.25	\$4.25	\$4.25	\$2.75	\$4.25
Grover Beach	\$2.25	\$4.75	\$2.25	\$4.75	\$4.75	\$4.25	\$2.25	\$4.75	\$4.75	\$2.75	\$2.25	\$4.75	\$2.25	\$3.25	\$4.75
Los Osos	\$4.75	\$4.75	\$5.00	\$3.75	\$3.25	\$3.25	\$4.75	\$2.25	\$2.75	\$5.25	\$5.25	\$5.25	\$5.00	\$3.75	\$5.25
Morro Bay	\$4.75	\$4.75	\$4.25	\$3.25	\$2.75	\$2.75	\$4.75	\$2.75	\$2.25	\$5.25	\$5.25	\$4.75	\$4.25	\$3.25	\$5.75
Nipomo	\$2.75	\$4.25	\$3.25	\$5.25	\$5.25	\$4.25	\$2.75	\$5.25	\$5.25	\$2.25	\$3.75	\$5.25	\$3.25	\$3.75	\$5.25
Oceano	\$2.25	\$5.25	\$2.25	\$5.25	\$5.25	\$5.25	\$2.25	\$5.25	\$5.25	\$3.75	\$2.25	\$5.25	\$2.25	\$3.75	\$5.25
Paso Robles	\$4.75	\$3.25	\$4.25	\$5.75	\$5.25	\$4.25	\$4.75	\$5.25	\$4.75	\$5.25	\$5.25	\$2.25	\$4.25	\$4.25	\$5.75
Pismo Beach	\$2.25	\$4.25	\$2.25	\$4.25	\$4.25	\$4.25	\$2.25	\$5.00	\$4.25	\$3.25	\$2.25	\$4.25	\$2.25	\$2.75	\$4.25
San Luis Obispo	\$3.25	\$3.25	\$2.75	\$4.25	\$3.75	\$2.75	\$3.25	\$3.75	\$3.25	\$3.75	\$3.75	\$4.25	\$2.75	\$2.25	\$4.75
San Miguel	\$4.75	\$3.75	\$4.25	\$5.75	\$5.25	\$4.25	\$4.75	\$5.25	\$4.75	\$4.75	\$5.25	\$2.75	\$4.25	\$4.75	\$3.75
San Simeon	\$4.75	\$4.75	\$4.25	\$2.75	\$3.25	\$4.25	\$4.75	\$4.25	\$3.75	\$5.25	\$5.25	\$5.75	\$4.25	\$4.75	\$5.75
Santa Marg.	\$4.25	\$2.75	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$5.25	\$3.75	\$4.25	\$2.75	\$5.75
Santa Maria	\$3.25	\$4.25	\$3.75	\$5.75	\$5.25	\$4.25	\$3.25	\$5.75	\$5.75	\$2.75	\$3.75	\$5.75	\$3.75	\$4.25	\$5.75
Temple.	\$4.75	\$2.75	\$4.25	\$5.25	\$5.25	\$4.25	\$4.75	\$5.25	\$4.75	\$5.25	\$5.25	\$2.75	\$4.25	\$3.75	\$6.25

**TABLE 2: FIXED ROUTE FARE MATRIX**

ORIGIN	DESTINATION																		
	Arroyo Grande	Atasc.	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	San Miguel	San Simeon	Santa Marg.	Santa Maria	Temple.
Arroyo Grande	\$1.25	\$4.00	\$1.25	\$5.00	\$5.00	\$4.00	\$1.25	\$4.50	\$4.50	\$2.00	\$1.25	\$5.00	\$1.25	\$2.00	\$5.00	\$5.00	\$4.00	\$2.50	\$4.50
Atasc.	\$4.00	\$1.50	\$4.00	\$5.00	\$5.00	\$4.00	\$5.25	\$4.50	\$4.50	\$4.50	\$5.25	\$2.00	\$4.00	\$2.00	\$2.50	\$5.00	\$1.50	\$5.00	\$1.50
Avila Beach	\$1.25	\$4.00	\$0.00	\$5.00	\$5.00	\$4.00	\$1.25	\$4.50	\$4.50	\$2.00	\$1.25	\$5.00	\$1.25	\$2.00	\$5.00	\$5.00	\$4.00	\$2.50	\$4.50
Cambria	\$5.00	\$5.00	\$5.00	\$1.50	\$1.50	\$2.50	\$6.25	\$2.00	\$2.00	\$5.50	\$6.25	\$6.00	\$5.00	\$3.00	\$6.00	\$1.50	\$5.00	\$6.00	\$5.50
Cayucos	\$5.00	\$5.00	\$5.00	\$1.50	\$1.50	\$2.50	\$6.25	\$2.00	\$2.00	\$5.50	\$6.25	\$6.00	\$5.00	\$3.00	\$6.00	\$1.50	\$5.00	\$6.00	\$5.50
Cuesta Area	\$4.00	\$4.00	\$4.00	\$2.50	\$2.50	\$1.50	\$5.25	\$2.00	\$2.00	\$4.50	\$5.25	\$5.00	\$4.00	\$2.00	\$5.00	\$2.50	\$4.00	\$5.00	\$4.50
Grover Beach	\$1.25	\$5.25	\$1.25	\$6.25	\$6.25	\$5.25	\$1.25	\$5.75	\$5.75	\$3.25	\$1.25	\$6.25	\$1.25	\$3.25	\$6.25	\$6.25	\$5.25	\$3.75	\$5.75
Los Osos	\$4.50	\$4.50	\$4.50	\$2.00	\$2.00	\$2.00	\$5.75	\$1.50	\$1.50	\$5.00	\$5.75	\$5.50	\$4.50	\$2.50	\$5.50	\$2.00	\$4.50	\$5.50	\$5.00
Morro Bay	\$4.50	\$4.50	\$4.50	\$2.00	\$2.00	\$2.00	\$5.75	\$1.50	\$1.50	\$5.00	\$5.75	\$5.50	\$4.50	\$2.50	\$5.50	\$2.00	\$4.50	\$5.50	\$5.00
Nipomo	\$2.00	\$4.50	\$2.00	\$5.50	\$5.50	\$4.50	\$3.25	\$5.00	\$5.00	\$1.50	\$3.25	\$5.50	\$2.00	\$2.50	\$5.50	\$5.50	\$4.50	\$2.00	\$5.00
Oceano	\$1.25	\$5.25	\$1.25	\$6.25	\$6.25	\$5.25	\$1.25	\$5.75	\$5.75	\$3.25	\$1.25	\$6.25	\$1.25	\$3.25	\$6.25	\$6.25	\$5.25	\$3.75	\$5.75
Paso Robles	\$5.00	\$2.00	\$5.00	\$6.00	\$6.00	\$5.00	\$6.25	\$5.50	\$5.50	\$5.50	\$6.25	\$1.50	\$5.00	\$3.00	\$2.00	\$6.00	\$2.00	\$6.00	\$1.50
Pismo Beach	\$1.25	\$4.00	\$1.25	\$5.00	\$5.00	\$4.00	\$1.25	\$4.50	\$4.50	\$2.00	\$1.25	\$5.00	\$1.25	\$2.00	\$5.00	\$5.00	\$4.00	\$2.50	\$4.50
San Luis Obispo	\$2.00	\$2.00	\$2.00	\$3.00	\$3.00	\$2.00	\$3.25	\$2.50	\$2.50	\$2.50	\$3.25	\$3.00	\$2.00	\$1.25	\$3.00	\$3.00	\$2.00	\$3.00	\$2.50
San Miguel	\$5.00	\$2.50	\$5.00	\$6.00	\$6.00	\$5.00	\$6.25	\$5.50	\$5.50	\$5.50	\$6.25	\$2.00	\$5.00	\$3.00	\$1.50	\$6.00	\$2.50	\$6.00	\$2.00
San Simeon	\$5.00	\$5.00	\$5.00	\$1.50	\$1.50	\$2.50	\$6.25	\$2.00	\$2.00	\$5.50	\$6.25	\$6.00	\$5.00	\$3.00	\$6.00	\$1.50	\$5.00	\$6.00	\$5.50
Santa Marg.	\$4.00	\$1.50	\$4.00	\$5.00	\$5.00	\$4.00	\$5.25	\$4.50	\$4.50	\$4.50	\$5.25	\$2.00	\$4.00	\$2.00	\$2.50	\$5.00	\$1.50	\$5.00	\$1.50
Santa Maria	\$2.50	\$5.00	\$2.50	\$6.00	\$6.00	\$5.00	\$3.75	\$5.50	\$5.50	\$2.00	\$3.75	\$6.00	\$2.50	\$3.00	\$6.00	\$6.00	\$5.00	\$1.50	\$5.50
Temple.	\$4.50	\$1.50	\$4.50	\$5.50	\$5.50	\$4.50	\$5.75	\$5.00	\$5.00	\$5.00	\$5.75	\$1.50	\$4.50	\$2.50	\$2.00	\$5.50	\$1.50	\$5.50	\$1.50

The previous three RTA fixed route fare increases were implemented in 2010, 2008 and 2000. In all three instances, the fixed route cash fare was increased by \$0.25. The Runabout fares were also increased in 2010 by \$0.25 (not the permitted \$0.50 permitted under ADA law), but Runabout fares were not previously increased since 2000. As such, on both a relative and absolute basis, the fixed route fares over the past 14 years have increased a greater amount in comparison to Runabout fares.

Most of the transit systems in the counties abutting SLO County (Monterey, Fresno, Kings and Santa Barbara) abide by the double fixed route fare for their respective complementary ADA paratransit systems. Of the ten adjacent transit agencies, six set the complementary paratransit fare at twice the fixed route fare. Appendix A provides details for these nearby agencies, as well as in other parts of the State, split into local services and regional services. As shown, most agencies charge between 150% and 200% of the corresponding fixed route fare.

To get a better understanding of the trip patterns in the Runabout service area, staff evaluated a full 12-month period and those data are presented in the tables below. Table 3 shows the origin-destinations for 38,909 Runabout passenger-origins and passenger-destinations between June 1, 2013 and May 31, 2014. It should be noted that these data points were obtained through our RouteMatch computerized dispatch program, and counts both origins and destinations. The data was also adjusted to account for Cuesta Area trips that are currently batched within San Luis Obispo data.<sup>1</sup> As indicated, the greatest number of boardings and alightings occurred in San Luis Obispo (40.1% of total trips), followed by Paso Robles (13.5%) and Atascadero (9.2%). It is not surprising that per capita trip generation is also highest in San Luis Obispo (0.344 trips per capita), due to the high number of activity centers in the City. But it is interesting to note that Templeton and Los Osos have the second and third highest trip generation rates. To some degree, the high per capita Runabout use in Templeton is expected, since Twin Cities Hospital and related healthcare providers – including a regional dialysis center – is located in Templeton. The 2011 elimination of general public Dial-A-Ride services in Los Osos might also help explain the relatively high preponderance of Runabout use, since that community had become accustomed to using demand response services.

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<sup>1</sup> To estimate Cuesta Area trips, staff used the proportion of boardings/alightings along Highway 1 between SLO and Morro Bay for the month of March 2014, which recorded the highest number of passenger transactions over the 12-month period.

**TABLE 3: RUNABOUT ORIGIN-DESTINATION ANALYSIS  
JUNE 2013 THROUGH MAY 2014**

	Internal Only (within community)			Internal-External			Combined Internal & External			Trips Per Capita (by Census Defined Place or City)		
	Total Internal Trips	Percent Internal Trips	Rank	Total External Trips	Percent of External Trips	Rank	Total Combined Trips	Percent of Combined Trips	Rank	Population	Trips Per Capita	Rank
<b>Community</b>												
Arroyo Grande	608	4.2%	4	970	4.0%	8	1,578	4.1%	8	17,284	0.091	8
Atascadero	779	5.4%	3	2,794	11.4%	3	3,573	9.2%	3	28,441	0.126	6
Avila Beach	0	0.0%	N/A	15	0.1%	17	15	0.0%	17	1,174	0.013	14
Cambria	0	0.0%	N/A	526	2.1%	12	526	1.4%	12	6,204	0.085	9
Cayucos	0	0.0%	N/A	92	0.4%	15	92	0.2%	15	2,431	0.038	11
Cuesta Area	0	0.0%	N/A	1,794	7.3%	5	1,794	4.6%	7	Not Avail.	N/A	N/A
Grover Beach	24	0.2%	9	943	3.8%	9	967	2.5%	9	13,194	0.073	10
Los Osos	436	3.0%	7	2,626	10.7%	4	3,062	7.9%	4	14,874	0.206	4
Morro Bay	558	3.9%	5	1,738	7.1%	6	2,296	5.9%	5	10,282	0.223	3
Nipomo	0	0.0%	N/A	143	0.6%	14	143	0.4%	14	16,747	0.009	15
Oceano	3	0.0%	10	266	1.1%	13	269	0.7%	13	7,543	0.036	12
Paso Robles	1,736	12.1%	2	3,511	14.3%	2	5,247	13.5%	2	29,770	0.176	5
Pismo Beach	238	1.7%	8	689	2.8%	10	927	2.4%	10	7,721	0.120	7
San Luis Obispo	9,496	66.1%	1	6,105	24.9%	1	15,601	40.1%	1	45,328	0.344	1
Santa Maria	0	0.0%	N/A	558	2.3%	11	558	1.4%	11	N/A	N/A	N/A
San Miguel	0	0.0%	N/A	9	0.0%	18	9	0.0%	18	2,822	0.003	17
San Simeon	0	0.0%	N/A	2	0.0%	19	2	0.0%	19	513	0.004	16
Santa Margarita	0	0.0%	N/A	28	0.1%	16	28	0.1%	16	1,556	0.018	13
Templeton	486	3.4%	6	1,736	7.1%	7	2,222	5.7%	6	7,200	0.309	2
<b>Totals</b>	<b>14,364</b>	<b>100%</b>	<b>N/A</b>	<b>24,545</b>	<b>100%</b>	<b>N/A</b>	<b>38,909</b>	<b>100%</b>	<b>N/A</b>	<b>213,084</b>	<b>0.183</b>	

Appendix B depicts detailed origins-destination pairs for each community for the 12-month evaluation period. As shown, there are a large number of origin-destination trip pairs that were never requested during the 12-month evaluation period. For example, no trips were provided between Morro Bay and Avila Beach. It is also interesting to note that Runabout provided a great number of passenger-trips within communities that have existing demand response programs, including within Atascadero, Morro Bay and Paso Robles – but none within Nipomo. To some degree, that would be expected, since RTA directly dispatches both Runabout and Nipomo Dial-A-Ride. In addition, Runabout operates during days and hours that the local demand response services do not operate. Nonetheless, this suggests that there is some amount of duplication of demand response services in the county.

An important consideration is the proportion of short vs. long passenger trips, which are summarized in Table 4 below. As depicted, over 90% of Runabout passenger-trips are less than 25 miles. For reference, the distance between Templeton and San Luis Obispo is roughly 22 miles, while it is roughly 25 miles from Nipomo to San Luis Obispo. It is interesting to note that greater than 80% of Runabout trips are less than 15 miles, and those trips are relatively cost-efficient to provide. However, the opportunity to group rides is most reliably and efficiently provided when less than 5 miles in length. While passenger-trips greater than 25 miles represent less than 10% of total trips, these long trips require a substantial resource commitment and require the greatest amount of public subsidy.

**TABLE 4: ORIGIN-DESTINATION TRIP LENGTHS & PERCENT TOTAL TRIPS**

Trip Mileage	0 to 4	5 to 14	15 to 24	25 to 34	35 to 44	45 to 54	55+
% of Total Trips	39.80%	40.56%	10.22%	7.05%	1.15%	1.20%	0.02%

In total, there are only 14 origin-destination trip pairs provided in the past 12 months that individually represent greater than 2.0% of all trip pairs provided by Runabout.

Table 5 below depicts the proportional share of each origin-destination trip pair and the relative change in Runabout fare levels under the common twice the fixed route fare scenario. As depicted, Runabout trips within the City of San Luis Obispo represent the largest single origin-destination trip pair, at 24.41%. In total, these top 14 trip pairs represent 64.5% of all Runabout trips provided in the past 12 months. The table also demonstrates the inequities in Runabout fares between certain communities. As shown, Runabout fares between San Luis Obispo and Grover Beach are currently too low in comparison to the fare for similar trips in the County.

**TABLE 5: FREQUENT ORIGIN-DESTINATION TRIP PAIRS  
& IMPACT OF FARE INCREASE**

<b>Origin</b>	<b>Destination</b>	<b>% Total Runabout Trips</b>	<b>Current Runabout Fare</b>	<b>Twice Fixed Route Fare</b>	<b>Net Fare Increase</b>	<b>% Increase</b>
San Luis Obispo	San Luis Obispo	24.41%	\$2.25	\$2.50	\$0.25	111.1%
Atascadero	Paso Robles	4.61%	\$3.25	\$4.00	\$0.75	123.1%
Paso Robles	Atascadero	4.74%	\$3.25	\$4.00	\$0.75	123.1%
San Luis Obispo	Los Osos	4.61%	\$3.75	\$5.00	\$1.25	133.3%
Paso Robles	Paso Robles	4.46%	\$2.25	\$3.00	\$0.75	133.3%
Los Osos	San Luis Obispo	2.84%	\$3.75	\$5.00	\$1.25	133.3%
Cuesta Area	San Luis Obispo	2.80%	\$2.75	\$4.00	\$1.25	145.5%
San Luis Obispo	Cuesta Area	2.78%	\$2.75	\$4.00	\$1.25	145.5%
Templeton	Paso Robles	2.52%	\$2.75	\$3.00	\$0.25	109.1%
Morro Bay	San Luis Obispo	2.28%	\$3.25	\$5.00	\$1.75	153.8%
San Luis Obispo	Morro Bay	2.29%	\$3.25	\$5.00	\$1.75	153.8%
Paso Robles	Templeton	2.17%	\$2.75	\$3.00	\$0.25	109.1%
San Luis Obispo	Grover Beach	2.02%	\$3.25	\$6.50	\$3.25	200.0%
Atascadero	Atascadero	2.00%	\$2.25	\$3.00	\$0.75	133.3%

### Runabout Fare Program Alternatives

#### *Alternative One: Status Quo*

One alternative is to leave the current fare structure in place. However, given the very high subsidy per passenger-trip on Runabout services, as well as the existing fare disparities between fixed route and Runabout, the *Status Quo Alternative* does not seem equitable to fixed route riders. In addition since operating costs have increased over time due to escalating wages, fuel, liability and healthcare costs, the “do nothing alternative” is not financially sustainable.

*Alternative Two: Runabout Fares Twice Fixed Route Fares (**Staff-Preferred**)*

A second alternative is to increase the fare structure so that it is twice the comparable fixed route fare, as permitted under ADA law. Appendix C presents the new Runabout fare matrix between each origin and destination, while Appendix D presents the relative difference between the current fare matrix and the proposed new one. In summary, the maximum Runabout fare would increase from \$6.25 under the current Runabout fare matrix to as high as \$12.50, while the smallest fare increase would be from \$2.25 to \$2.50 within communities served by fixed routes with a \$1.25 base cash fare (San Luis Obispo, Arroyo Grande, Grover Beach, Oceano and Pismo Beach). In summary, there would be significant increases in Runabout fares for those riders whose fixed route rider counterparts require a transfer between fixed routes; this demonstrates the inequities in pricing between what fixed route riders pay in cash fares vs. what Runabout riders currently pay. Nonetheless, since this scenario normalizes the fares between fixed and Runabout services, there are actually instances where the Runabout fare decreases.

In terms of annual revenue impacts of increasing the Runabout fare to be twice the fixed route fares, a simple analysis suggests that – in the absence of any ridership impacts – annual Runabout fares would increase from approximately \$114,400 to \$326,400. This equates to a relative increase of 285%. This large increase really drives home that point that there are both inequities in the current fixed route vs. Runabout fare structures, as well as under-pricing of Runabout services. However, price elasticity theory would suggest that increasing the price of an item typically results in fewer items being sold, which results in total revenues being less than the relative increase in the per item price. Nonetheless, this simple analysis drives home the point that the current Runabout fare structure should be revised.

Runabout fares would increase up to 163% in comparison the current Runabout fare program for very long and complex trips, while all internal trips (within a community) would increase by 33% or less. See Appendix E for details. It should be noted that very long and complex passenger-trips necessarily require the greatest subsidy, since these types of passenger-trips tie up a vehicle and Bus Operator for a relatively long time, and typically do not provide an opportunity to group passenger-trips together on the same vehicle.

It is important to stress that while the Runabout fare increases for complex and long-distance trips would be relatively large, the number of impacted persons would be very low based on the information depicted in Table 4 and Appendix B. For example, the fare increase for Runabout riders traveling between Paso Robles and Grover Beach would be 163% higher (from \$4.75 to \$12.50), although only one passenger-trip between these two locations were provided in the past 12 months. Another example of the maximum fare increase is between Grover Beach and Cayucos/Cambria/San Simeon, although zero passenger-trips were provided between these communities last year.

### *Alternative Three: Increase Runabout Fares Less Than Twice Fixed Route Fares*

Another alternative is to increase the Runabout fare program to provide equity with current fixed route fares throughout the county, but not quite at the standard double fixed route fare level. Examples include 150% or 175% instead of the 200% level. It is relatively simple to develop “pivot tables” based on Table 2 above, and staff can create those upon request.

A slight twist to Alternative Three is to increase the fares by a level acceptable to the region (i.e., 175% or 150%), but to also cap the maximum fare charged. That cap could be based on the maximum fixed route cash fare, or a multiple of the Regional Day Pass (currently \$5.00).

Staff will present these options to the Regional Transportation Advisory Committee at its July 16<sup>th</sup> meeting, and report back at the September 3<sup>rd</sup> RTA Board meeting with an RTAC-recommended Runabout fare program. Pursuant to our public participation policy of fare changes, staff will then hold public workshops in late September around the county to obtain feedback on the proposed Runabout fare increase. Staff will include this information along with any adjustments on the proposed increase based on the feedback received, as well as input from the RTAC, at our November 5<sup>th</sup> meeting.

It is recommended that, should the Board decide to alter the Runabout fare structure at its November meeting, the fare increase would go into effect February 1, 2015.

### **Staff recommendation**

Authorize the Executive Director to hold public workshops on the proposal to set the Runabout fares at twice the corresponding fixed route fare.

Appendix A -- Fixed Route vs. ADA Complementary Paratransit Fares

	Base Fixed Route Fare	ADA Paratransit Provider	ADA Paratransit Fare	% DAR to FR
ADJACENT or NEARBY AGENCIES				
Santa Barbara MTD	\$1.75	EasyLift	\$3.50	200%
Monterey-Salinas Transit		MST RIDES		
Local	\$1.50	=<2.7 mi	\$3.00	200%
Commuter	\$2.50	2.7 to 19.7 mi	\$5.00	200%
Regional	\$3.50	> 19.7 mi	\$7.00	200%
Santa Maria Area Transit	\$1.25	SMAT ADA Service	\$1.25	100%
Fresno Area Express	\$1.25	FAX Handy Ride	\$1.50	120%
City of Lompoc Transit		COLT ADA Service		
Local Fixed Route	\$1.25	Local ADA	\$1.00	80%
Vandenberg Village/Mission Hills	\$2.00	Regional ADA	\$1.50	75%
Santa Ynez Valley Transit	\$1.50	SVVT DAR	\$1.75	117%
Santa Paula VISTA	\$1.75	VISTA DAR	\$3.50	200%
Santa Cruz MTD	\$2.00	ParaCruz	\$4.00	200%
Gold Coast Transit (Ventura)	\$1.50	ACCESS	\$3.00	200%
Golden Empire Transit (Bakersfield)	\$1.25	GET-A-Lift	\$2.50	200%
NON-ADJACENT LOCAL SERVICES				
LAVTA Wheels	\$2.00	Wheels DAR	\$3.00	
San Joaquin RTD	\$2.00	RTD DAR	\$3.00	
Yuba Sutter Transit Authority		Yuba-Sutter Dial-A-Ride		
Local	\$1.00	Local	\$2.00	200%
Rural (2-3 days/wk)	\$2.00	N/A	N/A	
Commuter Express (Sacramento)	\$4.00	N/A	N/A	
County Connection (Contra Costa Co.)	\$2.00	LINK	\$4.00	200%
SamTrans (San Mateo County)		RediWheels & RediCoast		
Local & Into SF	\$2.00	Local & Into SF	\$3.75	188%
Out of SF	\$4.00	SF req. transfers	Multiple fares	
KX Express	\$5.00	N/A	N/A	
Santa Clara VTA		VTA Outreach		
Local	\$2.00	Local	\$4.00	200%
Express	\$4.00	N/A	N/A	
Sacramento RT	\$2.50	Paratransit	\$5.00	200%
NON-ADJACENT REGIONAL SERVICES				
Sonoma County Transit		Sonoma County Paratransit		
Local	\$1.25	Local	\$2.50	200%
Zone 2	\$1.85	Zone 2	\$3.65	197%
Zone 3	\$2.45	Zone 3	\$4.80	196%
Zone 4	\$3.05	Zone 4	\$5.95	195%
Zone 5	\$3.65	Zone 5	\$7.10	195%
Yolo County Transit District		Yolobus Special		
Regular	\$2.00	Regular	\$3.00	150%
Express	\$3.00	Intercity	\$4.00	133%
Napa VINE		VINE Paratransit		
Local	\$1.50	Local	\$3.00	200%
Regional	\$3.25	Regional	\$6.00	185%
Tri-Delta Transit (Antioch/Pittsburg)		Tri-Delta Paratransit		
Local	\$2.00	Local	\$2.75	138%
Regional Commuter Express	\$2.50	Reg'l Commuter	\$5.50	220%
Santa Clarita Transit		Access Services, Inc.		
Local	\$1.00	Local	\$2.00	200%
San Fernando Valley	\$2.50	SFV	\$6.00	240%
To or From the L.A. Basin	\$3.75	L.A. Basin	\$6.00	160%
Antelope Valley	\$4.25	Antelope	\$7.00	165%
Omnitrans (San Bernardino)		Omnitrans Access		
Local	\$1.50	1 - 3 Zone Trip	\$2.75	183%
		4 Zone Trip	\$3.75	N/A
		5 Zone Trip	\$4.75	N/A
		6 Zone Trip	\$5.75	N/A
Redding Area Bus Agency		RABA Paratransit		
Local	\$1.50	Local	\$3.00	200%
Each Zone Change	\$0.40	Each Zone	\$0.75	188%
Fairfield-Suisun Transit		DART		
Local	\$1.50	Local	\$3.00	200%
Vacaville service	\$2.75	Vacaville	\$5.00	182%

Golden Gate Transit Fixed Route Fares - July 1, 2014						
BusZone	San Francisco	Marin County			Sonoma County	
	1	2	3	4	5	6
1 (San Francisco)	\$4.50	\$5.00	\$6.25	\$7.50	\$10.75	\$11.75
2 (Sausalito, Marin City, Mill Valley, Tiburon, Belvedere)	\$5.00	\$2.00			\$7.50	\$8.75
3 (Corte Madera, Larkspur, Greenbrae, Kentfield, Ross, San Anselmo, Fairfax, Manor, San Rafael, Santa Venetia, Terra Linda, Marinwood, Lucas Valley)	\$6.25				\$6.25	\$7.50
4 (Ignacio, Hamilton, Novato, San Marin)	\$7.50				\$5.00	\$6.25
5 (Petaluma, Cotati, Rohnert Park)	\$10.75	\$7.50	\$6.25	\$5.00	\$4.50	
6 (Santa Rosa)	\$11.75	\$8.75	\$7.50	\$6.25		
Marin Transit ADA Regional Paratransit Service Fares - July 1, 2014						
BusZone	San Francisco	Marin County			Sonoma County	
	1	2	3	4	5	6
1 (San Francisco)	Service provided SF Muni	\$8.25	\$10.25	\$12.50	\$17.25	\$19.50
2 (Sausalito, Marin City, Mill Valley, Tiburon, Belvedere)	\$8.25	\$2.25			\$12.50	\$14.75
3 (Corte Madera, Larkspur, Greenbrae, Kentfield, Ross, San Anselmo, Fairfax, Manor, San Rafael, Santa Venetia, Terra Linda, Marinwood, Lucas Valley)	\$10.25				\$10.25	\$12.50
4 (Ignacio, Hamilton, Novato, San Marin)	\$12.50				\$8.25	\$10.25
5 (Petaluma, Cotati, Rohnert Park)	\$17.25	\$12.50	\$10.25	\$8.25	\$7.25	
6 (Santa Rosa)	\$19.50	\$14.75	\$12.50	\$10.25		
BusZone	San Francisco	Marin County			Sonoma County	
	1	2	3	4	5	6
1	NA	165%	164%	167%	160%	166%
2	165%	113%			167%	169%
3	164%				164%	167%
4	167%				165%	164%
5	160%	167%	164%	165%	161%	
6	166%	169%	167%	164%		

Appendix B

Runabout Trip Pairs by Community, June 1, 2013 through May 30, 2014

ORIGIN	DESTINATION																					
	Arroyo Grande	Atascadero	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	Santa Maria	San Miguel	San Simeon	Santa Margarita	Templeton	Totals	% Total	
	Arroyo Grande	608	65	1	6	4		226	21	14	146	182	31	317	505	39				21	1,578	4.1%
	Atascadero	71	779		1	4		10	8	17			1,795	8	289				3	659	3,573	9.2%
	Avila Beach	1						6				3		2	4					15	0.0%	
	Cambria	5	1			19			264	4			17	1	120					100	526	1.4%
	Cayucos	3	4		18				4	15		1			50						92	0.2%
	Cuesta Area							96	610						1,088						1,794	4.6%
	Grover Beach	221	9	6			112	24	2	1	17	22	1	53	718	2					967	2.5%
	Los Osos	22	9		261	4	682	1	436	341	1	14	202	4	1,104	3					3,062	7.9%
	Morro Bay	6	18		2	15		1	377	558	1	0	223	2	888	206			1	4	2,296	5.9%
	Nipomo	112						19		1		1	2	29	45	45				1	143	0.4%
	Oceano	186		3				22	15		1	3		157	67	1					269	0.7%
	Paso Robles	29	1,846		17				201	150			1,736		447	1	6			843	5,247	13.5%
	Pismo Beach	335	10	2	1			52	7	2	28	165	12	238	296	112				2	927	2.4%
	San Luis Obispo	403	302	3	117	40	1,081	786	1,794	891	47	68	436	262	9,496	164		2	15	97	15,601	40.1%
	Santa Maria	34						14	4	209	50	1	5	105	169					1	558	1.4%
	San Miguel		1										6		1					1	9	0.0%
	San Simeon														2						2	0.0%
	Santa Margarita		3							1					15					9	28	0.1%
	Templeton	19	516		99				2	4	1		981	3	121	1			8	486	2,222	5.7%
Totals	2,055	3,563	15	522	86	1,875	1,257	3,745	2,208	292	460	5,447	1,181	15,425	574	6	2	27	2,224			
% Total	5.0%	8.7%	0.0%	1.3%	0.2%	4.6%	3.1%	9.1%	5.4%	0.7%	1.1%	13.3%	2.9%	37.7%	1.4%	0.0%	0.0%	0.1%	5.4%			

**Appendix A (11x17 Portrait)**

**Appendix C: RUNABOUT FARES AT TWICE THE FIXED ROUTE FARE**

		DESTINATION																	ORIGIN
	Arroyo Grande	Atasc.	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	San Miguel	San Simeon	Santa Marg.	Santa Maria	Temple.
Arroyo Grande	\$2.50	\$8.00	\$2.50	\$10.00	\$10.00	\$8.00	\$2.50	\$9.00	\$9.00	\$4.00	\$2.50	\$10.00	\$2.50	\$4.00	\$10.00	\$10.00	\$8.00	\$5.00	\$9.00
Atasc.	\$8.00	\$3.00	\$8.00	\$10.00	\$10.00	\$8.00	\$10.50	\$9.00	\$9.00	\$9.00	\$10.50	\$4.00	\$8.00	\$4.00	\$5.00	\$10.00	\$3.00	\$10.00	\$3.00
Avila Beach	\$2.50	\$8.00	\$0.00	\$10.00	\$10.00	\$8.00	\$2.50	\$9.00	\$9.00	\$4.00	\$2.50	\$10.00	\$2.50	\$4.00	\$10.00	\$10.00	\$8.00	\$5.00	\$9.00
Cambria	\$10.00	\$10.00	\$10.00	\$3.00	\$3.00	\$5.00	\$12.50	\$4.00	\$4.00	\$11.00	\$12.50	\$12.00	\$10.00	\$6.00	\$12.00	\$3.00	\$10.00	\$12.00	\$11.00
Cayucos	\$10.00	\$10.00	\$10.00	\$3.00	\$3.00	\$5.00	\$12.50	\$4.00	\$4.00	\$11.00	\$12.50	\$12.00	\$10.00	\$6.00	\$12.00	\$3.00	\$10.00	\$12.00	\$11.00
Cuesta Area	\$8.00	\$8.00	\$8.00	\$5.00	\$5.00	\$3.00	\$10.50	\$4.00	\$4.00	\$9.00	\$10.50	\$10.00	\$8.00	\$4.00	\$10.00	\$5.00	\$8.00	\$10.00	\$9.00
Grover Beach	\$2.50	\$10.50	\$2.50	\$12.50	\$12.50	\$10.50	\$2.50	\$11.50	\$11.50	\$6.50	\$2.50	\$12.50	\$2.50	\$6.50	\$12.50	\$12.50	\$10.50	\$7.50	\$11.50
Los Osos	\$9.00	\$9.00	\$9.00	\$4.00	\$4.00	\$4.00	\$11.50	\$3.00	\$3.00	\$10.00	\$11.50	\$11.00	\$9.00	\$5.00	\$11.00	\$4.00	\$9.00	\$11.00	\$10.00
Morro Bay	\$9.00	\$9.00	\$9.00	\$4.00	\$4.00	\$4.00	\$11.50	\$3.00	\$3.00	\$10.00	\$11.50	\$11.00	\$9.00	\$5.00	\$11.00	\$4.00	\$9.00	\$11.00	\$10.00
Nipomo	\$4.00	\$9.00	\$4.00	\$11.00	\$11.00	\$9.00	\$6.50	\$10.00	\$10.00	\$3.00	\$6.50	\$11.00	\$4.00	\$5.00	\$11.00	\$11.00	\$9.00	\$4.00	\$10.00
Oceano	\$2.50	\$10.50	\$2.50	\$12.50	\$12.50	\$10.50	\$2.50	\$11.50	\$11.50	\$6.50	\$2.50	\$12.50	\$2.50	\$6.50	\$12.50	\$12.50	\$10.50	\$7.50	\$11.50
Paso Robles	\$10.00	\$4.00	\$10.00	\$12.00	\$12.00	\$10.00	\$12.50	\$11.00	\$11.00	\$11.00	\$12.50	\$3.00	\$10.00	\$6.00	\$4.00	\$12.00	\$4.00	\$12.00	\$3.00
Pismo Beach	\$2.50	\$8.00	\$2.50	\$10.00	\$10.00	\$8.00	\$2.50	\$9.00	\$9.00	\$4.00	\$2.50	\$10.00	\$2.50	\$4.00	\$10.00	\$10.00	\$8.00	\$5.00	\$9.00
San Luis Obispo	\$4.00	\$4.00	\$4.00	\$6.00	\$6.00	\$4.00	\$6.50	\$5.00	\$5.00	\$5.00	\$6.50	\$6.00	\$4.00	\$2.50	\$6.00	\$6.00	\$4.00	\$6.00	\$5.00
San Miguel	\$10.00	\$5.00	\$10.00	\$12.00	\$12.00	\$10.00	\$12.50	\$11.00	\$11.00	\$11.00	\$12.50	\$4.00	\$10.00	\$6.00	\$3.00	\$12.00	\$5.00	\$12.00	\$4.00
San Simeon	\$10.00	\$10.00	\$10.00	\$3.00	\$3.00	\$5.00	\$12.50	\$4.00	\$4.00	\$11.00	\$12.50	\$12.00	\$10.00	\$6.00	\$12.00	\$3.00	\$10.00	\$12.00	\$11.00
Santa Marg.	\$8.00	\$3.00	\$8.00	\$10.00	\$10.00	\$8.00	\$10.50	\$9.00	\$9.00	\$9.00	\$10.50	\$4.00	\$8.00	\$4.00	\$5.00	\$10.00	\$3.00	\$10.00	\$3.00
Santa Maria	\$5.00	\$10.00	\$5.00	\$12.00	\$12.00	\$10.00	\$7.50	\$11.00	\$11.00	\$4.00	\$7.50	\$12.00	\$5.00	\$6.00	\$12.00	\$12.00	\$10.00	\$3.00	\$11.00
Temple.	\$9.00	\$3.00	\$9.00	\$11.00	\$11.00	\$9.00	\$11.50	\$10.00	\$10.00	\$10.00	\$11.50	\$3.00	\$9.00	\$5.00	\$4.00	\$11.00	\$3.00	\$11.00	\$3.00

## Appendix D: INCREASE IN CURRENT vs. DOUBLE FIXED ROUTE FARES

ORIGIN	DESTINATION																		
	Arroyo Grande	Atasc.	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	San Miguel	San Simeon	Santa Marg.	Santa Maria	Temple.
Arroyo Grande	\$0.25	\$3.25	\$0.25	\$5.25	\$5.25	\$3.75	\$0.25	\$4.25	\$4.25	\$1.25	\$0.25	\$5.25	\$0.25	\$0.75	\$5.25	\$5.25	\$3.75	\$1.75	\$4.25
Atasc.	\$3.25	\$0.75	\$3.75	\$5.25	\$5.25	\$3.75	\$5.75	\$4.25	\$4.25	\$4.75	\$5.25	\$0.75	\$3.75	\$0.75	\$1.25	\$5.25	\$0.25	\$5.75	\$0.25
Avila Beach	\$0.25	\$3.75	\$0.00	\$5.75	\$5.75	\$3.75	\$0.25	\$4.00	\$4.75	\$0.75	\$0.25	\$5.75	\$0.25	\$1.25	\$5.75	\$5.75	\$3.75	\$1.25	\$4.75
Cambria	\$5.25	\$5.25	\$5.75	\$0.75	\$0.25	\$1.25	\$7.75	\$0.25	\$0.75	\$5.75	\$7.25	\$6.25	\$5.75	\$1.75	\$6.25	\$0.25	\$5.75	\$6.25	\$5.75
Cayucos	\$5.25	\$5.25	\$5.75	\$0.25	\$0.75	\$1.75	\$7.75	\$0.75	\$1.25	\$5.75	\$7.25	\$6.75	\$5.75	\$2.25	\$6.75	(\$0.25)	\$5.75	\$6.75	\$5.75
Cuesta Area	\$3.75	\$3.75	\$3.75	\$1.25	\$1.75	\$0.75	\$6.25	\$0.75	\$1.25	\$4.75	\$5.25	\$5.75	\$3.75	\$1.25	\$5.75	\$0.75	\$3.75	\$5.75	\$4.75
Grover Beach	\$0.25	\$5.75	\$0.25	\$7.75	\$7.75	\$6.25	\$0.25	\$6.75	\$6.75	\$3.75	\$0.25	\$7.75	\$0.25	\$3.25	\$7.75	\$7.75	\$6.25	\$4.25	\$6.75
Los Osos	\$4.25	\$4.25	\$4.00	\$0.25	\$0.75	\$0.75	\$6.75	\$0.75	\$0.25	\$4.75	\$6.25	\$5.75	\$4.00	\$1.25	\$5.75	(\$0.25)	\$4.75	\$5.25	\$4.75
Morro Bay	\$4.25	\$4.25	\$4.75	\$0.75	\$1.25	\$1.25	\$6.75	\$0.25	\$0.75	\$4.75	\$6.25	\$6.25	\$4.75	\$1.75	\$6.25	\$0.25	\$4.75	\$5.25	\$5.25
Nipomo	\$1.25	\$4.75	\$0.75	\$5.75	\$5.75	\$4.75	\$3.75	\$4.75	\$4.75	\$0.75	\$2.75	\$5.75	\$0.75	\$1.25	\$6.25	\$5.75	\$4.75	\$1.25	\$4.75
Oceano	\$0.25	\$5.25	\$0.25	\$7.25	\$7.25	\$5.25	\$0.25	\$6.25	\$6.25	\$2.75	\$0.25	\$7.25	\$0.25	\$2.75	\$7.25	\$7.25	\$5.25	\$3.75	\$6.25
Paso Robles	\$5.25	\$0.75	\$5.75	\$6.25	\$6.75	\$5.75	\$7.75	\$5.75	\$6.25	\$5.75	\$7.25	\$0.75	\$5.75	\$1.75	\$1.25	\$6.25	\$0.25	\$6.25	\$0.25
Pismo Beach	\$0.25	\$3.75	\$0.25	\$5.75	\$5.75	\$3.75	\$0.25	\$4.00	\$4.75	\$0.75	\$0.25	\$5.75	\$0.25	\$1.25	\$5.75	\$5.75	\$3.75	\$1.25	\$4.75
San Luis Obispo	\$0.75	\$0.75	\$1.25	\$1.75	\$2.25	\$1.25	\$3.25	\$1.25	\$1.75	\$1.25	\$2.75	\$1.75	\$1.25	\$0.25	\$1.25	\$1.25	\$1.25	\$1.75	\$1.25
San Miguel	\$5.25	\$1.25	\$5.75	\$6.25	\$6.75	\$5.75	\$7.75	\$5.75	\$6.25	\$6.25	\$7.25	\$1.25	\$5.75	\$1.25	\$0.75	\$5.75	\$0.75	\$6.25	\$0.75
San Simeon	\$5.25	\$5.25	\$5.75	\$0.25	(\$0.25)	\$0.75	\$7.75	(\$0.25)	\$0.25	\$5.75	\$7.25	\$6.25	\$5.75	\$1.25	\$5.75	\$0.75	\$5.75	\$6.25	\$5.75
Santa Marg.	\$3.75	\$0.25	\$3.75	\$5.75	\$5.75	\$3.75	\$6.25	\$4.75	\$4.75	\$4.75	\$5.25	\$0.25	\$3.75	\$1.25	\$0.75	\$5.75	\$0.75	\$4.25	(\$0.25)
Santa Maria	\$1.75	\$5.75	\$1.25	\$6.25	\$6.75	\$5.75	\$4.25	\$5.25	\$5.25	\$1.25	\$3.75	\$6.25	\$1.25	\$1.75	\$6.25	\$6.25	\$4.25	\$0.75	\$4.75
Temple.	\$4.25	\$0.25	\$4.75	\$5.75	\$5.75	\$4.75	\$6.75	\$4.75	\$5.25	\$4.75	\$6.25	\$0.25	\$4.75	\$1.25	\$0.75	\$5.75	(\$0.25)	\$4.75	\$0.75

## Appendix E: PERCENTAGE INCREASE RUNABOUT FARES

		DESTINATION																		
		Arroyo Grande	Atasc.	Avila Beach	Cambria	Cayucos	Cuesta Area	Grover Beach	Los Osos	Morro Bay	Nipomo	Oceano	Paso Robles	Pismo Beach	San Luis Obispo	San Miguel	San Simeon	Santa Marg.	Santa Maria	Temple.
ORIGIN	Arroyo Grande	11%	68%	11%	111%	111%	88%	11%	89%	89%	45%	11%	111%	11%	23%	111%	111%	88%	54%	89%
	Atasc.	68%	33%	88%	111%	111%	88%	121%	89%	89%	112%	100%	23%	88%	23%	33%	111%	9%	135%	9%
	Avila Beach	11%	88%	N/A	135%	135%	88%	11%	80%	112%	23%	11%	135%	11%	45%	135%	135%	88%	33%	112%
	Cambria	111%	111%	135%	33%	9%	33%	163%	7%	23%	110%	138%	109%	135%	41%	109%	9%	135%	109%	110%
	Cayucos	111%	111%	135%	9%	33%	54%	163%	23%	45%	110%	138%	129%	135%	60%	129%	-8%	135%	129%	110%
	Cuesta Area	88%	88%	88%	33%	54%	33%	147%	23%	45%	112%	100%	135%	88%	45%	135%	18%	88%	135%	112%
	Grover Beach	11%	121%	11%	163%	163%	147%	11%	142%	142%	136%	11%	163%	11%	100%	163%	163%	147%	131%	142%
	Los Osos	89%	89%	80%	7%	23%	23%	142%	33%	9%	90%	119%	110%	80%	33%	110%	-6%	112%	91%	90%
	Morro Bay	89%	89%	112%	23%	45%	45%	142%	9%	33%	90%	119%	132%	112%	54%	132%	7%	112%	91%	111%
	Nipomo	45%	112%	23%	110%	110%	112%	136%	90%	90%	33%	73%	110%	23%	33%	132%	110%	112%	45%	90%
ORIGIN	Oceano	11%	100%	11%	138%	138%	100%	11%	119%	119%	73%	11%	138%	11%	73%	138%	138%	100%	100%	119%
	Paso Robles	111%	23%	135%	109%	129%	135%	163%	110%	132%	110%	138%	33%	135%	41%	45%	109%	7%	109%	9%
	Pismo Beach	11%	88%	11%	135%	135%	88%	11%	80%	112%	23%	11%	135%	11%	45%	135%	135%	88%	33%	112%
	San Luis Obispo	23%	23%	45%	41%	60%	45%	100%	33%	54%	33%	73%	41%	45%	11%	26%	26%	45%	41%	33%
	San Miguel	111%	33%	135%	109%	129%	135%	163%	110%	132%	132%	138%	45%	135%	26%	33%	92%	18%	109%	23%
	San Simeon	111%	111%	135%	9%	-8%	18%	163%	-6%	7%	110%	138%	109%	135%	26%	92%	33%	135%	109%	110%
	Santa Marg.	88%	9%	88%	135%	135%	88%	147%	112%	112%	112%	100%	7%	88%	45%	18%	135%	33%	74%	-8%
	Santa Maria	54%	135%	33%	109%	129%	135%	131%	91%	91%	45%	100%	109%	33%	41%	109%	109%	74%	33%	76%
	Temple.	89%	9%	112%	110%	110%	112%	142%	90%	111%	90%	119%	9%	112%	33%	23%	110%	-8%	76%	33%

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**JULY 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2015 Budget Amendment

**ACTION:** Approve FY15 Budget Amendment

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Approve Budget Amendment

**SUMMARY:**

The Fiscal Year 2014-15 RTA operating and capital budget was adopted on May 7, 2014 and was based on a range of assumptions, including anticipated funding and delivery dates for FY14-15 operating and capital projects. At that time, staff also identified two projects that would likely require a budget adjustment: one being the late night evening service for the Cuesta College North County campus, and the other being the purchase of two over-the-road coaches needed for expanded CMAQ express trips.

At this time, staff is bringing back the late night evening service for the Cuesta College North County campus for approval. The following is a detailed description of the proposed budget adjustment that has been incorporated and highlighted in the amended budget on the following pages.

1. Late night evening service for the Cuesta College North County campus as approved during the May 7, 2014 meeting (considered as Agenda Item C-12)
  - (a) The **operating funding** is as follows and is included on page B-1-3 in the *Amended N. County Budget* column for FY14-15. The following impacts are noted by jurisdiction:
    - i. SLOCOG \$5,290: added to the previously approved amount from *State Transit Assistance (STA)* funds of \$83,073 for a new total of \$88,363
    - ii. Cuesta College \$10,000: added to the previously approved amount from *Cuesta Contribution North County* of \$22,000 for a new total of \$32,000
    - iii. City of Paso Robles \$30,000, City of Atascadero \$10,000, SLO County \$5,000: a total of \$45,000 added to *Special Events Revenue/Other* (previously zero). Staff will invoice these three jurisdictions for their contributions; it is up to each jurisdiction to determine which funding source they have available and would like to use (for example: LTF or General Fund)

- (b) The **operating expenditure** was added to the summary on the bottom of page B-1-4 (from \$844,710 to \$905,000), the total expenditures page on B-1-6 (from \$74,300 to \$134,590), and in detail on page B-1-9 (a new *Amended Cuesta Evening* column and *Special Transportation* line-item totaling \$60,290)

The net effect for the above referenced budget adjustments is that there is no impact on the non-North County jurisdictions, as detailed in section 1(a)iii above.

**Staff Recommendation**

Approve the budget amendment as indicated in the staff report.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
AMENDED OPERATING REVENUE BUDGET FOR 2014/2015**

	2012/2013 ACTUAL	2013/2014 ADOPTED OPERATING BUDGET	2013/2014 ADOPTED SLOCAT BUDGET	2013/2014 ADOPTED N. COUNTY BUDGET	2014/2015 ADOPTED OPERATING BUDGET	2014/2015 ADOPTED SLOCAT BUDGET	2014/2015 AMENDED N. COUNTY BUDGET	2015/2016 PROJECTED OPERATING BUDGET	2015/2016 PROJECTED SLOCAT BUDGET	2015/2016 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
GENERAL RESERVES	1,095,528	2,050,020	152,321	TBD	1,479,337	1,478,492	-	1,755,081	1,101,746	178,685
1. ESTIMATED FUND BALANCE	1,095,528	2,050,020	152,321	-	1,479,337	1,478,492	-	1,755,081	1,101,746	178,685
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA	1,332,659	1,479,337	152,321	TBD	1,295,081	1,101,746	178,685	1,380,583	702,695	188,883
OFFSET RESERVE FOR JARC (SECTION 5316) LOSS BEGINNING IN 15,	-	-	-	-	460,000	-	-	-	-	-
TOTAL	1,332,659	1,479,337	152,321	-	1,755,081	1,101,746	178,685	1,380,583	702,695	188,883
3. FUND BALANCE AVAILABLE	(237,131)	570,683	-	TBD	(275,745)	376,746	(178,685)	374,498	399,051	(10,198)
<b>NON TDA SOURCES</b>										
FARES	1,375,807	1,100,000	25,450	TBD	1,175,000	26,600	107,970	1,175,000	26,600	107,970
SCAT MANAGEMENT CONTRACT	77,500	77,500	-	-	78,760	-	-	78,760	-	-
COUNTY MANAGEMENT CONTRACT	175,000	87,500	-	-	80,500	-	-	80,500	-	-
NORTH COUNTY MANAGEMENT CONTRACT	-	6,620	-	-	39,720	-	-	39,720	-	-
COUNTY OPERATIONS	-	-	-	-	-	-	-	-	-	-
INTEREST	5,635	4,000	1,000	-	4,000	1,000	-	4,000	1,000	-
STATE TRANSIT ASSISTANCE (STA)	173,592	40,000	98,295	-	-	105,219	88,363	-	105,219	88,363
RURAL TRANSIT FUND (Administration)	25,000	25,000	-	-	25,000	-	-	25,000	-	-
RURAL TRANSIT FUND (Operating Funds)	225,120	203,366	-	-	197,139	-	-	25,371	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	340,000	340,000	-	-	472,500	-	-	496,130	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	519,830	519,830	-	-	612,880	-	-	626,735	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5316) - JARC	400,000	250,000	-	-	800,000	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-North County) - Operatin	996,818	621,198	-	TBD	681,520	-	213,785	715,600	-	213,785
FEDERAL TRANSIT ADM (FTA) (Section 5307-Santa Maria) - Operating	213,931	213,931	-	-	235,860	-	-	247,650	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - South County Operatin	-	39,000	-	-	400,000	-	-	420,000	-	-
CUESTA CONTRIBUTION ROUTE 12	61,336	54,001	-	-	53,855	-	-	53,855	-	-
CUESTA CONTRIBUTION NORTH COUNTY	-	-	-	-	8,580	-	32,000	8,580	-	32,000
CMAQ OPERATING FUNDS	-	-	-	-	80,000	-	-	160,000	-	-
COG ALLOCATION FOR SENIOR SHUTTLE	70,000	-	-	-	-	-	-	-	-	-
SPECIAL EVENTS REVENUE/OTHER	121,915	102,019	-	-	105,080	-	45,000	108,232	-	-
4. SUB TOTAL	4,781,484	3,683,965	124,745	-	5,050,394	132,819	487,118	4,265,133	132,819	442,118
5. TOTAL FUND BALANCE & NON TDA FUNDING	4,544,353	4,254,648	124,745	-	4,774,649	509,565	308,433	4,639,631	531,870	431,921

FUNDING SOURCES:

**TDA REQUIRED**

CITY OF ARROYO GRANDE  
CITY OF ATASCADERO  
CITY OF GROVER BEACH  
CITY OF MORRO BAY  
CITY OF PASO ROBLES  
CITY OF PISMO BEACH  
CITY OF SAN LUIS OBISPO  
COUNTY OF SAN LUIS OBISPO

Population  
Based

18%  
49%

TDA REQUIREMENTS BEFORE 5311 EXCHANGE  
LESS: RURAL TRANSIT FUND/5311 EXCHANGE

6. NET TDA REQUIREMENTS

7. TOTAL FUNDING SOURCES

8. FUNDING USES:

ADMINISTRATION  
INTEREST EXPENSE  
MANAGEMENT CONTRACTS  
SERVICE DELIVERY  
CONTINGENCY

9. TOTAL FUNDING USES

2012/2013 ACTUAL	2013/2014 ADOPTED OPERATING BUDGET	2013/2014 ADOPTED SLOCAT BUDGET	2013/2014 ADOPTED N. COUNTY BUDGET	2014/2015 ADOPTED OPERATING BUDGET	2014/2015 ADOPTED SLOCAT BUDGET	2014/2015 AMENDED N. COUNTY BUDGET	2015/2016 PROJECTED OPERATING BUDGET	2015/2016 PROJECTED SLOCAT BUDGET	2015/2016 PROJECTED N. COUNTY BUDGET
177,456	200,136	-	-	220,709	-	-	250,500	-	-
292,903	329,610	-	TBD	363,983	-	-	413,112	-	-
135,343	152,345	-	-	167,622	-	-	190,247	-	-
105,554	118,917	-	-	130,903	-	-	148,572	-	-
306,801	349,842	-	TBD	387,037	-	730,027	439,278	-	600,260
78,770	88,835	-	-	97,914	-	-	111,130	-	-
598,269	676,192	-	-	746,273	-	-	847,003	-	-
2,338,189	1,840,745	597,490	-	2,031,521	-	-	2,305,731	-	-
4,033,285	3,756,623	597,490	TBD	4,145,961	-	730,027	4,705,574	-	600,260
(519,830)	(519,830)	-	-	(612,880)	-	-	(626,735)	-	-
3,513,455	3,236,793	597,490	-	3,533,081	-	730,027	4,078,839	-	600,260
8,057,808	7,491,441	722,235	159,119	8,307,730	509,565	1,038,460	8,718,470	531,870	1,032,180
1,184,497	1,381,074	10,000	19,772	1,492,720	10,000	118,630	1,567,190	10,000	121,850
167,257	133,954	-	-	73,690	-	-	64,800	-	-
252,500	84,120	87,500	-	118,480	80,500	-	118,480	80,500	-
5,775,197	5,792,294	624,735	137,432	6,522,840	401,310	905,000	6,868,000	420,350	895,500
-	100,000	-	1,915	100,000	17,755	14,830	100,000	21,020	14,830
7,379,451	7,491,441	722,235	159,119	8,307,730	509,565	1,038,460	8,718,470	531,870	1,032,180

# SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

		<u>Actual</u> <u>FY 2011-12</u>	<u>Actual</u> <u>FY 2012-13</u>	<u>Adopted</u> <u>Operating</u> <u>Budget</u> <u>FY 2013-14</u>	<u>Amended</u> <u>Operating</u> <u>Budget</u> <u>FY 2014-15</u>	<u>Projected</u> <u>Operating</u> <u>Budget</u> <u>FY 2015-16</u>
<b>Administration and Service Delivery Totals</b>						
	Hours	57,726	58,259	60,118	<b>66,690</b>	72,240
	Miles	1,534,626	1,547,180	1,594,232	<b>1,678,830</b>	1,794,300
<b>Administration:</b>						
Labor	operations cost	594,701	654,090	731,454	<b>753,890</b>	801,810
Labor - Administration Workers Comp	operations cost	25,892	29,835	35,690	<b>42,830</b>	51,400
Office Space Rental	operations cost	405,247	402,332	416,190	<b>474,900</b>	490,240
Property Insurance	operations cost	11,590	15,255	16,186	<b>16,820</b>	18,500
Professional Technical Services	operations cost	98,754	59,108	90,725	<b>102,090</b>	107,810
Professional Development	operations cost	9,649	11,162	16,250	<b>25,750</b>	25,750
Operating Expense	operations cost	161,178	180,340	183,670	<b>249,000</b>	261,450
Marketing and Reproduction	hourly	60,131	84,875	92,300	<b>115,330</b>	141,060
North County Management Contract	operations cost	-	-	(6,620)	<b>(39,720)</b>	(39,720)
County Management Contract	operations cost	(175,000)	(175,000)	(87,500)	<b>(80,500)</b>	(80,500)
SCAT Management Contract	operations cost	(77,500)	(77,500)	(77,500)	<b>(78,760)</b>	(78,760)
<b>Total Administration</b>		<b>1,114,642</b>	<b>1,184,497</b>	<b>1,410,846</b>	<b>1,581,630</b>	<b>1,699,040</b>
<b>Service Delivery:</b>						
Labor - Operations	hourly	2,245,490	2,537,706	2,869,163	<b>3,734,110</b>	3,947,180
Labor - Operations Workers Comp	hourly	145,292	167,417	206,962	<b>289,780</b>	350,450
Labor - Maintenance	hourly	570,872	669,076	760,398	<b>889,210</b>	925,760
Labor - Maintenance Workers Comp	hourly	45,659	52,612	63,811	<b>84,810</b>	101,750
Fuel	miles	1,304,258	1,263,454	1,490,155	<b>1,555,560</b>	1,594,450
Insurance	miles	299,406	264,641	352,037	<b>435,900</b>	479,490
Special Transportation (includes Senior Vans, Lucky Bucks, etc)	n/a	70,095	75,950	81,700	<b>134,590</b>	76,160
Avila Trolley	n/a	55,661	46,444	66,100	<b>55,000</b>	57,750
Senior Shuttle	n/a	71,386	73,633	-	<b>-</b>	-
Maintenance (parts, supplies, materials)	miles	484,524	494,176	536,934	<b>555,770</b>	556,310
Maintenance Contract Costs	miles	143,620	130,088	127,202	<b>94,420</b>	94,550
<b>Total Operations</b>		<b>5,436,263</b>	<b>5,775,197</b>	<b>6,554,461</b>	<b>7,829,150</b>	<b>8,183,850</b>
<b>Contingency</b>	hourly	20,395	-	101,915	<b>132,585</b>	135,850
<b>Interest Expense</b>	operations cost	189,494	167,257	133,954	<b>73,690</b>	64,800
<b>Management Contracts</b>		252,500	252,500	171,620	<b>198,980</b>	198,980
<b>TOTAL FUNDING USES</b>		<b>7,013,294</b>	<b>7,379,451</b>	<b>8,372,795</b>	<b>9,816,035</b>	<b>10,282,520</b>

# SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

		Adopted Route A & B Budget FY 2014-15	Adopted Paso DAR Budget FY 2014-15	Amended Cuesta Evening FY 2014-15	Proposed Total Budget FY 2014-15	Projected Budget FY 2015-16
<b>North County Services</b>						
<b>Administration:</b>						
<b>Total Administration (Net of Contracts)</b>		<b>91,000</b>	<b>27,630</b>	<b>-</b>	<b>118,630</b>	121,850
<b>Service Delivery:</b>						
Labor - Operations	hourly	<b>412,020</b>	<b>146,460</b>	<b>-</b>	<b>558,480</b>	588,850
Labor - Operations Workers Comp	hourly	<b>34,260</b>	<b>7,170</b>	<b>-</b>	<b>41,430</b>	52,430
Labor - Maintenance	hourly	<b>48,850</b>	<b>14,270</b>	<b>-</b>	<b>63,120</b>	65,180
Labor - Maintenance Workers Comp	hourly	<b>6,810</b>	<b>1,430</b>	<b>-</b>	<b>8,240</b>	9,870
Fuel	miles	<b>88,050</b>	<b>16,510</b>	<b>-</b>	<b>104,560</b>	107,170
Insurance	miles	<b>20,610</b>	<b>3,860</b>	<b>-</b>	<b>24,470</b>	26,920
Special Transportation	n/a	<b>-</b>	<b>-</b>	<b>60,290</b>	<b>60,290</b>	-
Maintenance (parts, supplies, materials)	miles	<b>30,240</b>	<b>5,670</b>	<b>-</b>	<b>35,910</b>	36,450
Maintenance Contract Costs	miles	<b>7,160</b>	<b>1,340</b>	<b>-</b>	<b>8,500</b>	8,630
<b>Total Operations</b>		<b>648,000</b>	<b>196,710</b>	<b>60,290</b>	<b>905,000</b>	895,500
<b>Capital/Studies:</b>						
<b>Total Capital Outlay</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	25,000
<b>Contingency</b>	hourly	<b>12,260</b>	<b>2,570</b>	<b>-</b>	<b>14,830</b>	14,830
<b>Interest Expense</b>	operations cost	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-
<b>TOTAL FUNDING USES</b>		<b>751,260</b>	<b>226,910</b>	<b>60,290</b>	<b>1,038,460</b>	1,057,180
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<b>751,260</b>	<b>226,910</b>	<b>60,290</b>	<b>1,038,460</b>	1,032,180

# **SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

## **STAFF REPORT**

**AGENDA ITEM:** B-2

**TOPIC:** “Dunk Your Kicks” Promotion

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Review and Adopt Staff Recommendation

### **BACKGROUND/DISCUSSION:**

The Max Cure Foundation has requested that transit agencies in San Luis Obispo participate in a promotion called “Dunk Your Kicks,” the proceeds of which benefit families battling pediatric cancer. Under the proposal, riders would donate a pair of shoes on the bus in return for a free day pass.

SLO Transit has agreed to run the promotion Monday September 8<sup>th</sup> through Friday September 12<sup>th</sup>, which is prior to when Cal Poly fall classes begin. RTA staff is recommending that RTA participate in the program for only Saturday September 13<sup>th</sup> and Sunday September 14<sup>th</sup>. This reduced period would reduce our financial exposure, since RTA sells a far greater proportion of \$5.00 Regional Day Passes than SLO Transit sells its own local \$3.00 Day Pass during a typical week. Staff is not suggesting that our partners (South County Transit, Morro Bay Transit and Paso Robles Express) participate in the first year of this promotion due to those agencies’ struggles achieving their respective farebox recovery ratio requirements.

The Max Cure Foundation would provide all advertising and development of posters/flyers for this promotion. Below is a snippet from their website (<http://maxcurefoundation.org/dunk.html>):

*Knowing firsthand what it is like to have a child with cancer, The Max Cure Foundation (MCF) created the Roar Beyond Barriers program. This program financially supports low-income and military families battling pediatric cancer. The Dunk Your Kicks fundraiser allows MCF to receive money by collecting and selling the used sneakers to an international recycler of used clothing, who resells the "kicks" as affordable footwear in developing nations. Funds received by MCF, goes to support the Roar Beyond Barriers program and to advance the fight against pediatric cancer.*

This type of “stuff a bus” promotion is relatively common in the transit industry, particularly as it relates to food drives and toy drives during the Holidays. Staff would place barrels or sturdy bags on the fixed route buses to collect the shoes, and Road

Supervisors would collect the shoes during the day to ensure the shoes do not become a nuisance.

RTA sells approximately 150 Regional Day Passes in a typical weekend. In a worst-case scenario, each of those passes would be obtained through a donation of shoes, and RTA would have to pay no more than \$400 in Regional Day Pass shared revenue to our partner transit agencies (the actual impact will likely be significantly lower). RTA would also forego some cash fare receipts for those donors who normally buy a Regional Day Pass or pay the cash fare. In any case, it is likely the positive community relations gained by participating in this program, as well as the chance to market our services to community members that don't currently use RTA fixed route services, outweigh the reduced fare revenues.

**Staff Recommendation**

Work with SLO Transit and Max Cure Foundation officials to promote and participate in the Dunk Your Kicks program. RTA's participation would be limited to Saturday September 13<sup>th</sup> and Sunday September 14<sup>th</sup>. Report back the results to the RTA Board at its November 5<sup>th</sup> meeting.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** B-3

**TOPIC:** Revised Strategic Business Plan

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Approve

**RTAC RECOMMENDATION:** Approve

**BACKGROUND/DISCUSSION:**

The Board adopted the RTA 2012-2014 Strategic Business Plan in October 2011. This guiding document was developed following adoption of the 2010 Short Range Transit Plan, building upon the goals and objectives developed in the SRTP. The Strategic Business Plan further developed/defined the Vision and Mission statements. To ensure that the Strategic Business Plan remains a living document, staff worked with the Regional Transportation Advisory Committee to review and suggest changes to help us remain focused

This document should be used in conjunction with the Short Range Transit Plan. Staff will use the goals and objectives to move the organization forward and updates will be provided at RTA Board Meetings. For measurement purposes, the Short Range Transit Plan sets the base of what RTA believes it can achieve and the Strategic Business Plan sets the goal of what RTA strives to achieve.

**Staff recommendation:** Approve the 2015-2017 Strategic Business Plan as presented.

# **SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

## **2015-2017 STRATEGIC BUSINESS PLAN**

### Executive Summary

This 2015-2017 Strategic Business Plan updates the previous Plan adopted by the RTA Board of Directors in October 2011. This three-year Plan incorporates both new and revised standards, which were analyzed by RTA staff members and members of the Regional Transportation Advisory Committee. It is anticipated that this Plan will be reviewed and revised again (as necessary) in mid-2017 to reflect changing conditions.

### Background

In October 2008, the RTA Board, RTA staff, SLOCOG staff and members of the general public met in a day-long workshop to craft the elements of the first RTA Strategic Plan. The result of this workshop was a draft outline that contained the major sections and components of the plan. During the development of the FY09-10 Operating and Capital Program, staff developed the four key sections of the plan and this was approved by the Board during the budget process. The major components of the plan are the RTA Vision, Vision Elements, Mission of the Organization, and Strategies in achieving the Mission. The 2012-2014 Strategic Business Plan was subsequently adopted in October 2011, and it incorporated goals and objectives developed as part of the 2010 RTA Short Range Transit Plan. Staff uses the measurable standards in the Strategic Business Plan to help guide the organization toward meeting goals and objectives. The goals and objectives are premised on the following components:

### **Vision Statement**

The RTA of the future is an integral part of the “SLO lifestyle.” From the vineyards in North County, to the secluded beach towns on the North Coast, to multi-faceted community in the South County, residents and visitors use public transportation rather than relying on their cars.

### **Mission Statement**

The Mission of RTA is to provide safe, reliable and efficient transportation services that improve and enhance the quality of life for the citizens of and visitors to San Luis Obispo County.

### **Vision Elements**

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

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

### **Strategic Direction**

- Stabilize and grow funding.
- Continue to improve service quality: On-time performance, scheduling and routing, customer amenities on our vehicles and at our bus stops, operating procedures.
- Consolidate and streamline operations to improve efficiency and effectiveness of public transportation throughout the county.
- Include public transportation as part of the lifestyle evolution needed to confront climate change.
- Reduce private automobile Vehicle Miles Traveled.
- Embrace technological improvements that will positively impact efficiency and quality of service.

### **Overall 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 RTA serves.
4. Promote the value of RTA and public transportation to the quality of life in San Luis Obispo County and the environmental rewards of utilizing public transportation and the reduction of vehicle miles traveled.

## **Overall Objectives**

- 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 effective public transportation.
- 2.4 Provide efficient public transportation.
- 2.5 Provide comfortable intercity 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 San Luis Obispo County.
- 4.3 Implement an annual marketing plan.
- 4.4 Use public funding efficiently in meeting public transportation needs of communities that RTA services.
- 4.5 Educate community and business leaders and the public on the value of RTA services.

## **Current and Projected Business Conditions and Opportunities**

Current and projected economic conditions have and will continue to impact the RTA. Although we are proud that we were one of a very few public transit agencies in the state that did not reduce service levels or reduce our workforce or enact furloughs during the economic downturn that began in 2008, the economy did impact our operating and capital programs. The biggest impact over the past several years has been sacrificing our capital investment plan for the sake of sustaining current levels of service to our customers and communities.

We are still recovering from what most economists define as the worst economic recession since the Great Depression. The state and local unemployment rate surpassed 10% for a number of quarters and we are just now experiencing an improved job market. The housing market took a significant hit as did overall consumer spending, although both have recovered to almost pre-recession levels in 2014. TDA revenues are also recovering, which has resulted in increased net revenues for jurisdictions for transit and non-transit uses. Prop 1B bond sales are also recently recovering so that long-planned capital projects can again be implemented. The State budget calls for Cap and Trade funds to be available for transit needs beginning in the next year, although the method for distribution has not yet been finalized.

However, on the Federal side, we are facing another expiring transportation authorization bill in September 2014. Furthermore, discretionary funds that have previously been used to replace buses and to fund operations of North Coast and South County services have dried up and there is not a replacement funding source being seriously discussed. In short, RTA's ability to rely upon large infusions of capital and discretionary operating funds in the future is uncertain at best. This might result in RTA needing to finance such large-ticket items as a long-term operations/maintenance facility and/or the consolidated downtown transit center.

RTA continues to break ridership records, which has helped increase our Farebox Recovery Ratio (YTD over 30% through April 2014). Yet we still have many demands for new/expanded service and few new resources to fulfill these needs. Additionally we must continue our vigilance on containing costs as we still must contend with high fuel prices and increasing liability costs.

### **Overall Business Direction for FY15**

- ~~Continue to ride out the current economy with minimal impact to our customers and communities. We will work to achieve this by continuing to focus~~ Focus on cost effectiveness and living with our resources, and by undertaking efforts to grow operating and capital revenues.
- Seek and implement innovative opportunities to improve service for our customers within current resources.
- Be a leader among transit systems in developing and implementing environmentally friendly transit service and sustainable business practices.
- Work with SLO Transit to develop a Joint Short Range Transit Plan
- Begin environmental planning documentation to secure and begin development of a long-term operations/maintenance facility.
- Plan and prepare for the future growth of the system.

## 2015-17 Strategic Business Plan Objectives

### Goal

Increase ridership through improved system design by attracting choice customers and improving sub-regional transit alternatives.

### Objectives

1. Implement sub-regional service alternatives recommendations from South County and North County Transit Plans, the US101 Mobility Study, and the BRT Study ~~and Estero Bay Efficiencies Committee.~~
2. Continue to analyze data from the RTA Route Performance Standards to evaluate service efficiencies and effectiveness.
3. Complete ~~the~~ a biannual community survey to address current and potential customer needs.
4. Improve customer communications and information about RTA services.
5. Continue to explore alternative transit modes for underperforming and rural needs.
6. Achieve RTA Key Performance Indicators (KPIs) to improve existing service (On Time Performance, Customer Comments, Service Interruptions, Vehicle Collision Rate, etc.).

### Goal

Expand the development and use of our KPIs to enhance system performance, employee performance, and improve service quality to our customers.

### Objectives

1. New KPIs will 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 RTA Board, the Executive Director with input from throughout the organization shall set the standards as detailed in this document. These will be provided to everyone in the organization and reported on quarterly.

### Goal

Implement innovative opportunities to improve our service for our customers and potential customers.

### Objectives

1. ~~Conduct a Needs Analysis, Benefit/Cost Analysis for Implementation of~~ Implement RTA's Intelligent Transportation System (ITS) Program in conjunction with other jurisdictions.

2. Identify and secure funding ~~for~~ to sustain the ITS Program.
3. ~~Work in conjunction with current~~ Implement the recommendations of the Bus Rapid Transit (BRT) study.

## **Regional Transit Authority Standards of Excellence: Service Quality and Efficiency**

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

**Standard 1:** Fixed Route passengers per revenue vehicle service hour will be ~~21~~ 22 or greater.

*Measurement:* Objective.

- Reviewed monthly by Operations, and reported by Executive Director at each Board meeting.

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

*Measurement:* Objective.

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

**Standard 3:** System wide On-time Performance shall be ~~90%~~ 95% or greater.

*Measurement:* Objective.

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

**Standard 4:** Runabout On-time Performance shall be ~~90%~~ 95% or greater.

*Measurement:* Objective.

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

**Standard 5:** RTA 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.

- Reported by the Executive Director and Division Heads annually.

**Standard 6:** The number of bus trips with passenger standees will not exceed 10% of the daily bus trips on that route.

*Measurement:* Objective.

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

## **Regional Transit Authority Standards of Excellence: Revenue and Resources**

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

**Standard 1:** The annual operating budget will be based upon projected revenue and the total operating cost will not exceed the budget adopted by the Board.

*Measurement:* Objective.

- Monthly financial statements and YTD budget expenses.

**Standard 2:** Fixed Route Farebox Recovery Ratio shall be greater than ~~20%~~ 25%.

*Measurement:* Objective.

- Based upon monthly Route Productivity/Performance Report.

**Standard 3:** No significant financial audit findings.

*Measurement:* Objective.

- Finance and Administration will report any negative audit findings.

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

*Measurement:* Subjective.

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

## **Regional Transit Authority Standards of Excellence: Safety**

We recognize the tremendous importance of safety in the operation of RTA 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 ~~accidents~~ vehicle collisions will not exceed ~~2.0~~ 1.0 per 100,000 miles.

*Measurement:* Objective.

- Rate shall be reported by Safety and Training.

**Standard 2:** Address all safety hazards indentified by the Safety Resource Committee.

*Measurement:* Objective.

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

**Standard 3:** Preventable workers compensation lost-time claims will not exceed 12 6 annually, and preventable medical-only claims will not exceed 10 annually.

*Measurement:* Objective.

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

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

*Measurement:* Objective.

- As measured by ~~annual~~ community survey, which shall be conducted at least every two years.

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

*Measurement:* Objective.

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

## **Regional Transit Authority Standards of Excellence: Human Resources**

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

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

*Measurement:* Subjective.

- Annual assessment by Executive Director 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.

- Departments have submitted training needs with budget process.
- Maintenance: ~~40~~ 30 Hours per technician annually.
- Operations Supervisors: 24 Hours annually.
- Bus Operators: 8 Hours Annually (~~does not include bi-annual safety meetings~~).
- Finance and Administration: 16 Hours per employee annually.

**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 RTA's Standards and RTA's KPIs.

## **Regional Transit Authority Standard of Excellence: Fleet and Facility**

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

**Standard 1:** Replace, ~~rehabilitate, or retire~~ 100% of all revenue vehicles ~~within 1-3 years of their useful life (as defined by FTA)~~ no more than 40% beyond the FTA-defined useful life standard in terms of years or miles.

*Measurement:* Objective.

- As reported by Finance and Administration.

**Standard 2:** Road calls will not exceed ~~7.5~~ per 100,000 miles of vehicle service ~~hours~~ miles. A road call is defined as all 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 reported by the Maintenance Department.

**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 ~~annual~~ biannual Community Evaluation conducted by Marketing.

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

*Measurement:* Objective.

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

## **Regional Transit Authority Standards of Excellence: Leadership**

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

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

*Measurement:* Subjective.

- Will be reviewed by staff and RTA Board.

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

*Measurement:* Subjective.

- To be evaluated and monitored by RTA Board.

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

*Measure:* Subjective.

- To be evaluated by Executive Director.

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

*Measurement:* Subjective.

- To be evaluated by Executive Director and RTA Board.



## San Luis Obispo Regional Transit Authority

### Executive Committee Meeting

**Draft** Minutes 4/16/2014

C-1

Members Present: Shelly Higginbotham, President  
Debbie Arnold, Vice President

Members Absent: Frank Mecham, Past President

Staff Present: Geoff Straw, Executive Director  
Tania Arnold, CFO & Director of Administration  
Anna Mafort-Lacy, Administrative Assistant  
Tim McNulty, County Counsel

Also Present: Pete Rodgers, SLOCOG  
Eric Greening, Atascadero

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

**President Shelly Higginbotham** called the meeting to order at 10:00 a.m. Silent Roll Call was taken and a quorum was present.

#### 2. Public Comments:

**Mr. Eric Greening**, Atascadero, thanked **Ms. Aimee Wyatt** for her years of service at RTA. In filling her position, he asked staff to look for qualities of character that show a respect for and an ability to work collaboratively with the public.

#### 3. Information Items

##### A. Information Items:

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

**Mr. Geoff Straw** began his report by announcing Aimee's departure to the City of Santa Monica. The Employee of the Quarter barbecue lunch is on April 18. The consolidation with Atascadero and Paso Robles is going very well. Michael Seden-Hansen starts with RTA on

May 5 as a Special Projects Coordinator. His position is funded by the City of Paso Robles and he will report directly to the Executive Director. We will have two supervisors in Paso Robles with this consolidation, which is a great benefit to RTA. We will conduct a Bus Operator bid/shift selection meeting on Sunday, May 18 at 5 p.m. North County and RTA bus operators will have a chance to meet each other, and we are inviting Board Members to attend as well. Pizza will be served at the RTA office.

We currently have a Request for Proposals (RFP) to furnish and install a computerized maintenance tracking software system. It's a grant funded project and bids are due May 7. RTA will retire two 1995 Gillig buses. Each has traveled over a million miles.

Staff continues to work with North County Cuesta College to develop late-evening service from the campus to Paso Robles. They have presented some operating funds. The cities of Atascadero and Paso Robles, as well as the County, have agreed to it. We will look at this as a pilot project and we likely amend a budget at the July meeting. **Mr. Pete Rodgers**, SLOCOG, said the agreement still needs to go through the Paso Robles City Council. Atascadero gave a tentative yes. Staff supports it, but it has to go to City Council as well. The County supports a share of the service.

Staff continues to work with Community Action Partnership San Luis Obispo (CAPSLO) to purchase the property at 40 Prado. The soil sample came in clean. We are now developing the final agreements for the purchase. **Mr. Tim McNulty** said staff drafted a contract for CAPSLO buy the property from the seller, Condor Enterprises, which they may or may not use. Condor has its own version, and the differences between the two documents will have to be resolved. Then we will develop an agreement for RTA to buy a portion of the property from CAPSLO. This will entail us hiring an engineer to plot the new parcel we will be acquiring. This will then have to go through the City of San Luis Obispo to create a public lot. The cost of these steps should be shared 2/3 : 1/3 CAPSLO.

RTA ratified the collective bargaining agreement with the Labor Union and it is effective through January 31, 2018.

**Mr. Straw** concluded the Executive Directors report.

**Mr. Greening** clarified that **Michael Seden-Hansen** would continue to serve on the Regional Transit Advisory Committee (RTAC) now that he works for RTA. He hoped to get a look at the problem-solving process in regards to the Cuesta College North Campus late night service. He asked if a verbal report could be presented at the April 17 RTAC meeting. **Mr. Straw** said **Mr. Seden-Hansen** can continue on the committee as he represents the City of Paso Robles and it's covered under a separate budget. We will be presenting information to the committee regarding the services we will be providing.

#### 4. Action Items

##### B-1 RTA FY14-15 and FY15-16 Budget and FY15-16 Operating Budget, and FY14-15 through FY18-19 Capital Budget

**Mr. Straw** announced the budget for the fiscal years 2014-15 and 2015-16. Staff is again developing a two-year operating budget and five-year rolling capital budget. We will be operating the same level of core services. He asked **Ms. Tania Arnold** to present the budget.

**Ms. Arnold** reviewed the objectives, including maintaining services levels, increasing reserves and continuing to work on efficiencies. Route 9 has slight changes, which are addressed in the funding. Staff continues to address overcrowding issues and looks forward to implementing additional service with the CMAQ grant. Additionally, we are presenting a five-year capital program that includes the procurement of eight new 40-foot buses and two over-the-road coaches, as well as five Runabout/Dial-A-Ride vehicles over the next two years.

FY14-15 operating budget is \$8.3M and FY14-15 capital budget is \$5.7M. Also included in the capital budget is \$52,000 for shop equipment for the maintenance department and \$15,000 for facility improvements, such as the ITS software for the on-board camera security systems on our existing and new fleet.

Staff is taking a more conservative approach to STA as they have been fluctuating greatly and will be slightly lower overall. We use STA for capital as much as possible and not rely on it for operating. Local Transit Fund (LTF) projections are up about 10% and will be applied toward the operating budget. **Ms. Arnold** announced staff was successful in getting about \$800,000 in Job Access Reverse Commute (JARC) funding for FY14-15 for Route 10 and North Coast. However, this will be the last year and it will create a significant gap in the FY15-16 budget. We are using the funding levels this year of \$460,000 and allocating the balance next year to help off-set the shortfall.

We have the new CBA included in the budget, as well as delivery of eight vehicles in February or March 2015.

Administration expenses are up just over 5% due to workers compensation insurance. There is also a significant increase in our professional development line-item as staff shows tremendous interest in seeking additional training and cross-training opportunities.

Runabout service hours are expected to increase due to demand. Staff is proposing one additional full-time Bus Operator for Runabout. All other core positions remain unchanged.

The positions and other expenses related to the North County Consolidation are listed as a separate and distinct column.

Fuel consumption is budgeted at \$4.15, slightly lower than recent years. The new vehicles have a diesel exhaust fluid (DEF) additive that is used to lower emissions. This is included in the fuel line item.

There are no significant changes related to the operating revenue, other than JARC funding. Page B-1-9 reflects the breakdown of request from each of the cities for LTF funding. This page also lists funding uses for RTA core services.

We used Prop 1B funding to significantly reduce the loan amount for building improvements related to our current facility. The interest expense related this has dropped significantly as a result. Rabobank also reduced the interest rate on this loan.

Page B-1-10 addresses capital revenue for FY14-15 and FY15-16. It's difficult to project funding beyond those fiscal years. We are projecting paying off the loan when our lease expires and adjusted payments accordingly.

Page B-1-11 highlights all expenses for RTA core, North County and SLO County services. It gives detailed information on how the line items break out.

Page B-1-12 outlines Capital expenditures, where we project out needs such as vehicles, office equipment, software, camera systems and other items. **Mr. Straw** pointed out the need for funding in FY17-18 to replace two buses, estimated at \$1.2M. We don't have a funding source to replace buses.

**Ms. Arnold** reviewed the subsequent pages, which break out the budget by route. Route 9 increased service hours due to service to Cuesta North Campus. Page B-1-16 outlined Runabout expenses, which are significant and indicates the number of service hours are almost equal to that of RTA fixed routes. Page B-1-18 is the County Services budget, which SLO County has already approved. This service includes the Beach Trolley, Nipomo Dial-A-Ride, senior vans in Cambria and Cayucos and similar services. Page B-1-19 is the budget for North County services, which includes Routes A and B and Paso Robles Dial-A-Ride.

**Ms. Arnold** concluded her report.

**Mr. Greening** appreciated the emphasis of maintaining core services, avoiding cuts and enhancing service whenever possible. He asked if the costs associated with the new labor agreement is included in the budget. **Mr. Straw** said it is and we have stability for the next four years.

**Vice President Arnold** moved to approve Staff Recommendation to accept the operating and capital budget, Item B-1 and **President Higginbotham** seconded. The motion passed on a voice vote with **Past President Frank Mecham** absent.

#### B-2 RTA Reserve Funds Policy

**Mr. Straw** briefly reviewed two reserve funds: Cash Flow Reserve and Capital Projects Reserve, which were previously presented. The policies will provide direction to staff when developing annual budgets and guide decisions in the event of budget shortfalls or windfalls.

RTA will maintain a cash flow reserve amount of 25% of the net operating costs. This is already done for TDA purposes, but a policy codifies the process.

Capital Projects Reserves will be based upon 20% of the five-year annual average capital projects cost and represents the typical local-match required for Federal funding.

**Mr. Straw** concluded his report.

**Vice President Arnold** moved to approve Staff Recommendation to approve the Reserve Policy, Item B-2 and **President Higginbotham** seconded with **Past President Mecham** absent. The motion passed on a voice vote.

#### B-3 Revised Runabout No-Show Policy

**Mr. Straw** presented the old and new versions of the Runabout No-Show Policy. The first version was adopted in March 2012 and rolled out a year later. The Triennial Review finding cites the policy is out of compliance, too harsh and doesn't identify a pattern of missed trips.

The revised policy indicates the number of missed trips and no-show penalties, as well as a clear schedule for suspension of service.

**Mr. Straw** concluded his report.

**Mr. Greening** pointed out that he can ride the fixed routes 20 times and use approximately the same subsidy amount a Runabout rider uses for one trip.

**Vice President Arnold** moved to approve Staff Recommendation to approve Item B-3 and **President Higginbotham** seconded with **Past President Mecham** absent. The motion passed on a voice vote.

5. **Consent Agenda Items**

C-1 Executive Committee Meeting Minutes of February 19, 2014

C-2 Executive Committee Meeting Minutes of March 12, 2014

**Mr. Greening** pointed to Page C-1-4, halfway down, to his comments to Item A-2 of the February 19<sup>th</sup> meeting minutes. He recommended changing the word, “see,” to “adapt”. “It can be very difficult to **adapt** when de-boarding at dark bus stops.”

**Vice President Arnold** moved to approve Consent Agenda Items with the recommended change and **President Higginbotham** seconded with **Past President Mecham** absent. The motion passed on a voice vote.

6. **Agenda Review:**

**Mr. Straw** briefly reviewed the agenda for the Board meeting of May 7, 2014.

7. **Closed Session Items:**

CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code Section 54957.6)

Agency representative: Shelly Higginbotham

Unrepresented employee: Geoff Straw, Executive Director

The committee went into *Closed Session* at 11:11 a.m. and returned to *Open Session* at 11:19 a.m.

8. **Open Session:** **Mr. Tim McNulty**, Legal Counsel, reported that the Board met in closed session, no reportable action was taken.

9. **Adjournment:** **President Higginbotham** adjourned the meeting at 11:20 a.m.

Respectfully Submitted,

Acknowledged by,

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Anna Mafort-Lacy  
Administrative Assistant

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Shelly Higginbotham  
RTA President

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**JULY 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-2

**TOPIC:** Lease Agreement for Paso Robles Transit Center Building, 800 Pine Street

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Adopt

**BACKGROUND/DISCUSSION:**

As part of the North County consolidation effective June 1, 2014, RTA would like to enter into a lease agreement with the City of Paso Robles for the Transit Center, 800 Pine Street.

The premises consist of the building commonly known as the Transit Center Building, consisting of about 2,800 square feet, and the adjacent parking lot. The premises do not include the building commonly known as the Depot Building. Funding for the rental costs will be solely borne by the City of Paso Robles as part of its agreement with RTA to operate the Paso Express system.

**Staff Recommendation**

Staff recommends authorizing RTA Executive Director to enter into the lease agreement with the City of Paso Robles staff.

**LEASE AGREEMENT  
BETWEEN THE CITY OF EL PASO DE ROBLES AND THE SAN LUIS  
OBISPO REGIONAL TRANSIT AUTHORITY FOR USE OF THE  
TRANSIT CENTER BUILDING**

This Lease Agreement (the "Lease") is entered into as of \_\_\_\_\_, 2014, by and between the CITY OF EL PASO DE ROBLES, a municipal corporation of the State of California, hereinafter referred to as "Landlord" or "City" and the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, a California joint powers authority, hereinafter referred to as "Lessee."

**Recitals**

A. City is the owner of a building, commonly known as the "Transit Center Building," located generally at 800 Pine Street, Paso Robles, California (the "Premises").

B. City and Lessee entered into that certain Agreement for Provision of Paso Robles Transit Services by San Luis Obispo Regional Transit Authority dated \_\_\_\_\_ 2014, ("Transit Agreement") whereby in exchange for the transfer of all of City's transit assets and liabilities, Lessee assumed all responsibilities and obligations of providing local public transit services within City's limits.

C. As part of the Transit Agreement, Lessee and City agreed to meet and confer to determine if the Paso Robles Train Station facilities or other City property would be adequate for Lessee's administrative and parking needs.

D. City has agreed to lease to Lessee and Lessee has agreed to lease from City the Premises for its North County administrative offices.

E. The parties desire to enter into this Lease in order to define their respective rights and obligations in connection with the Lessee's use and occupancy of the Premises.

**Agreements**

NOW, THEREFORE, this is an integrated contract, relying on the statements in the above Recitals and with each and every covenant, term and condition stated below, each as a promise and consideration for the other, City and Lessee do hereby covenant and agree as follows:

1. Premises. The Premises consists of the building commonly known as the Transit Center Building, consisting of approximately 2,800 square feet, and the adjacent parking lot, all as located as shown on the Map attached hereto as Exhibit A and made a part hereof, on that real property situated in the City of El Paso de Robles, County of San Luis Obispo, State of California, and more particularly described in Exhibit B, attached hereto and made a part hereof. The Premises does not include the building commonly known as the Depot Building. The Premises is located at 800 Pine Street in the City of El Paso de Robles.

2. Lease. City does hereby lease to Lessee and Lessee hereby hires from City the exclusive right to lease and occupy the Premises, on the terms, conditions and provisions hereinafter set forth.

3. Term.

A. Initial Term. The term of this Lease shall be a period of three (3) years commencing on \_\_\_\_\_, 2014, and terminating at 11:59 p.m. on \_\_\_\_\_, 2024 (the day 3 years thereafter).

B. Option to Extend Term. If this Lease has not been previously terminated, then Lessee shall have the option to renew the term of this Lease for up to five (5) years. Any such extended term shall be upon the same terms and conditions set forth herein, except that the rent may be renegotiated.

Provided that Lessee is not in default of any of the terms of this Lease (as evidenced by delivery to Lessee of a written notice from City regarding such default), Lessee may exercise its option to extend the term of this Lease by providing written notice to City not later than 90 days prior to the termination date of the initial term, or any such extended term, as applicable. In the event of any such extension, references herein to the term of this Lease shall mean and refer to the initial term, plus any such extended term, as applicable.

4. Rent. Lessee shall pay to City on or before the first day of each calendar month during the term of this Lease Agreement as and for rent for the Premises an amount equal to TWO THOUSAND DOLLARS (\$2,000) per month. Rent payments shall commence on \_\_\_\_\_, 2014 and continue for each month for the remainder of the Term, unless adjusted elsewhere herein, and shall be paid prior to the fifth (5th) day of each month.

All rent shall be paid, without any off-set, counterclaim or deduction whatsoever, at City of El Paso de Robles, Department of Administrative Services, 1000 Spring Street, Paso Robles, CA 93446. If any portion of rent shall be due and unpaid for more than five (5) days, a late charge of five percent (5%) of the amount of the late payment shall be paid by Lessee for the purpose of defraying the expense incident to handling such delinquent payment. The late charge shall be in addition to any other remedy that the City shall have hereunder for default. ,

In the event this Lease is terminated by City or Lessee as provided in Section 28 Termination, a prorated portion of the pre-paid rent shall be returned to Lessee. The obligation of Lessee with respect to the payment of rent shall survive the termination of this Lease.

All other monetary obligations of Lessee of any kind under this Lease shall be considered as additional rent, due and payable in full upon demand by City. City shall have such rights and remedies for failure to pay such monetary obligations as City would have if Lessee failed to pay the rent hereunder.

Lessee hereby acknowledges and agrees that this Lease is intended to be a complete net lease to City, except as expressly herein set out, that City is not responsible for any costs, charges, expense and outlays of any nature whatsoever arising from or relating to the Premises, or the use and occupancy thereof, or the contents thereof or the business carried on

therein, and that Lessee shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Premises, except as expressly otherwise agreed to herein.

5. Abandonment. Lessee shall not vacate or abandon the Premises at any time during the term of this Lease; and if Lessee shall abandon, vacate or surrender the Premises, or be dispossessed by process of law or otherwise, City shall have the right to immediate possession of the Premises, and any improvements or fixtures thereon. All personal property of Lessee, in such event, shall be removed within thirty (30) days. For purposes of this Lease, Lessee shall be deemed to have abandoned the Premises if Lessee fails to use, operate and/or maintain the Premises in accordance with this Lease for a period of thirty (30) consecutive days. The provisions of this Section shall not apply during any period that the Premises is undergoing renovations or repair due to any damage to or destruction of the improvements, provided Lessee is diligently pursuing such renovations or repairs pursuant to plans approved by City.

6. Permitted Uses and Purposes. The Premises shall be used solely for the administrative office and operations purposes of Lessee. Lessee's use of the Premises is subject to Lessee's compliance with the terms and conditions set forth in this Lease, including without limitation compliance with the Standard Rules and Regulations set forth in Exhibit C, attached hereto and made a part hereof.

7. Uses Prohibited.

A. Lessee shall not, directly or indirectly, use or suffer the Premises or any part thereof, or any improvements or fixtures to be constructed thereon, to be used in violation of any federal, state or local laws, rules, regulations or ordinances. Further, Lessee shall not use or suffer the Premises or any part thereof, or any improvements or fixtures to be constructed thereon, to be used for any purpose or purposes inconsistent with those for which the Premises is hereby leased, without first obtaining the express written consent of the City Manager, consent to be issued upon a finding by the City Manager that such use or facilities will be consistent with the purpose of this Lease, or are required by circumstances not anticipated at the time of execution hereof but are determined by the City Manager to be reasonable. This remedy shall be in addition to any others afforded by law or by this Lease.

B. Lessee and those acting by, through or under Lessee, shall not improperly store, handle, treat, use release, dispose of, discharge or produce any hazardous substances or hazardous waste, or any pollutant, contaminant or toxic substance as those terms are defined in or as may be regulated or governed by any federal, state or local laws or ordinances intended to protect health, safety or the environment. Lessee shall be responsible to remediate and clean up any and all such hazardous substances, pollutants, contaminants or toxins. Lessee agrees to release, to defend with counsel acceptable to City, indemnify and to hold City harmless of, from and against any and all claims, expense, loss or liability suffered by City by reason of Lessee's breach of any of the provisions of this Section or any claims by Lessee's employees, agents, contractors, visitors or assigns, if permitted under this Lease, caused by, related, to, or arising from such breach. The indemnity contained in this Section shall survive the expiration or earlier termination of this Lease. The parties recognize that no adequate remedy at law may exist for Lessee's breach of this Section. Accordingly, City may obtain specific performance of any provision of this Section.

8. Parking. Lessee's employees shall have the nonexclusive right to utilize the parking facilities adjacent to the Premises. Lessee may not park its maintenance vehicles or buses in the parking lot adjacent to the Premises, nor may Lessee use the parking lot for any long-term or storage parking.

9. Waste, Nuisances. Lessee shall not commit, or suffer to be committed, any waste upon the Premises; nor shall Lessee maintain, or suffer to be maintained, any nuisance or any other act or thing which may disturb the enjoyment or the use of any other property or public streets adjacent to the Premises.

10. Rights of City. City shall have the following rights.

A. During the entire term of this Lease, City shall have the right to hold all keys and passkeys to the Premises, including the improvements thereon.

B. On reasonable prior notice to Lessee, City shall have the right to show the Premises to prospective tenants during the last six (6) months of the term of this Lease (or extended term, as applicable), and to any prospective purchaser, mortgagee, or assignee of any mortgage on the Premises and to others having a legitimate interest in the Premises at any time during the term of this Lease.

C. At any time in the event of an emergency, and otherwise at reasonable times upon not less than twenty-four (24) hours prior notice, City shall have the right to access the Premises and to take any and all measures, including making any inspections, repairs, alterations, additions or improvements to the Premises, as may be necessary or desirable for the safety, protection or preservation of the Premises or City's interests, or as may be necessary or desirable in the operation or improvement of the Premises, including the improvements thereon, or in order to comply with all laws, orders, and requirements of governmental or other authorities.

D. City shall not be in default hereunder nor have any liability to Lessee, nor shall Lessee have any right to terminate this Lease or claim an offset against or reduction in rent payable hereunder, due to any damage, annoyance or inconvenience resulting from any such use, inspections, repairs, alterations, additions or improvements. Lessee shall fully cooperate with City and City's agents or contractors in carrying out any such use, inspections, repairs, alterations, additions or improvements.

11. Furnishings, Fixtures and Equipment. Lessee shall furnish and equip the Premises with all fixtures, furnishings, equipment and other personal property, including without limitation movable office furniture, trade fixtures and office and professional equipment (collectively, "Personal Property") of a quantity and quality as necessary to operate the Premises and the improvements thereon for the purposes set forth in Section 6 of this Lease. Lessee shall take good care of such Personal Property, and keep the same in good order and condition, and promptly, at Lessee's own cost and expense, make all necessary repairs, replacements and renewals thereof. Any and all fixtures, furnishings, equipment and other Personal Property placed in, on or about the Premises by Lessee shall be the Personal Property of Lessee during the term of this Lease, subject to the rights of the City as set forth in this Lease.

Lessee may remove any Personal Property from time to time, during the term of this Lease, and within thirty (30) days following expiration of the term of this Lease, that may be removed without damage to the structural integrity of the Premises and the improvements thereon or that may be removed without impairing or adversely affecting, in the reasonable good faith determination of City, the Premises. Lessee shall repair all damage caused by any such removal and shall leave the Premises in a clean and neat condition.

12. Renovation, Alterations and Construction.

A. Lessee shall have the right to paint and decorate the interior of the Premises. Prior to making any other alterations, improvements or additions to the Premises or undertaking any remediation work on the Premises, Lessee shall obtain City's written approval and shall apply for and obtain all approvals required from the City and other governmental agencies with jurisdiction over such work of all plans and permits relating to any such alterations, improvements or additions and remediation work, and obtain any and all permits required for such alterations, improvements or additions and remediation work and operation and use of the Premises, including without limitation, building permits and/or use permits. All renovation and remediation work and improvements to be constructed on or made to the Premises shall be completed in accordance with plans approved by City, and shall comply with all applicable codes, ordinances, rules, and regulations.

B. Any and all alterations and improvements to the Premises shall be made at Lessee's sole cost and expense. Lessee agrees that those usual fees charged by City for permits and for inspections of development and construction shall be charged to Lessee, and Lessee will be required to pay any charges related to connection and installation of utilities, if any, and any other charges or fees imposed by or on behalf of agencies other than City relating to the renovation and construction of improvements on the Premises.

C. Any signage, including lettering, shall be at the sole expense of Lessee. No signs, names, placards or advertising matter shall be inscribed, painted, or affixed upon the exterior of the Premises without the prior written consent of City, which shall not be unreasonably withheld.

D. Lessee shall not suffer or permit any mechanic's lien to be filed against the interest of City or Lessee in the Premises, the improvements, or any portion thereof. If because of any act or omission of Lessee, its employees, agents, contractors or subcontractors, any mechanic's lien, charge or order for the payment of money shall be filed against City, or against all or any portion of the Premises, the improvements, or any portion thereof, Lessee shall, at its own cost and expense, cause the same to be discharged of record within thirty (30) days after the filing thereof, and Lessee shall indemnify and save harmless City against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable attorneys' fees, resulting therefrom.

E. At termination of this Lease, title to any and all improvements constructed on the Premises, including any and all alterations, improvements, and permanent fixtures which may be added to the Premises, whether temporary or permanent in character, shall become City's property and shall remain upon the Premises, without compensation to Lessee (excepting only

Lessee's Personal Property which may be removed pursuant to Section 11). City and Lessee covenant for themselves and all persons claiming under or through them that the improvements and permanent fixtures are real property.

13. Operating Costs and Expenses. Lessee shall, at its sole cost and expense, furnish all labor, equipment and expenses necessary for the operations and maintenance of the Premises for the purposes set forth herein. Lessee agrees that, during the term of this Lease, Lessee shall not request from City any funding or other financial assistance for operations or maintenance or repair of the Premises or any portion thereof.

14. Maintenance; Management.

A. Maintenance by Lessee. Lessee shall, at its sole cost and expense, keep and maintain the Premises, every part thereof, every improvement and fixture thereon and every utility structure, piping, or wiring necessary thereto in good, working and sanitary order, condition and repair, reasonable wear and tear and damage by casualty not caused by the negligence of Lessee or its agents, contractors or employees excepted. Lessee shall perform all required maintenance and repair, including the following:

1. Be responsible for and pay for any interior repair work of any nature including, but not limited to, plumbing, electrical, repairs to windows, walls, ceilings, floors, fire sprinklers, hot water heater, bathroom fixtures, room heaters, kitchen equipment, cupboards, doors, locks, air conditioning, ventilating, landscaping and signs.

2. Be responsible for and pay for the repair or maintenance of exterior windows, window cases, doors, plate glass, and the roof.

3. Be responsible for and pay for the repair or maintenance of the walkways around the Premises.

4. Lessee hereby acknowledges that City shall have no obligation whatsoever to provide guard service or other security measures for the specific benefit of the Premises. Lessee assumes all responsibility for the protection of Lessee, its agents, guests and invitees and the property of Lessee and its agents, guests and invitees from acts of third parties. Nothing herein contained shall prevent City at City's sole option, from providing security protection for the Premises or any part thereof.

5. Should Lessee fail to perform any of the required maintenance or repairs to the Premises within ten (10) days after receipt of City's written notice of such failure, City shall have the option to perform such maintenance or repairs for the Lessee's account, and the Lessee agrees to promptly reimburse City of the cost thereof. City shall not be obligated to make any repairs to or maintain any improvements on or to the Premises.

6. City, and its agents and representatives, shall have the right to enter the Premises upon reasonable notice and at reasonable times for the purpose of inspecting the same, and insuring Lessee's compliance with the terms and conditions of this Lease. Lessee shall provide keys to the Premises to City.

7. Lessee, at its sole cost and expense, shall continue to keep the Premises within compliance of the Americans with Disabilities Act (ADA). Any ADA deficiencies that are present at the time Lessee takes possession of Premises would be the sole responsibility of City to cure.

8. City shall have the right to review and approve any contract or agreement ("Management Agreement") that Lessee may enter into for the management of the Premises, which approval shall not be unreasonably withheld; provided, City's review and approval shall be limited to that extent necessary to ensure compliance with the terms and conditions of this Lease. City shall have the right to approve any property manager retained by Lessee to manage the Premises, which approval shall not be unreasonably withheld, and Lessee shall promptly notify City of any change in the property manager.

B. Maintenance by City. City shall maintain the parking lot adjacent to the Premises and the other areas and structures adjacent to the Premises, except for the walkways. City shall maintain the sewer and water service lines from the exterior of the Premises to the City's service lines. Except as specifically provided, City shall have no further obligation to perform repair or maintenance work on or to the Premises.

15. Utilities. Lessee shall be solely responsible for applying to the appropriate utility service provider to ensure utility service is provided to the Premises, as needed by Lessee. Lessee shall subscribe to garbage service consistent with the requirements of City's Municipal Code. Lessee shall, at its sole cost and expense, pay for the consumption of all utilities used at or on the Premises, including without limitation any and all electric, gas, telephone, internet, sewer, water, garbage, and other services and utilities necessary for the operation of the Premises and the improvements located thereon.

Lessee acknowledges that any one or more such services may be suspended by reason of accident or of repairs, alterations, or improvements necessary to be made, or by strikes or lockouts, or by reason of operation of law, or other causes beyond the reasonable control of City. Lessee shall have no right to any off-set or reduction in rent nor shall City have any liability for any such interruption or suspension of such services.

16. Compliance with Governmental Rules and Regulations.

A. Lessee shall, at its sole cost and expense, comply with all requirements of all municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, purposes, and operations, and shall faithfully observe in the use of the Premises and in the conduct of its operations all the municipal, state and federal statutes now in force or which may hereafter be in force. City agrees that no land use or building permit is required in order for Lessee to conduct the permitted uses and purposes of this Lease. Lessee shall be responsible for determining whether this Lease, or any work to be performed on the Premises will require the payment of prevailing wages for such work, and, if so, shall comply with all applicable requirements.

B. Lessee shall conduct its business in accordance with the requirements of the American with Disabilities Act of 1990 (the "Act") and with all other applicable statutes,

rules, regulations and ordinances relating to handicapped accessibility. Any renovations, alterations and improvements to be undertaken by Lessee on the Premises, including those provided for under Section 12 of this Lease, shall be performed in compliance with the applicable provisions of the Act and with all other applicable statutes, rules, regulations and ordinances relating to handicapped accessibility.

C. City shall have the right to make such other rules and regulations as in the reasonable judgment of City may from time to time be necessary for the safety, appearance, care and cleanliness of the Premises and the surrounding neighborhood, the safety and wellbeing of the users of the Premises, and for the preservation of good order therein.

17. Nondiscrimination.

During the term of this Lease, Lessee agrees as follows:

A. Lessee shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin. Lessee shall, in all solicitations or advertisements for employees placed by or on behalf of Lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin.

B. There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises, or any part thereof, and the Lessee itself, or any person claiming under or through it, shall not establish or permit any such practice of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Premises, or any part thereof.

C. Lessee shall refrain from restricting the rental, sale or lease of the Premises, or any portion thereof, on the basis of race, color, creed, religion, sex, age, handicap, medical condition, sexual preference, marital status, ancestry or national origin of any person.

18. Taxes and Assessments. Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxes levied on such interest.

Lessee agrees to pay, as and when due, all lawful taxes, assessments, fees or charges from which it is not exempt, which at any time may be levied by the state, county, City or any tax or assessment levying body upon any interest in this Lease or on any possessory right which Lessee may have in or to the property, or improvements or fixtures thereon, by reason of its use or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on goods, merchandise, fixtures, appliances, and equipment used by it, or related to its operations or the hiring and employment of agents and employees, provided or used by it, in, about, or for the operation and maintenance of the Premises.

19. Liens. Lessee shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. Lessee shall give City no less

than ten (10) days advance written notice of commencement of any work of improvement on the Premises. City shall be entitled to enter the Premises for the purpose of posting notices of non-responsibility.

20. Indemnity. Lessee agrees that City shall not be liable for and hereby releases City from (i) any injury to Lessee's operations or any loss of income therefrom or for damage to any machinery or equipment or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises; (ii) the loss of or damage to any property of Lessee by theft or otherwise; or (iii) any injury or damage to persons or property resulting from fire, steam, electricity, gas, water, rain or snow, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or HVAC systems or lighting fixtures, or from any other cause whatsoever (whether similar or dissimilar to those above specified), whether the same damage or injury result from conditions arising in the Premises, or at or on portions of the Premises, or from other sources or places, except to the extent caused by the active negligence, sole negligence or willful misconduct of the City. City shall not be liable for any damages arising from any act or neglect of any other tenant, if any, of the Premises. This waiver, release and indemnification does not apply to claims or damages arising from any act or neglect of any other tenant or person not the agent or any person doing business with Lessee, nor any latent construction defects in the building itself that fail and cause injury or property damage.

Lessee shall indemnify and hold harmless City, its officers, officials, directors, employees, agents, and volunteers from and against any and all claims, damages, losses and expenses, including attorneys' fees arising out of the occupancy of the Premises described herein, caused in whole or in part by any negligent act or omission of the Lessee, any sublessee, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence or willful misconduct of City.

City and Lessee each waives any and all rights of recovery against the other or against the directors, officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. City and Lessee shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

It is understood that any indemnification obligation of Lessee under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Lessee under workers' or workmen's compensation acts, disability benefit acts or other employee benefits acts.

The indemnity provisions contained in this Section 20 shall survive any termination of this Lease as to any events occurring prior to the date of such termination.

21. Insolvency and Bankruptcy. In the event of either (i) the appointment of a receiver to take possession of all or substantially all of the assets of Lessee, or (ii) a general assignment by Lessee for the benefit of creditors, or (iii) any action taken or suffered by Lessee

under any insolvency or bankruptcy act, or (iv) any liquidation or other cessation of Lessee's business, this Lease shall terminate immediately. City shall have the right of immediate possession of the Premises and any improvements or fixtures thereon.

22. Insurance. Lessee shall procure and maintain during the terms of this Lease, at its sole cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with Lessee's operation and use of the Premises. The cost of such insurance shall be borne by the Lessee.

A. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage ("occurrence" form CG0001).

2. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

3. "All Risk" property insurance, including extended coverage, insuring the City's buildings, structures, fixtures, equipment and furniture.

4. Property insurance against all risks of loss to any tenant improvements or betterments.

B. Minimum Limits of Insurance. Lessee shall maintain limits no less than:

1. General Liability: Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Employer's Liability: Two million dollars (\$2,000,000) per accident for bodily injury or disease.

3. Property Insurance: Full replacement cost with no coinsurance penalty provision for tenant improvements and betterments, City's buildings, structures, fixtures, equipment and furniture.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Lessee shall procure a bond or other acceptable security guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions.

1. The general liability policy is to contain, or be endorsed to contain, the following provisions:

a. City, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of property owned, occupied or used by Lessee. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees or volunteers.

b. The Lessee's insurance coverage shall be primary insurance as respects City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees or volunteers shall be excess of the Lessee's insurance and shall not contribute with it.

c. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to City, its officers, officials, employees or volunteers.

d. Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

e. Each insurance policy required by this Section shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt required, has been given to City.

2. The workers' compensation/employers' liability policy is to contain, or be endorsed to contain, the following provisions:

a. Waiver of Subrogation provision in favor of City.

b. Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to City.

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage. Lessee shall furnish City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be forms provided by City. All endorsements are to be received and approved by City within ten (10) days of the commencement date of this Lease. As an alternative to the City's forms, the Lessee's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

G. Subcontractors. Lessee shall include all subcontractors as insureds under its policies or shall furnish or cause to be furnished separate certificates and endorsements for each contractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

H. California Transit Insurance Pool. Notwithstanding the foregoing, City acknowledges that Lessee is a member of the California Transit Indemnity Pool ("CalTIP") which is a self-insured program, and that the coverage provided by such program shall be deemed to comply with the requirements of this Section 22. Lessee agrees that it shall name City as an Additional Covered Party. If for any reason during the term of this Lease, Lessee is no longer a participant in CalTIP, Lessee shall obtain the insurance required by this Section and provide evidence thereof to City.

I. City's Insurance. City agrees to retain the Premises as an insured structure on its fire insurance policies covering loss or damage to the Premises, but not Lessee's personal property, fixtures, equipment or tenant improvements. With respect to City maintaining said insurance, Lessee agrees as follows:

1. Lessee shall not do or permit to be done anything that invalidates the insurance policies carried by City.

2. Lessee shall, within thirty (30) days from written request from City, reimburse City the prorate share attributable to the Premises of the City's cost of its entire insurance requirements.

3. Lessee shall reimburse City the deductible amounts under the applicable insurance policies in the event of an insured loss.

4. City shall not be liable for injury to Lessee's business or any loss of income therefrom or for any loss or damage to goods, wares, merchandise or other property of Lessee, caused by fire, or any other cause covered under City's fire insurance policy.

J. Lessee and City each hereby release and relieve the other, and waive their entire right of recovery against the other, for direct or consequential loss or damage arising out of or incident to the perils covered by property insurance carried by such party, whether due to the negligence of City or Lessee or their agents, employees, contractors and/or invitees. If necessary, all property insurance policies required under this Lease shall be endorsed to so provide.

23. Repairs. Lessee shall, at Lessee's own expense, keep the Premises and each part thereof in good order, condition and repair during the term of this Lease. Lessee shall give to City prompt written notice of any damage to, or defective conditions in, any part or appurtenance of the plumbing, electrical, heating, air-conditioning or other systems serving, located in, or passing through the Premises. If any damage results from any act or neglect of Lessee or its agents, contractors or employees, City may, at City's option, repair such damage and Lessee shall promptly thereupon pay to City the total cost of such repair. Any repairs made to the Premises by Lessee shall be subject to the requirements set forth in Section 14 of this Lease, as applicable.

24. Destruction of the Premises.

A. In the event of damage to or destruction of the Premises caused by fire or other casualty, or any such damage or destruction to the Premises or the facilities necessary to provide services and normal access to the property, Lessee shall undertake to make repairs and restorations with reasonable diligence, unless this Lease has been terminated as hereinafter provided. In the event (i) the damage is of such nature or extent that, in Lessee's reasonable judgment, more than one hundred twenty (120) days would be required (with normal work crews and hours) to repair and restore the part of the Premises which has been damaged, or (ii) the Premises is so damaged that, in Lessee's reasonable judgment, it is uneconomical to restore or repair the Premises or portion thereof damaged, or (iii) less than eighteen (18) months then remain in the current term of this Lease, or (iv) insurance proceeds are not available or insurance proceeds that are available for the Premises are insufficient to repair or rebuild the damage, or (v) any mortgagee shall not permit the application of adequate insurance proceeds for repair or restoration, either Lessee or City shall, within ninety (90) days after any such damage or destruction, have the right to terminate this Lease by written notice to the other party, as of the date specified in such notice, which termination date shall be no later than thirty (30) days after the date of such notice. Rent shall be adjusted proportionately as of the date of the termination and Lessee shall promptly vacate the Premises; provided that prior to any such vacation, Lessee shall take such actions as are necessary to ensure that the damaged or destroyed portions of the improvements remaining on the Premises shall be left in a safe condition.

B. Provided this Lease is not terminated and is otherwise in full force and effect, Lessee shall proceed diligently to restore the Premises to substantially its condition prior to the occurrence of the damage, subject to any delay due to reasons beyond Lessee's control.

C. During the period when Lessee shall be deprived of possession of the Premises by reason of such damage of the Premises is, in City's judgment, rendered untenantable, Lessee's obligation to pay rent shall abate in proportion to the area of the Premises not usable.

25. Assignment and Subletting.

A. Lessee shall not, without City's prior written consent, (i) assign, convey, mortgage, pledge, encumber or otherwise transfer (whether voluntarily or otherwise) this Lease or any interest under it; (ii) allow any transfer of or any lien upon Lessee's interest by operation of law; (iii) sublet the Premises or any part thereof; or (iv) permit the use or occupancy of the Premises or any part thereof by anyone other than Lessee and its employees.

B. Lessee's request for consent to any sublet or assignment shall be in writing and shall contain the name, address, and description of the business of the proposed assignee or subtenant, its most recent financial statement and other evidence of financial responsibility, its intended use of the Premises, and the terms and conditions of the proposed assignment or sublease.

C. If, with the consent of City, this Lease is assigned or if the Premises or any part thereof is sublet or occupied by anybody other than Lessee, City may, after default by

Lessee, collect rent from the assignee, subtenant, or occupant, and apply the net amount collected to the rent to be paid by Lessee hereunder. If City consents to any such subletting or assignment, it shall nevertheless be a condition to the effectiveness thereof that a fully executed copy of the sublease or assignment be furnished to City and that any assignee assumes in writing all obligations of Lessee hereunder. No consent to any assignment, subletting or occupancy shall be deemed a waiver of any of Lessee's covenants contained in this Lease nor the acceptance of the assignee, subtenant or occupant as Lessee, nor a release of Lessee from further performance of any covenants and obligations under this Lease, unless otherwise agreed to in writing by City.

D. Any consent given by City to an assignment or subletting of this Lease shall not constitute a waiver of the necessity of such consent to any subsequent assignment or subletting.

E. Should City consent to an assignment or sublease of the Premises, all rent received by Lessee from its subtenants in excess of the rent payable by Lessee to City under this Lease shall be paid to City, and all sums to be paid by an assignee to Lessee in consideration of the assignment of this Lease shall be paid to City, unless otherwise agreed to in writing by City.

F. If Lessee requests City to consent to a proposed assignment or subletting, Lessee shall pay to City, whether or not consent is ultimately given, City's reasonable attorneys' fees incurred in connection with each such request.

26. Condition of Premises. Lessee is fully aware of the condition of the Premises and its suitability for the intended use and purposes provided in this Lease. Lessee agrees to accept the Premises, including the land and the buildings and improvements thereon, "as is" and in its present condition. No promise of City to alter, remodel, repair or improve the Premises, or any of the buildings or improvements located thereon, and no representation respecting the condition of the Premises or the buildings or improvements thereon, have been made by City to Lessee.

Except with respect to a termination resulting from damage or destruction, which shall be governed by Section 24, at the termination of this Lease, Lessee shall return and surrender the Premises in as good condition as when Lessee executed this Lease, ordinary wear and tear and loss by fire or other casualty not caused by the negligence of Lessee or its agents, contractors or employees excepted. If Lessee fails to comply with the previous sentence, City may restore the Premises to the condition the Premises was in when Lessee executed this Lease, and Lessee shall pay the cost thereof on demand.

27. Waivers. The waiver by either party of any breach of any term, condition, or provision herein contained shall not be deemed to be a waiver of such term, condition, or provision herein contained.

28. Termination.

A. This Lease may be terminated by City upon ninety (90) days written notice to Lessee, or by Lessee upon ninety (90) days written notice to City.

B. In the event that Lessee shall be in default of the payment of rent or any other amount due and owing under this Lease for a period of ten (10) days following written

notice of such default from City, or if Lessee shall fail or neglect to do or perform or observe any of the other covenants or agreements contained in this Lease on its part to be kept or performed, and such failure and neglect shall continue for a period of not less than thirty (30) days after City has notified Lessee in writing of Lessee's default, and Lessee has failed to correct such default within said ten (10) day or thirty (30) day period, whichever is applicable, then City may terminate this Lease.

C. In the event City is in default of any of its covenants or agreements contained in this Lease, and such failure and neglect shall continue for a period of not less than thirty (30) days after Lessee has notified City in writing of City's default, and City has failed to correct such default within said thirty (30) day period, then Lessee may terminate this Lease.

D. Upon expiration or within thirty (30) days after earlier termination or mutual cancellation of this Lease, Lessee shall turn over to City the Premises in good and serviceable condition, damage by the elements and ordinary wear and tear excepted. If Lessee fails to surrender the Premises within said thirty (30) days period, then City may lawfully at its option, immediately or at any time thereafter, without demand or notice, enter into and upon the Premises and in the name of the whole, repossess the same of its former estate, and expel Lessee, and those claiming by, through, or under Lessee, and remove their effects, if any, without prejudice to any remedy which otherwise might be used, for arrears, or rent, or other preceding breach of covenant. If Lessee fails to surrender the Premises to City as required by this Section, Lessee shall hold City harmless for all damages resulting from Lessee's failure to surrender the Premises.

E. If Lessee, with City's express consent, remains in possession of the Premises after the expiration or earlier termination of the term (including the initial term and any extended term), or after the date in any notice given by City to Lessee terminating this Lease, such possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days' notice given at any time by either party. During such month-to-month tenancy, the rent required to be paid hereunder shall be increased by 50% over the rent of the last month prior to the expiration or earlier termination of the Lease, or such other amount as mutually agreed upon by the parties. Lessee shall pay such rent and all other sums required to be paid hereunder monthly on or before the first day of each month. All other provisions of this Lease except those pertaining to the term shall apply to the month-to-month tenancy.

F. No expiration or termination of this Lease (except as expressly provided herein) and no repossession of the Premises or any part thereof shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive such expiration, termination or repossession, and City may, at its option, sue for and collect all rent and other charges due hereunder at any time as when such charges accrue. In the event City commences any suit for the repossession of the Premises, for the recovery of rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of the Lessee to be kept or performed, and a breach shall be established, Lessee shall pay to City reasonable expenses incurred in connection therewith, including reasonable attorneys' fees.

29. Estoppel Certificate by Lessee. After the commencement of this Lease, Lessee shall, upon request by City, execute and deliver to City within five (5) business days of such

request, a written certification in recordable form: (i) ratifying this Lease; (ii) setting forth the commencement date and expiration date; (iii) certifying that Lessee is in occupancy of the Premises; (iv) certifying that this Lease is in full force and effect; (v) certifying that all conditions under this Lease to be performed by City have been completed, or specifying the reasons if such is not the case; (vi) certifying that there are no defenses or offsets against the enforcement of this Lease by City; and (vii) certifying any additional information that City may reasonably request. Such certification shall be executed and delivered by Lessee as may from time to time be requested by City, and shall entitle City's mortgage lenders and/or purchasers to rely upon same. Lessee hereby appoints City as Lessee's attorney-in-fact to execute any such estoppel certificate in the event Lessee does not execute and return such certificate within the time period set forth above.

30. Binding Effect. The terms of this Lease shall inure to the benefit of, and shall be binding upon, each of the parties and their respective successors and permitted assignees.

31. Notices. All notices, demands, requests, consents, or approvals which may or are required to be given by either party to the other shall be in writing and shall be deemed given when sent by United States First-Class Mail, postage prepaid, or by reputable overnight delivery service or personal delivery (i) if for Lessee, addressed to Lessee at 179 Cross Street, Suite A, San Luis Obispo, CA 93401, or at such other place as Lessee may from time to time designate by notice to City; or (ii) if for City, addressed to the City of El Paso de Robles, 1000 Spring Street, Paso Robles, CA 93446, Attn: Department of Administrative Services, or at such other place as City may from time to time designate by notice to Lessee. All consents and approvals provided for herein must be in writing to be valid. If the term "Lessee" as used in this Lease refers to more than one person, any notice, consent, approval, request, bill, demand or statement given as aforesaid to any one of such persons shall be deemed to have been duly given to Lessee.

32. Brokerage. Lessee represents and warrants that it has dealt with no broker, agent or other person in connection with this transaction and that no broker, agent or other person brought about this transaction, and Lessee agrees to defend with counsel acceptable to City, indemnify and hold City harmless from and against any and all claims by any other broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Lessee with regard to this leasing transaction. The provisions of this subsection shall survive the termination of this Lease.

33. Relationship of Parties and Employment.

A. In performing the terms of this Lease, Lessee and City each remains an autonomous and separate entity, solely responsible for its own actions and those of its officials, employees, agents, officers, and volunteers. No relationship of employment, agency, partnership or joint venture is to be created by or implied from this Lease.

B. Lessee hereby agrees to use its best efforts to contract with City businesses for services and/or products, as necessary.

C. City acknowledges that Lessee has the ultimate right to choose its employees and contractors.

34. Miscellaneous.

A. As the parties or their agents have participated fully in the preparation of this Lease, the language of this Lease shall be construed simply, according to its fair meaning, and not strictly for or against any party. The section headings of this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

B. In the event any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Lease is declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Lease which are hereby declared to be severable and shall be interpreted to carry out the intent of the parties hereunder.

C. Neither party has made any representations or covenants, except as contained herein, or in some further writing signed by the party making such representation or promise. All prior communications or understandings, oral or written, between City and Lessee, are superseded by this Lease and this Lease contains the entire agreement between the parties hereto with respect to the subject matter of this Lease, and shall not be amended, modified or supplemented unless by agreement in writing, signed by both parties.

D. Lessee shall look solely to the Premises and rents for enforcement of any obligations hereunder or by law assumed or enforceable against City, and no other property or other assets of City shall be subjected to levy, execution or other enforcement procedure for the satisfaction of Lessee's remedies or with respect to this Lease, the relationship of City and Lessee hereunder or Lessee's use and occupancy of the Premises.

E. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Lease and the satisfaction of the conditions of this Lease.

F. The person or persons executing this Lease on behalf of Lessee and City warrants and represents that he/she has the authority to execute this Lease on behalf of that party and that he/she has the authority to bind that party to the performance of its obligations hereunder

G. Except as to the payment of rent, neither of the parties hereto shall be chargeable with, liable for, or responsible to, the other for anything or in any amount for any delay caused by fire, earthquake, explosion, flood, hurricane, the elements, acts of God, or the public enemy, action or interference of governmental authorities or agents, war, invasion, insurrection, rebellion, riots, strikes, or lockouts or any other cause whether similar or dissimilar to the foregoing, which is beyond the control of such parties and any delay due to said causes or any of them shall not be deemed a breach of or default in the performances of this Lease.

H. This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

I. This Lease has been executed and delivered in the State of California and the validity, enforceability and interpretation of any of the clauses of this Lease shall be determined and governed by the laws of the State of California. San Luis Obispo County shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Lease.

J. Time is of the essence of every provision of this Lease.

K. A memorandum of this Lease shall be recorded.

IN WITNESS WHEREOF, the parties have hereto executed this agreement on the day and year first above written.

**CITY:**

**LESSEE:**

\_\_\_\_\_  
James L. App, City Manager

\_\_\_\_\_  
President  
San Luis Obispo Regional Transit Authority  
Board of Directors

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Iris P. Yang, City Attorney

\_\_\_\_\_  
Assistant County Counsel

ATTEST:

ATTEST:

\_\_\_\_\_  
Dennis Fansler, City Clerk

\_\_\_\_\_  
Executive Director  
San Luis Obispo Regional Transit Authority

EXHIBIT A

MAP OF THE PREMISES



## EXHIBIT B

### LEGAL DESCRIPTION

PARCEL 1 OF PARCEL MAP PR 95-086 IN THE CITY OF EL PASO DE ROBLES,  
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE MAP  
FILED FOR RECORD ON FEBRUARY 6, 1996 IN BOOK 51 OF PARCEL MAPS AT PAGE  
85 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

## EXHIBIT C

### STANDARD RULES AND REGULATIONS

1. Lessee shall not suffer or permit the obstruction of any Common Areas, including driveways, walkways and stairways.
2. City reserves the right to refuse access to any persons City in good faith judges to be a threat to the safety, reputation, or property of City, the Premises and its occupants.
3. Lessee shall not make or permit any noise or odors that annoy or interfere with the other occupants or persons having business within the Premises.
4. Lessee shall not keep animals or birds within the Premises, and shall not bring bicycles, motorcycles or other vehicles into areas not designated as authorized by the City.
5. Lessee shall not make, suffer or permit litter except in appropriate receptacles for that purpose.
6. Lessee shall not alter any lock or install new or additional locks or bolts without providing keys for such locks and bolts to City. Lessee shall return all keys at the termination of the tenancy and shall be responsible for the cost of replacing any keys that are lost.
7. Lessee shall be responsible for the inappropriate use of any toilet rooms, plumbing or other utilities. No foreign substances of any kind are to be inserted therein.
8. Lessee shall not deface the walls, partitions or other surfaces of the Premises.
9. Lessee shall not suffer or permit anything in or around the Premises that causes excessive vibration or floor loading in any part of the Premises.
10. Significant furniture, freight and equipment shall be moved into or out of the building only with the City's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by City. Lessee shall be responsible for any damage to the Premises arising from any such activity.
11. Lessee shall not employ any service or contractor for services or work to be performed in the Premises except as approved by City.
12. No window coverings, shades or awnings that detract from the historic nature of the Premises shall be installed or used by Lessee without written authorization from City.
13. Lessee shall not suffer or permit smoking or carrying of lighted cigars or cigarettes in areas reasonably designated by City or by applicable governmental agencies as non-smoking areas.
14. Lessee shall not use any method of heating or air conditioning other than as provided by or approved by City.

15. Lessee shall not install, maintain or operate any vending machines upon the Premises without City's written consent.

16. The Premises shall not be used for lodging. In addition, the Premises shall not be used for manufacturing, cooking or food preparation except as incidental to a use of the Premises as authorized by the Lease.

17. Lessee shall comply with all safety, fire protection and evacuation regulations established according to law by any applicable governmental agency, including City.

18. Lessee assumes all risks from theft or vandalism and agrees to keep the Premises locked as may be required.

19. City reserves the right to waive any one of these rules or regulations, and/or as to any particular Lessee, and any such waiver shall not constitute a waiver of any other rule or regulation or any subsequent application thereof to such Lessee.

20. City reserves the right to establish such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Premises and its occupants. Lessee agrees to abide by these and such other rules and regulations established by City.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**JULY 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-3

**TOPIC:** Amended Contract with Executive Director

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw, Executive Director

**STAFF RECOMMENDATION:** Adopt

**BACKGROUND/DISCUSSION:**

During the recent employee review process, the Executive Director met with the Executive Committee and RTA Board. The amended contract is attached.

**Staff Recommendation**

Staff recommends authorizing the RTA Board to approve the amended the contract for the Executive Director.

**EXECUTIVE DIRECTOR EMPLOYMENT CONTRACT  
BETWEEN SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
AND GEOFF STRAW**

**THIS CONTRACT** entered into this \_\_\_\_ day of ~~January, 2012~~ June, 2014 by and between the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (hereinafter referred to as “SLORTA”) and GEOFF STRAW (hereinafter referred to as “Employee”).

**WITNESSETH**

**WHEREAS**, SLORTA desires to ~~begin~~ continue the employment of Geoff Straw as Executive Director of the San Luis Obispo Regional Transit Authority; and

**WHEREAS**, Geoff Straw desires to serve as the Executive Director of the San Luis Obispo Regional Transit Authority pursuant to the provisions of this Contract; and

**WHEREAS**, the Board of Directors, as appointing authority, and Geoff Straw desire to specify in a contract as to the terms and conditions of Geoff Straw’s continuing employment as Executive Director.

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

**1. Employment.** SLORTA hereby engages Employee as Executive Director of SLORTA, and Employee hereby agrees to perform for SLORTA the services hereinafter set forth for the compensation and benefits hereinafter set forth, all pursuant to the terms and conditions herein.

**2. Scope of Services.** Pursuant to this Contract, Employee shall perform all functions and duties of the Executive Director, as specified in the SLORTA Joint Powers Agreement, and such other legally permissible and proper duties and functions as may be assigned by the Board of Directors.

**3. Employment Status.** Employee will be eligible for membership in any and all benefits from any group plan for hospital, surgical, or medical insurance provided to SLORTA employees, as well as being eligible for membership in any retirement program, or for such other job benefits accruable to an employee in the classified service of SLORTA.

Employee understands and agrees that his term of employment is governed only by this Contract, that no right of tenure is created hereby, that he serves SLORTA as an “at-will” employee, and is exempt from the provisions of the Federal Fair Labor Standards Act (FLSA).

**4. Term of Contract.** This Contract shall commence on the 30<sup>th</sup> day of ~~January,~~ June, 2012-2014 and shall continue until terminated by either party in accordance with the provisions set forth herein. This Contract replaces the original employment contract entered into between SLORTA and Employee in January, 2012.

**5. Compensation.** SLORTA shall pay to Employee as compensation in full for all services performed by Employee pursuant to this Contract an annual salary of ~~\$116,709~~ \$124,512 per year, consisting of a \$120,885 base salary and a 3% merit increase over the existing contract of \$3,627, payable in increments compatible with SLORTA’s payment of other employees. The effective date of this salary shall be ~~January 30, 2012-4~~ January 5, 2014.

Thereafter, any annual salary adjustment shall be effective the last pay period of July. A salary adjustment shall be determined by the SLORTA Board of Directors considering the results of an initial six month performance evaluation, as specified in Section 9, and annually thereafter. ~~The Executive Director’s salary and salary range shall also be annually adjusted to include any cost-of-living increase provided for SLORTA employees.~~

**6. Other Supplemental Benefits.**

**a. Vacation, Holidays, Sick, Administrative Leave, and Jury Duty.**

Employee shall be entitled to accrue up to twelve (12) vacation days annually accrued at the rate of 3.69 hours per pay period, and one (1) additional day per year, in accordance with the RTA Vacation Accrual Rate Table, up to a maximum of twenty (20) vacation days annually. Vacation may be carried over to a maximum of two years of entitlement.

Employee shall be entitled to thirteen (13) holidays per year as specified in accordance with a holiday schedule for the San Luis Obispo Regional Transportation Authority as approved by the Board of Directors.

Employee shall be entitled to accrue up to twelve (12) sick days of paid sick leave per year, at an accrual rate of 3.69 hours per pay period, with a maximum accrual of 260 days.

Employee shall further be entitled to compensation at the end of employment for all unused vacation time and for 1/2 of the accrued sick leave up to a maximum of 180 days.

Employee is also entitled to paid administrative leave of up to six (6) days per year.

Employee shall be further entitled to leave of absence with pay for jury duty, provided all jury fees shall be paid to the County Treasurer on behalf of SLORTA.

**b. Retirement.** SLORTA agrees to provide to Employee the California Public Employees Retirement Systems's (CALPERS) "2% at Age 55" Plan, and "One-Year Final Compensation" provision, as approved by the Board of Directors for all SLORTA employees. SLORTA further agrees to pay the Employee's full contribution to PERS. These amounts paid by SLORTA are the Employee contributions and are paid by SLORTA to satisfy the Employee's obligation to contribute the current percentage of salary to PERS.

**c. Medical, Dental and Vision.** SLORTA agrees to provide 100% of the premium towards the SLORTA approved medical health program for purposes of health coverage, dental, and vision insurance premiums for the Employee and all eligible family members. Medical coverage is to be provided through the PERS Health Care Services Division;

and Dental and Vision is to be provided privately. Should Employee wish to increase health care coverage with CALPERS, the premium difference will be the Employee's sole responsibility, and will be paid on a pre-tax basis. The medical health care allowance shall be automatically adjusted throughout the term of this Agreement to be equivalent to the allowance provided to all other SLORTA employees.

**d. Disability and Life Insurance.** SLORTA shall provide the following insurance benefits: (1) Long-term disability insurance providing 2/3 of gross monthly salary to age 65 for any sickness or accident after a 90-day waiting period up to a maximum salary of \$4,500; and (2) \$100,000 term life insurance.

**e. Private Vehicle Use, Automobile Allowance, and Transit Pass.** SLORTA shall reimburse Employee at such rate as is adopted by the Board of Directors for the use of a private vehicle on "authorized agency business" conducted "outside the County of San Luis Obispo." Employee agrees to carry all necessary vehicle insurance. Employee shall also be entitled to four-hundred (\$400) dollars per month as an automobile allowance, and shall further be entitled to a Monthly Regional Transit Pass.

**f. Severance pay.** If Employee is terminated by the Board of Directors while still willing and able to perform the duties of Executive Director, SLORTA agrees to pay Employee, in addition to any other amounts that may be due Employee at the time of separation of employment, a lump sum cash payment equal to three (3) months salary, retirement and insurance benefits covered by this Contract, or a continuation of salary and benefits for a period of three (3) months, the particular method to be negotiated at the time of separation.

However, if Employee is terminated pursuant to the provisions of Paragraph 8 of this Contract, then SLORTA shall have no obligation to pay the severance set forth herein.

**g. Social Security and Deferred Compensation.** SLORTA shall provide

the employer contribution to the federal Social Security Program, and shall also provide \$200 per pay period into a private deferred compensation program established by SLORTA for Employee.

**h. General Expenses.** Employee shall be permitted to attend relevant conferences, seminars, and other such meetings, the reasonable cost of which shall be paid by SLORTA. SLORTA shall reimburse Employee in accordance with its customary expense reimbursement policies and procedures for expenses incurred by Employee in the execution of his duties under this Contract.

~~**i. Moving Expenses.** Employee shall be entitled up to \$5,000 towards moving expenses payable as follows: \$2,500 upon execution of contract and \$2,500 upon submittal of travel and moving expenses and receipts in accordance with SLORTA's Travel Policies and Procedures.~~

**j. Other Benefits.** Employee, as Executive Director, shall be entitled to an agency cell phone for continual access in the execution of his duties under this Contract. Employee shall also be entitled to enjoy such other benefits that SLORTA may establish in the future for its employees.

**7. Termination of Contract for Convenience.** Either party may terminate this Contract at any time by giving to the other party fourteen (14) days written notice of such termination specifying the effective date of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of transactions occurring prior to the effective date of such termination. Employee shall be paid for all work satisfactorily completed prior to the effective date of such termination and for all unused vacation time, and ½ of accrued sick leave accrued to date of termination as specified in section 6(a). However, employee shall only be entitled to Severance Pay, as identified in paragraph 6f, upon "Termination of Contract for Convenience" by action taken by the SLORTA Board of Directors.

**8. Termination of Contract for Cause.** If Employee fails to fulfill in a timely and professional manner any obligations under this Contract, SLORTA shall have the right to terminate this Contract effective immediately upon giving written notice thereof to Employee. Termination of this Contract under the provisions of this paragraph 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. In the event of termination, Employee shall be paid for all work satisfactorily completed prior to the effective date of such termination, all unused vacation time, all benefits or prorated portions thereof through the date of termination, and all reimbursed Employee expenses pursuant to paragraph 6(h) therein. However, Employee shall not be entitled to any severance pay.

**9. Performance Evaluation.** SLORTA shall evaluate Employee's performance annually as set forth in the adopted Executive Director Performance Evaluation Process, and described in Section 5, and shall establish, with the Employee, performance goals, and objectives for the ensuing year. The performance evaluation shall be facilitated with the assistance of legal counsel and shall be performed by the SLORTA Board of Directors and SLORTA staff.

**10. Modification.** This Contract 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.

**11. Non-Assignment of Contract.** This Contract is intended to secure the unique and individual services of the Employee and thus Employee shall not assign, transfer, delegate, or sublet this Contract or any interest herein.

**12. 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.

**13. 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.

**14. Nondiscrimination.** There shall be no discrimination against any person employed pursuant to this Contract in any manner forbidden by law.

**15. Copyright.** Any reports, maps, documents, or other materials produced in whole or part under this Contract shall be the property of SLORTA and shall not be subject to any application for copyright by or on behalf of the Employee.

**16. Findings Confidential.** No reports, maps, information, documents, or any other materials given to or prepared by Employee under this Contract shall become the property of Employee, nor shall be made available to any individual or organization by Employee without the approval of the SLORTA.

**IN WITNESS WHEREOF,** SLORTA and Employee have executed this Contract on the day and year first hereinabove set forth.

\_\_\_\_\_  
GEOFF STRAW

\_\_\_\_\_  
| ~~BRUCE GIBSON~~ SHELLY HIGGINBOTHAM, President

\_\_\_\_\_  
| ANNA MAFORTD-LACY, Recording Secretary

APPROVED AS TO FORM AND LEGAL EFFECT

\_\_\_\_\_  
TIMOTHY McNULTY, SLORTA Legal Counsel

Dated: \_\_\_\_\_

|

~~2722nwgw.docx~~

**EXECUTIVE DIRECTOR EMPLOYMENT CONTRACT  
BETWEEN SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
AND GEOFF STRAW**

**THIS CONTRACT** entered into this \_\_\_\_ day of June, 2014 by and between the SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (hereinafter referred to as “SLORTA”) and GEOFF STRAW (hereinafter referred to as “Employee”).

**WITNESSETH**

**WHEREAS**, SLORTA desires to continue the employment of Geoff Straw as Executive Director of the San Luis Obispo Regional Transit Authority; and

**WHEREAS**, Geoff Straw desires to serve as the Executive Director of the San Luis Obispo Regional Transit Authority pursuant to the provisions of this Contract; and

**WHEREAS**, the Board of Directors, as appointing authority, and Geoff Straw desire to specify in a contract as to the terms and conditions of Geoff Straw’s continuing employment as Executive Director.

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

**1. Employment.** SLORTA hereby engages Employee as Executive Director of SLORTA, and Employee hereby agrees to perform for SLORTA the services hereinafter set forth for the compensation and benefits hereinafter set forth, all pursuant to the terms and conditions herein.

**2. Scope of Services.** Pursuant to this Contract, Employee shall perform all functions and duties of the Executive Director, as specified in the SLORTA Joint Powers Agreement, and such other legally permissible and proper duties and functions as may be assigned by the Board of Directors.

**3. Employment Status.** Employee will be eligible for membership in any and all benefits from any group plan for hospital, surgical, or medical insurance provided to SLORTA employees, as well as being eligible for membership in any retirement program, or for such other job benefits accruable to an employee in the classified service of SLORTA.

Employee understands and agrees that his term of employment is governed only by this Contract, that no right of tenure is created hereby, that he serves SLORTA as an “at-will” employee, and is exempt from the provisions of the Federal Fair Labor Standards Act (FLSA).

**4. Term of Contract.** This Contract shall commence on the 30<sup>th</sup> day of June, 2014 and shall continue until terminated by either party in accordance with the provisions set forth herein. This Contract replaces the original employment contract entered into between SLORTA and Employee in January, 2012.

**5. Compensation.** SLORTA shall pay to Employee as compensation in full for all services performed by Employee pursuant to this Contract an annual salary of \$124,512 per year, consisting of a \$120,885 base salary and a 3% merit increase over the existing contract of \$3,627, payable in increments compatible with SLORTA’s payment of other employees. The effective date of this salary shall be January 5, 2014. Thereafter, any annual salary adjustment shall be effective the last pay period of July. A salary adjustment shall be determined by the SLORTA Board of Directors considering the results of an initial six month performance evaluation, as specified in Section 9, and annually thereafter.

**6. Other Supplemental Benefits.**

**a. Vacation, Holidays, Sick, Administrative Leave, and Jury Duty.**

Employee shall be entitled to accrue up to twelve (12) vacation days annually accrued at the rate of 3.69 hours per pay period, and one (1) additional day per year, in accordance with the RTA

Vacation Accrual Rate Table, up to a maximum of twenty (20) vacation days annually. Vacation may be carried over to a maximum of two years of entitlement.

Employee shall be entitled to thirteen (13) holidays per year as specified in accordance with a holiday schedule for the San Luis Obispo Regional Transportation Authority as approved by the Board of Directors.

Employee shall be entitled to accrue up to twelve (12) sick days of paid sick leave per year, at an accrual rate of 3.69 hours per pay period, with a maximum accrual of 260 days.

Employee shall further be entitled to compensation at the end of employment for all unused vacation time and for 1/2 of the accrued sick leave up to a maximum of 180 days.

Employee is also entitled to paid administrative leave of up to six (6) days per year.

Employee shall be further entitled to leave of absence with pay for jury duty, provided all jury fees shall be paid to the County Treasurer on behalf of SLORTA.

**b. Retirement.** SLORTA agrees to provide to Employee the California Public Employees Retirement Systems's (CALPERS) "2% at Age 55" Plan, and "One-Year Final Compensation" provision, as approved by the Board of Directors for all SLORTA employees. SLORTA further agrees to pay the Employee's full contribution to PERS. These amounts paid by SLORTA are the Employee contributions and are paid by SLORTA to satisfy the Employee's obligation to contribute the current percentage of salary to PERS.

**c. Medical, Dental and Vision.** SLORTA agrees to provide 100% of the premium towards the SLORTA approved medical health program for purposes of health coverage, dental, and vision insurance premiums for the Employee and all eligible family members. Medical coverage is to be provided through the PERS Health Care Services Division; and Dental and Vision is to be provided privately. Should Employee wish to increase health care coverage with CALPERS, the premium difference will be the Employee's sole responsibility,

and will be paid on a pre-tax basis. The medical health care allowance shall be automatically adjusted throughout the term of this Agreement to be equivalent to the allowance provided to all other SLORTA employees.

**d. Disability and Life Insurance.** SLORTA shall provide the following insurance benefits: (1) Long-term disability insurance providing 2/3 of gross monthly salary to age 65 for any sickness or accident after a 90-day waiting period up to a maximum salary of \$4,500; and (2) \$100,000 term life insurance.

**e. Private Vehicle Use, Automobile Allowance, and Transit Pass.** SLORTA shall reimburse Employee at such rate as is adopted by the Board of Directors for the use of a private vehicle on “authorized agency business” conducted “outside the County of San Luis Obispo.” Employee agrees to carry all necessary vehicle insurance. Employee shall also be entitled to four-hundred (\$400) dollars per month as an automobile allowance, and shall further be entitled to a Monthly Regional Transit Pass.

**f. Severance pay.** If Employee is terminated by the Board of Directors while still willing and able to perform the duties of Executive Director, SLORTA agrees to pay Employee, in addition to any other amounts that may be due Employee at the time of separation of employment, a lump sum cash payment equal to three (3) months salary, retirement and insurance benefits covered by this Contract, or a continuation of salary and benefits for a period of three (3) months, the particular method to be negotiated at the time of separation.

However, if Employee is terminated pursuant to the provisions of Paragraph 8 of this Contract, then SLORTA shall have no obligation to pay the severance set forth herein.

**g. Social Security and Deferred Compensation.** SLORTA shall provide the employer contribution to the federal Social Security Program, and shall also provide \$200 per pay period into a private deferred compensation program established by SLORTA for Employee.

**h. General Expenses.** Employee shall be permitted to attend relevant conferences, seminars, and other such meetings, the reasonable cost of which shall be paid by SLORTA. SLORTA shall reimburse Employee in accordance with its customary expense reimbursement policies and procedures for expenses incurred by Employee in the execution of his duties under this Contract.

**j. Other Benefits.** Employee, as Executive Director, shall be entitled to an agency cell phone for continual access in the execution of his duties under this Contract. Employee shall also be entitled to enjoy such other benefits that SLORTA may establish in the future for its employees.

**7. Termination of Contract for Convenience.** Either party may terminate this Contract at any time by giving to the other party fourteen (14) days written notice of such termination specifying the effective date of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of transactions occurring prior to the effective date of such termination. Employee shall be paid for all work satisfactorily completed prior to the effective date of such termination and for all unused vacation time, and ½ of accrued sick leave accrued to date of termination as specified in section 6(a). However, employee shall only be entitled to Severance Pay, as identified in paragraph 6f, upon “Termination of Contract for Convenience” by action taken by the SLORTA Board of Directors.

**8. Termination of Contract for Cause.** If Employee fails to fulfill in a timely and professional manner any obligations under this Contract, SLORTA shall have the right to terminate this Contract effective immediately upon giving written notice thereof to Employee. Termination of this Contract under the provisions of this paragraph 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. In the event of termination, Employee shall be paid for all

work satisfactorily completed prior to the effective date of such termination, all unused vacation time, all benefits or prorated portions thereof through the date of termination, and all reimbursed Employee expenses pursuant to paragraph 6(h) therein. However, Employee shall not be entitled to any severance pay.

**9. Performance Evaluation.** SLORTA shall evaluate Employee's performance annually as set forth in the adopted Executive Director Performance Evaluation Process, and described in Section 5, and shall establish, with the Employee, performance goals, and objectives for the ensuing year. The performance evaluation shall be facilitated with the assistance of legal counsel and shall be performed by the SLORTA Board of Directors and SLORTA staff.

**10. Modification.** This Contract 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.

**11. Non-Assignment of Contract.** This Contract is intended to secure the unique and individual services of the Employee and thus Employee shall not assign, transfer, delegate, or sublet this Contract or any interest herein.

**12. 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.

**13. 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.

**14. Nondiscrimination.** There shall be no discrimination against any person employed pursuant to this Contract in any manner forbidden by law.

**15. Copyright.** Any reports, maps, documents, or other materials produced in whole or part under this Contract shall be the property of SLORTA and shall not be subject to any application for copyright by or on behalf of the Employee.

**16. Findings Confidential.** No reports, maps, information, documents, or any other materials given to or prepared by Employee under this Contract shall become the property of Employee, nor shall be made available to any individual or organization by Employee without the approval of the SLORTA.

**IN WITNESS WHEREOF,** SLORTA and Employee have executed this Contract on the day and year first hereinabove set forth.

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GEOFF STRAW

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SHELLY HIGGINBOTHAM, President

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ANNA MAFORT-LACY, Recording Secretary

APPROVED AS TO FORM AND LEGAL EFFECT

---

TIMOTHY McNULTY, SLORTA Legal Counsel

Dated: \_\_\_\_\_

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

**STAFF REPORT**

**AGENDA ITEM:** C-4

**TOPIC:** Maintenance Equipment Procurement

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Authorize Executive Director to issue Request for Bids (RFB) to purchase Maintenance Equipments

**BACKGROUND/DISCUSSION:**

As presented at the May 1, 2014 Board meeting, RTA secured \$24,000 in FTA Section 5307 funds to purchase vehicle maintenance equipment such as portable bus washing machine, wireless four post lift, and related maintenance equipment. These FTA funds will be matched with \$85,000 in Rural Transit grant funds, equating to a total project budget of \$109,000.

This maintenance equipment will increase productivity and efficiency in our maintenance for years to come. The process should take approximately two to three months to finalize the procurement documents, award the contract, and place an order. Once a purchase order is issued by RTA for this maintenance equipment, it will take approximately 1-2 months for delivery.

**Staff Recommendation**

Staff requests the Board's concurrence to authorize the Executive Director to issue a Request for Bids to purchase various Maintenance Equipments at a cost not to exceed the already approved funding of \$109,000.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

**STAFF REPORT**

**AGENDA ITEM: C-5**

**TOPIC: APCD Grant Agreement Amendment for SCT Bus #208**

**ACTION: Review and Approve**

**PRESENTED BY: Geoff Straw  
Executive Director**

**STAFF RECOMMENDATION: Approve the amendment to switch SCT Bus #1308 for SCT Bus #208**

**BACKGROUND/DISCUSSION:**

On April 18, 2007, the South County Area Transit Board of Directors amended its FY2006-07 budget to accept \$50,000 in Conoco-Phillips Grant Funds from the San Luis Obispo County Air Pollution Control District to convert bus #208 (a 1994 Gillig Phantom diesel-powered bus) to a gasoline-electric hybrid drivetrain. This retrofit project was completed in 2007 by Complete Coach Works using a hybrid package provided by ISE Corporation. The bus entered revenue service on March 30, 2007.

However, it quickly became apparent that this experimental technology was not reliable. RTA, acting on SCT's behalf, worked closely with Complete Coach Works and area warranty providers to attempt to keep the bus operational. The vehicle was eventually removed from revenue service in late 2012, following the bankruptcy of ISE Corporation in 2010 and the ensuing loss of technical support.

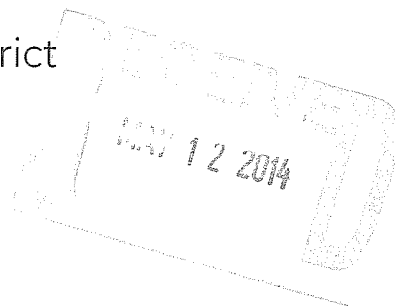
Staff worked with APCD to amend the agreement, and we arrived at a solution whereby bus #208 would be replaced by bus #1308, a 2013 Gillig Corporation low-floor bus. It should be noted that the 2013 bus produces lower emissions than the hybrid bus it replaced. The attached amendment essentially "starts the clock" again, and would require SCT to operate the replacement bus for 18 years.

**RECOMMENDATION**

Authorize the Executive Director to execute the attached grant agreement amendment, with any non-consequential revisions that might be required following APCD Board action.



Air Pollution Control District  
San Luis Obispo County



May 8, 2014

Geoff Straw  
San Luis Obispo Regional Transit Authority  
179 Cross Street, Suite A  
San Luis Obispo, CA 93401

Subject: Grant Agreement Amendment for Emission Reduction Grant Project ID: COP-06-01

Dear Mr. Straw,

Our attorney has signed the Grant Agreement Amendment for the Emission Reduction Grant Project as identified in your grant application. I am sending you the Grant Agreement Amendment for your review and signature. Please contact Melissa Guise at 805-781-4667 if you have any questions.

After you have signed the amendment, please return the original to the APCD (attn: Melissa Guise) within 10 days of receipt. The Grant Agreement Amendment is effective after the Air Pollution Control Officer reviews and signs it, at which time the APCD will contact you and send you a copy of the final signed amendment.

Sincerely,

A handwritten signature in cursive script that reads "Alyssa Roslan".

Alyssa Roslan  
Administrative Assistant

ARR/mag

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**AMENDMENT TO GRANT AGREEMENT**

**between**

**The San Luis Obispo County Air Pollution Control District**

**and**

**San Luis Obispo Regional Transit Authority on behalf of South County Area Transit**

This Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the SAN LUIS OBISPO COUNTY AIR POLLUTION CONTROL DISTRICT, an air pollution control district formed pursuant to the laws of the State of California (APCD) and San Luis Obispo Regional Transit Authority (Contractor).

**WITNESSETH**

WHEREAS, the parties have previously entered into an emission reduction Grant Agreement on January 16, 2006 to repower one diesel-powered transit coaches with one gasoline-hybrid electric drive; and,

WHEREAS, Contractor was awarded fifty thousand dollars and was paid said amount for equipment purchase and,

WHEREAS, Contractor has requested permission to retire the gasoline-hybrid purchased as part of the original agreement and replace it with a newer low emission piece of equipment and,

WHEREAS, the parties desire to amend said Grant Agreement as specified in this Amendment to the Grant Agreement; and,

NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree to amend the original Grant Agreement as follows:

PARAGRAPH 15, NOTICES, shall be deleted and replace with the following text:

**CONTRACTOR**

Geoff Straw  
Executive Director  
San Luis Obispo Regional Transit Authority  
179 Cross St., Suite A  
San Luis Obispo, CA 93401

**APCD**

Larry Allen  
APCO  
SLO Air Pollution Control District  
3433 Roberto Court  
San Luis Obispo, CA 93401

**EXHIBIT A, STATEMENT OF GRANT OBLIGATIONS,** The following sections of Exhibit A will be revised as indicated below all other sections of Exhibit A will remain as per the original agreement:

**EXHIBIT A**

STATEMENT OF GRANT OBLIGATIONS

**General**

The SLO APCD promotes voluntary diesel engine emission reduction programs reduce public exposure to ozone precursors and a toxic air contaminant. On May 31, 2006, APCD's Board directed APCD to implement an incentive program designed to reduce emissions from heavy duty diesel vessel engines using \$475,000 from the ConocoPhillips mitigation fund. The APCD solicited qualifying grant proposals for the combined funds. APCD staff evaluated all grant proposals using established evaluation criteria; the Contractor has proposed a project that meets the eligibility criteria of the APCD and that has been approved by the APCD for funding.

**Project Description**

This project involves the replacement/repower of one gas-hybrid electric drive transit coach with a clean diesel transit coach. The following **baseline (old)** engine/equipment technology will be permanently removed from service as a result of this project:

1. 2006 Tier 3 310 hp gasoline Ford/ISE Triton V10 hybrid electric; NOx Emission Factor 1g/mi; PM Emission Factor 0g/mi, 40,000 miles of usage per year.

The following **new** engine/equipment technology will be placed into service as a result of this project. The performance requirements, emission certifications and usage over the life of this Agreement for the new replacement engine/equipment technology shall be as follows:

1. 2013 Gillig 35-foot, low-floor transit bus, VIN #15GGB271XD1182298; with a 2013 Cummins ISL9-280 HP engine, serial number 73574717, Engine Family DCEXH0540LAT

The funding award for this project has been paid in full.

**STATEMENT OF WORK AND PROJECT TIMELINE**

Task 3: APCD pre-inspection of old engine: If not accomplished during the contracting phase, Contractor shall schedule an APCD pre-inspection before the functioning old engine(s) is (are) removed from service.

Task 4: Installation and post-inspection of new engine(s):

- Contractor will take delivery and have the new engine(s) installed by an agent that is authorized by the manufacturer and the APCD. If the Contractor selects an agent which is not on the APCD's list of authorized installers, then the Contractor shall provide the APCD with written authorization from the manufacturer for that agent to perform the installation;
- Contractor shall schedule the post-installation inspection with the APCD.

Task 5: Disposal of original engine(s): The requirement of this task is to ensure that old bus and engine block is never put back into service. Contractor shall dispose of the replaced engine(s) by making it (them) permanently inoperable and selling the block(s) as scrap metal. Acceptable destruction methods include:

- ½ inch holes drilled through two cylinder walls; or
- A hole in the block that is at least 3 inches in diameter.

Contractor may remove and retain ownership of any parts from the replaced engine(s), provided that the engine block(s) is (are) disposed as just described.

Within thirty (30) days of removing the original engine(s), Contractor shall submit to the APCD a completed Engine Disposal Certificate(s) (Exhibit C1) for each engine along with a receipt from a scrap metal agent that demonstrates that it has (they have) been received and scrapped. Photographic documentation of the destroyed engine(s) is also required and shall be provided by the Contractor unless the APCD is available to inspect the destroyed engine(s).

The APCD reserves the right to verify the destruction of the engine(s). If Contractor fails to ensure proper disposal of the original engine(s) as described above, then Contractor shall forfeit the project's funding award.

Task 7: Usage and Maintenance Logs: A usage and maintenance log for the new engine(s) shall be maintained by Contractor and made available to APCD staff upon request.

Task 8: Annual Usage Reports: By January 30<sup>th</sup> of each year after the engine(s) is (are) installed through the term of this Agreement or any amendments to it, Contractor shall provide the APCD with Calendar Year Annual Usage Reports as outlined in Exhibit B using the report form in Exhibit B-1a. Attach copies of the pertinent engine Usage and Maintenance Logs for validation.

Task 9: Annual Insurance Certificates: Annually through the term of this Agreement or its amendments, after the engine(s) is (are) installed, Contractor shall send the APCD updated insurance certificates that list the APCD as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement.

**Term of Agreement**

For the purposes of this Agreement, the term of the Agreement is defined herein to be five years from the date of this amended Agreement. If the total usage of the engine(s) over the term of this Agreement demonstrate(s) underperformance with regards to the Project Description usage stated above, then the APCD shall:

1. Use its discretion to amend the Agreement in order for the project(s) to meet the Agreement's performance requirements; or
2. Require the Contractor repay the APCD the portion of the grant amount that is computed using the equation in Paragraph 4.

In all other respects, the remaining terms and conditions of the original Grant Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

**CONTRACTOR**

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

\_\_\_\_\_  
Geoff Straw, Executive Director

\_\_\_\_\_  
Tax I. D. Number

**Approved as to legal form:**

\_\_\_\_\_  
Timothy McNulty, SLORTA Counsel

**APCD**

SAN LUIS OBISPO COUNTY APCD

\_\_\_\_\_  
Larry R. Allen, Air Pollution Control Officer

**Approved as to legal form:**

  
\_\_\_\_\_  
Raymond A. Biering, APCD Counsel

**Exhibit B1-a, Usage Report: The following section of Exhibit B will be revised as indicated below. All other sections of Exhibit B will remain as per the original agreement.**



Air Pollution Control District  
San Luis Obispo County

**Annual Engine Usage Report ( \_\_ of 5)  
(Agreement#: COP-06-01)**

**INSTRUCTIONS:** Complete this Annual Engine Usage Report every year for five year(s) after the APCD completes this project's post inspection. The report shall be sent to the APCD within 2 weeks of the post inspection anniversary date. **Failure to provide complete information in a timely manner may lead to an immediate engine inspection and audit.**

**SECTION 1. GRANTEE INFORMATION**

Geoff Straw  
SLORTA  
179 Cross Street, Suite A  
San Luis Obispo, CA 93401  
805-781-1171  
Date Due:

**SECTION 2. NEW ENGINE INFORMATION:** Please verify the information below and provide any missing information:

1. Location of Engine:
2. Model Year, Make and Model of Engine:
3. Engine Serial #:
4. Power Rating:

**SECTION 3. ANNUAL USAGE INFORMATION:** Please provide the following engine usage information annually based on the anniversary date of the post inspection/installation date:

1. Complete the following usage table:

	DATE	ODOMETER READING	
REPORT PERIOD BEGIN			If available, TOTAL GALLONS of fuel used during period
REPORT PERIOD END			
TOTAL ENGINE USAGE WITHIN THIS PERIOD			MILES

2. Percentage of operation within California over the reporting period: \_\_\_\_\_
3. If the total usage shown in #1 above is more than 30 percent above or below 40000 (per the Grant Agreement), please describe the conditions (such as weather, permits, major maintenance, etc.) that significantly impacted project usage:  
\_\_\_\_\_

4. Has the bus functioned effectively over this period? ☐ Yes ☐ No  
If No, please attach description of issue(s) & steps taken to resolve issue(s).  
\_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Mail to:** APCD, 3433 Roberto Court  
San Luis Obispo, CA 93401

**Fax to:** (805) 781-1002  
**Questions:** (805) 781-5912

**APCD USE ONLY**

- \_\_\_\_\_  
Reviewer Initials
- \_\_\_\_\_  
Review Date
- ☐ Usage within 30%
- ☐ APCD Database Updated

**Exhibit C1, ENGINE DISPOSAL REPORT, Exhibit C-1 will be revised as indicated below:**

**Exhibit C1: Certificate of Engine Scrap Disposal  
(Agreement #: COP-06-01)**

<b>GRANTEE INFORMATION</b>	
Name	
Street Address	
City/State/Zip	Phone

<b>ENGINE INFORMATION</b>
Engine Make, Model and the Engine Block's Serial Number(s)
Date of Removal from Service

<b>METHOD FOR ENGINE REMOVAL FROM SERVICE</b>
Describe how the engine was rendered unusable.

<b>COMPANY INFORMATION</b>	
Name of Scrap Metal Recycler	
Street Address	
City/State/Zip	Phone

Signature\_\_\_\_\_ Date\_\_\_\_\_

- Contractor shall dispose of each replaced engine by making it permanently inoperable using one of the methods listed in Exhibit A of this Grant Agreement, selling the block as scrap metal and submitting to the APCD a receipt from the scrap metal agent;
- Photographic documentation of the destroyed engine(s) is required and shall be provided by the Contractor unless the APCD is available to inspect the destroyed engine(s);
- Above documentation shall be submitted to APCD within 30 days engine being removed from service;
- The APCD reserves the right to verify the destruction of the engine(s).

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## GRANT AGREEMENT

between

The San Luis Obispo County Air Pollution Control District

and

San Luis Obispo Regional Transit Authority on behalf of South County Area Transit

This Agreement is made and entered into this 16<sup>th</sup> day of January, 2006, by and between the SAN LUIS OBISPO COUNTY AIR POLLUTION CONTROL DISTRICT, an air pollution control district formed pursuant to the laws of the State of California (APCD) and SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY on behalf of South County Area Transit (Contractor).

### WITNESSETH

WHEREAS, in July 2005 the APCD entered into a Memorandum of Understanding (MOU) with ConocoPhillips on an Enforcement Agreement to resolve violations of emission limits at the Refinery and Carbon Plant; and,

WHEREAS, of the total settlement fees secured through this Enforcement Agreement \$675,000 was made available for funding emission reduction projects through the Air Quality Mitigation Fund (AQMF); and,

WHEREAS, in November 2005 it the APCD Board allocated \$400,000 for heavy-duty diesel emission reduction projects and \$75,000 was for use on portable engine repowers/replacements.

WHEREAS, in May 2006 the APCD Board approved reallocation of \$75,000 originally designated for portable engine repowers/replacements to the heavy-duty diesel category, resulting in a total of \$475, 000 allocated for heavy-duty diesel projects.

WHEREAS, APCD promotes voluntary emission reduction programs under cooperative Agreements with eligible applicants to reduce public exposure to ozone precursors and toxic air contaminants; and,

WHEREAS, on May 31, 2006, APCD's Board directed APCD to implement an incentive program designed to reduce emissions from heavy duty diesel engines using \$475,000 from the ConocoPhillips mitigation fund; and,

WHEREAS, the Contractor has proposed a project that meets the eligibility criteria of the APCD and that has been approved by the APCD for funding; and,

WHEREAS, Contractor represents that it is willing and able to perform the activities set forth herein and that it will benefit by receiving funds to help purchase new, lower emission equipment.

NOW, THEREFORE, based on their mutual promises, covenants, and conditions, the parties hereby agree as follows:

**1. PROJECT**

Contractor shall perform all activities and work necessary to implement and complete the project set forth in the proposal which is incorporated herein as Exhibit A. Contractor agrees to furnish all labor, materials, equipment, licenses, permits, fees, and other incidentals necessary to perform and complete, per schedule, in a professional manner, the services described herein. Contractor represents that Contractor has the expertise necessary to adequately perform the project specified in Exhibit A.

In the event of any conflict between or among the terms and conditions of this Agreement, the exhibits incorporated herein, and the documents referred to and incorporated herein, such conflict shall be resolved by giving precedence in the following order of priority:

1. The text of this Agreement; and
2. Exhibits A, B, Exhibit B-1a and Exhibit C1 to this Agreement.

**2. PERIOD OF PERFORMANCE/TIMETABLE**

Contractor shall commence performance of work and produce all work products in accordance with the work schedule and deadlines for performance identified in Exhibit A (Statement of Grant Obligations) unless this Agreement is terminated sooner as provided for elsewhere in this Agreement.

**3. ENGINE(S)/EQUIPMENT REQUIREMENTS**

**A. Installation:** The Contractor shall install the engine(s)/equipment as per the manufacturer specifications with an agent that is authorized by the manufacturer and the APCD. If the Contractor selects an agent which is not on the APCD's list of authorized installers, then the Contractor shall provide the APCD with written authorization from the manufacturer for that agent to perform the installation. Use of an unauthorized agent for the engine(s)/equipment installation shall constitute a breach of this Agreement.

**B. Maintenance:** The Contractor shall maintain the new grant-funded engine(s)/equipment as per the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Contractor will provide the APCD with a copy of the manufacturer's written maintenance specifications. The Contractor will keep a maintenance log containing records of all maintenance performed on the engine(s)/equipment. The Contractor shall make these maintenance logs available for APCD review upon request by the APCD. Failure to maintain the engine(s)/equipment to the manufacturer's specifications will constitute a breach of this Agreement.

**C. Operation:** The Contractor shall operate the new grant-funded engine(s)/equipment as per the manufacturer's written specifications. Prior to operating the engine(s)/equipment, the Contractor will provide the APCD with a copy of the manufacturer's written operating specifications. Failure to operate the engine(s)/equipment within the manufacturer's specifications will constitute a breach of this Agreement.

**D. Modification:** The Contractor is prohibited from modifying the engine(s)/equipment configuration. This includes but is not limited to modifications to the engine(s)/equipment, electronic control unit, cooling, exhaust, crank-case ventilation and lubrication systems, power take-offs, and the transmission/gear reduction as applicable. The Contractor is required to conduct routine maintenance and repair as needed. All components replaced as part of routine maintenance and/or repair must comply with the original installed engine(s)/equipment configuration and manufacturer's specification. Any modifications to the engine(s)/equipment configuration without written consent from an agent authorized by the manufacturer and the APCD will constitute a breach of this Agreement.

#### 4. **PERFORMANCE**

This repower/replacement project will result in emission reductions because the replacement engine(s)/equipment has (have) lower emissions than the original engine(s)/equipment. The required emission reductions over the Agreement term are specified in Exhibit A. The performance measure to ensure that the required emission reductions are achieved for this project shall be derived from the total engine operation since it was installed, based on either fuel usage or engine hours as Specified in Exhibit A.

By January 30<sup>th</sup> of each year in the Agreement term, the Contractor shall submit to the APCD a Calendar Year Engine/Equipment Usage Report (Exhibit B-1a) for the engine(s) under this Agreement. Prior to this Agreement being deemed complete, the APCD shall assess whether the engine(s) was (were) sufficiently operated to achieve the required emission reductions. Engine(s) operation over the Agreement term, must result in the contracted emission reductions being achieved or exceeded, in which case, the APCD shall declare that the Agreement is complete.

Failure to meet required emission reductions stated in Exhibit A will result in one of the following performance compliance options for the project as selected by the APCD:

A. The Contractor shall repay a portion of the grant amount to the APCD where the repayment portion is determined using the following formula:

$$R = G \times \left( 1 - \frac{O_{act}}{O_{con}} \right)$$

Where:

$R$  is the repayment amount;

$G$  is the total grant amount as stated in Paragraph 6;

$O_{act}$  is the total actual engine(s) operation amount since the repower was completed;

$O_{con}$  is the total required engine(s) operation amount over the term of this Agreement defined in Exhibit A;

or,

B. The APCD, at its discretion, may instead elect to extend the term of the Agreement for a period necessary to achieve the contracted emission reductions unless such an extension is not possible as a result of regulator requirements.

Once the project has complied with the performance requirements, then the APCD shall declare that the Agreement is complete.

## **5. RECORD KEEPING AND REPORTING**

**A. Records:** Contractor shall keep, and provide to APCD or its agents, upon request, accurate financial records (including invoices and published price lists on which Agreement was based) necessary to enable APCD to review Contractor's performance of this Agreement. These records shall demonstrate the grant funding has been used for the purchase of engine(s)/equipment and/or provision of services as described in the application form. Contractor shall maintain all such records for at least three years after the date on which the engine(s)/equipment and/or services was (were) purchased.

**B. Reports:** The Contractor shall submit report(s) to the APCD in accordance with the

schedule and format specified in Exhibit B and Exhibit B-1a.

6. **COMPENSATION**

The total obligation of APCD under this Agreement shall not exceed Fifty Thousand Dollars (\$50,000).

**A. Payments:** Only expenditures incurred by Contractor in the direct performance of this Agreement can be reimbursed by APCD. Contractor shall invoice the APCD in accordance with the schedule specified in Exhibit A.

Payments by APCD to Contractor for any services detailed in Exhibit A shall be permitted only after said services have been satisfactorily rendered, and after a written request and claim from Contractor for such payment has been received by APCD. Said written request shall set forth the work completed in the claim period and shall include copies of any and all invoices or financial records needed to verify that stated costs have been incurred by Contractor. Invoices and supporting records shall be submitted to APCD no more often than once every three months, unless prior approval for a greater frequency has been given by APCD. Claims and all supporting documentation shall be submitted to the San Luis Obispo County Air Pollution Control District, Planning Division, 3433 Roberto Court, San Luis Obispo, California 93401, Attention: Melissa Guise.

APCD shall pay Contractor within thirty (30) calendar days after receiving a request for payment and verifying that services have been satisfactorily completed as cited in the invoice.

The amount to be paid to Contractor under this Agreement shall include all sales and use taxes incurred pursuant to this Agreement, if any, including any such taxes due on equipment purchased by Contractor.

**B. Surplus Funds:** Any part or all of a payment by APCD to Contractor, which is not utilized for any reason by Contractor to pay costs pursuant to the terms and conditions of this Agreement or as detailed in a claim by Contractor, shall be refunded to APCD within 30 days after the end of the project term defined in Paragraph 2 above.

matters relating to payment of Contractor's employees, including compliance with social security, withholding, and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, Contractor may be providing services to others unrelated to APCD or to this Agreement.

## **9. TERMINATION**

**A. Breach of Agreement:** APCD may immediately suspend or terminate this Agreement, in whole or in part, for any of the following reasons:

1. An illegal or improper use of funds;
2. A failure to comply with any term of this Agreement;
3. A substantially incorrect or incomplete report submitted to APCD; or
4. Improperly performed services.

In no event shall any payment by APCD constitute a waiver by APCD of any breach of this Agreement or any default which may then exist on the part of Contractor, nor shall such payment impair or prejudice any remedy available to APCD with respect to the breach or default. APCD shall have the right to demand of Contractor the repayment to APCD of any funds disbursed to Contractor under this Agreement which in the judgment of APCD were not expended in accordance with the terms of this Agreement. Contractor shall promptly refund any such funds upon demand.

In addition to immediate suspension or termination, APCD may impose any other remedies available at law, in equity, or otherwise specified in this Agreement.

**B. Without Cause:** Either party may terminate this Agreement at any time after giving the other party at least thirty (30) days advance written notice of intention to terminate. In such case, Contractor shall be paid the reasonable value of all services, if any, satisfactorily rendered and actual, reasonable costs incurred up to the time of the termination. Upon such termination, all the work, if any, produced by Contractor shall be promptly delivered to APCD. Additional

terms and conditions may apply in the event of termination by the Contractor, as identified in Paragraph 27.C of this Agreement.

**10. MODIFICATION**

Any matters of this Agreement may be modified from time to time by the written consent of all the parties without in any way affecting the remainder.

**11. NON-ASSIGNMENT**

Neither party shall assign, transfer, or subcontract this Agreement, nor their rights or duties under this Agreement, without the prior express, written consent of the other party.

**12. INDEMNIFICATION**

Contractor agrees to indemnify, save, hold harmless, and at APCD's request, defend APCD, its boards, committees, representatives, officers, agents, and employees from and against any and all costs and expenses (including reasonable attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including, but not limited to, personal injury, death, and property damage) occurring or resulting to APCD which arises from any negligent or wrongful acts or omissions of Contractor, its officers, agents, subcontractors, or employees in their performance of this Agreement.

**13. INSURANCE**

A. Without limiting APCD's right to obtain indemnification from Contractor or any third parties, Contractor, at its sole expense, shall maintain in full force and affect the following insurance policies throughout the term of this Agreement:

1. Individual and/or company property loss and damage protection insurance shall insure the replacement engine(s)/equipment purchased under this grant Agreement for its/their original purchase cost. The proceeds of a claim shall be used to repair or replace the engine(s)/equipment with equivalent or lower emitting engine(s)/equipment or repay APCD's interest in the engine(s)/equipment. The policy must cover the grant-funded engine(s)/equipment against damage, destruction, loss, or

similar event should the grant funded engine or equipment be rendered inoperable, lost, damaged or destroyed. At any time during the term of this Agreement, the APCD's interest in the engine(s)/equipment can be computed using the repayment equation in Paragraph 4.

2. Commercial general liability insurance with minimum limits of coverage in the amount of One Million Dollars (\$1,000,000) per occurrence;

3. Commercial automobile liability insurance which covers bodily injury and property damage with a combined single limit with minimum limits of coverage in the amount of One Million Dollars (\$1,000,000) per occurrence; and,

4. Workers' compensation insurance in accordance with California law. In the event Contractor is exempt from the requirement of maintaining workers compensation insurance, Contractor shall provide to the District satisfactory evidence of such exemption.

**B.** Prior to finalizing this Agreement, Contractor shall provide certifications of insurance on the foregoing policies, as required herein, to APCD, stating that such insurance coverage's have been obtained and are in full force. The Contractor's property loss/damage protection insurance policy and commercial general liability insurance policy and commercial automobile liability insurance policy shall endorse/name the APCD, its officers, agents, employees, individually and collectively, as additional insured, but only insofar as the engine(s)/equipment provided under this Agreement. Such coverage for additional insured shall apply as primary insurance, and any other insurance maintained by APCD, its officers, agents, and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein. This insurance shall not be canceled or changed without a minimum of thirty (30) days advance, written notice given to APCD.

**C.** In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, APCD may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

**D.** If Contractor is a government entity, then it may self-insure such of those risks identified in paragraphs 11.A.1-11.A.4 of this Agreement, provided, however, that:

1. District, its officers, agents, and employees, individually and collectively, shall be named as additional insured (except for workers' compensation insurance) on Contractor's self-insurance plans, but only insofar as the operations under this Agreement are concerned;

2. Such self-insurance plans shall be reasonably satisfactory to District; and

3. All those provisions identified in subparagraph 11.C of this Agreement concerning the relationship of Contractor's primary and District's excess insurance to each other, the requirement of Contractor delivering a certificate of insurance or other suitable evidence to District, and the cancellation/change of insurance requirements shall apply to such self-insurance plans.

#### **14. AUDITS AND INSPECTIONS**

Contractor shall at any time during regular business hours, and as often as APCD or their designee(s) may deem necessary, make available to and permit APCD or their designee(s) to inspect and audit all of the Contractor's records and data necessary to determine Contractor's compliance with the terms of this Agreement.

Contractor shall be subject to an audit by APCD or their designee(s) to determine if the revenues received by Contractor were spent for the reduction of pollution as provided in this Agreement and to determine whether said funds were utilized as provided by law and this Agreement. If, after audit, APCD or their designee(s) makes a determination that funds provided to the Contractor pursuant to this Agreement were not spent in conformance with this Agreement or any other applicable provisions of law, Contractor agrees to immediately reimburse APCD all funds determined to have been expended not in conformance with this Agreement.

Contractor shall retain all records and data for activities performed under this Agreement for at least three (3) years from the date of final payment under this Agreement.

#### **15. NOTICES**

The persons and their addresses having authority to give and receive notices under this Agreement are as follows:

**20. BINDING ON SUCCESSORS**

This Agreement, including all covenants and conditions contained herein, shall be binding upon and inure to the benefit of the parties, including their respective successors-in-interest, assigns, and legal representatives.

**21. TIME IS OF THE ESSENCE**

It is understood that for Contractor's performance under this Agreement, time is of the essence. The parties reasonably anticipate that Contractor will, to the reasonable satisfaction of APCD, complete all activities provided herein within the time schedule outlined in the attachments to this Agreement, provided that Contractor is not caused unreasonable delay in such performance.

**22. DATA OWNERSHIP**

Upon termination or expiration of this Agreement, all data which is received, collected, produced, or developed by Contractor under this Agreement shall become the exclusive property of APCD, provided, however, Contractor shall be allowed to retain a copy of any non-confidential data received, collected, produced, or developed by Contractor under this Agreement, subject to APCD's exclusive ownership rights stated herein. Accordingly, Contractor shall, if requested, surrender to APCD all such data which is in its possession (including its subcontractors or agents), without any reservation of right or title, not otherwise enumerated herein. APCD shall have the right at reasonable times during the term of this Agreement to inspect and reproduce any data received, collected, produced, or developed by Contractor under this Agreement. No reports, professional papers, information, inventions, improvements, discoveries, or data obtained, prepared, assembled, or developed by Contractor, pursuant to this Agreement, shall be released or made available (except to APCD) without prior, express written approval of APCD while this Agreement is in force.

**23. NO THIRD-PARTY BENEFICIARIES**

Notwithstanding anything else stated to the contrary herein, it is understood that Contractor's services and activities under this Agreement are being rendered only for the benefit of APCD, and no other person, firm, corporation, or entity shall be deemed an intended third-party beneficiary of this Agreement.

**24. SEVERABILITY**

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Agreement, and the Agreement shall then be construed as if such unenforceable provisions are not a part hereof.

**25. TITLE TO EQUIPMENT**

Title to and risk of loss of equipment purchased with funds received through this Agreement shall at all times vest in and with Contractor. Contractor acknowledges that APCD did not supply, design or manufacture the equipment or any of its components. This equipment is commercially manufactured and sold by a manufacturer to be determined by Contractor. APCD specifically disclaims all warranties, express and implied, including the implied warranties of merchantability and fitness for the intended purpose, as to the purchased equipment, any test equipment or field tests. In no event shall APCD be liable to Contractor or any third party for any direct, indirect, consequential, special, incidental, or punitive damages for the design, manufacture, operation, maintenance, performance, or demonstration of the purchased equipment under any theory, including but not limited to, tort, contract, breach of warranty, or strict liability.

**26. RIGHTS TO EMISSION REDUCTIONS**

Contractor transfers and conveys to APCD all rights and claim to ownership of the emission reductions achieved through the project funded by this Agreement. Contractor shall not use or attempt to use the emission reductions achieved by the project as emission reduction credits. Contractor hereby fully and completely relinquishes such rights for the useful life of the project as specified in Exhibit A.

**27. SPECIAL CONDITIONS**

**A. Agreement Completion:** The entire proposed project must be completed according to the schedule presented in Exhibit A, Statement of Grant Obligations. The APCD, at its discretion, may instead elect to modify the said schedule unless such an extension is not possible as a result of regulatory requirements.

**B. Disposal of Replaced Equipment:** Contractor will be removing from service the existing equipment as outlined in Exhibit A. Contractor shall submit to the APCD a completed Engine Disposal Certificate(s) (Exhibit C1).

**C. Termination:** Contractor may terminate its obligation to operate the low emissions equipment funded under this Agreement for good cause provided that Contractor shall reimburse the APCD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement. Notice of termination shall be provided in writing and shall be effective upon completion of the terms of this Paragraph. Such notice shall terminate Contractor’s obligation under Paragraphs 1 (Project) and 2 (Period of Performance / Timetable) of this Agreement.

**D. Replacement, Sale, Relocation or Damage to Engine(s)/Equipment:**

**1 Replacement:** If for any reason, the new engine(s)/equipment is (are) rendered inoperable during the life of this Agreement, the Contractor shall notify the APCD of this fact in writing within 15 days and begin working with the APCD to promptly complete one of the two options listed below:

(a) Contractor shall replace the engine(s)/equipment with an engine(s)/equipment that has (have) equal or lesser air emissions, as determined by the APCD. Once the replacement engine(s)/equipment is (are) determined, the APCD will amend the Agreement to specify the replacement engine(s)/equipment. The amendment will also extend the life of the Agreement to account for the time that the engine(s)/equipment was (were) out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement’s performance requirements shall be addressed by the Contractor repaying the APCD a portion of the grant amount based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

(b) If the Contractor elects not to replace the inoperable engine(s)/equipment with an engine(s)/equipment that has (have) greater air emissions, as determined by the APCD, then the Contractor shall repay the APCD based on the repayment equation specified in Paragraph 4 (“Performance”) of this Agreement.

**2. Sale:** If for any reason, the new engine(s)/equipment is (are) to be sold by the Contractor during the life of this Agreement, the Contractor shall notify the APCD of this fact in writing 15 days prior to listing or otherwise preparing for the sale of the engine(s)/equipment and begin working with the APCD to promptly complete one of the following two available options:

(a) Contractor shall make compliance with this Agreement a written condition of the sale and a new Agreement between the APCD and the new owner must be finalized as part of the final sale. Sale of the engine(s)/equipment can only occur within South San Luis Obispo County. Copies of all forms pertaining to the sale of the engine(s) shall be provided to the APCD within 30 days of the sale and the forms shall refer to the existence of this Agreement and the new Agreement in the space provided for Warranties / Appurtenances / Limitations / Exceptions.

(b) If the Contractor elects to sale the engine(s)/equipment without the completion of the grant Agreement obligations or the engine(s)/equipment is sold outside of South San Luis Obispo County, the Contractor shall repay the APCD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

**3. Relocation:** If for any reason during the life of this Agreement the Contractor wants to relocate and continue to use the new engine(s)/equipment outside of south San Luis Obispo County, the Contractor shall notify the APCD of the specifics of the relocation in writing 15 days prior to the relocation and shall repay the APCD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

**4. Damage:** If for any reason, the new engine(s)/equipment is (are) damaged but repairable during the life of this Agreement, the Contractor shall notify the APCD of this fact in writing within 15 days and begin working with the APCD to promptly complete one of the two options listed below:

(a) Contractor shall have the damaged engine(s)/equipment repaired by an agent that is authorized by the manufacturer and the APCD to complete the repairs. If the Contractor selects an agent which is not on the APCD's list of authorized agents, then the Contractor shall provide the APCD with written authorization from the manufacturer for that agent to perform the repairs. Use of an unauthorized agent for the engine(s)/equipment repair shall constitute a breach of this Agreement. Depending on the needed repair

time, the APCD will determine if an amendment to the Agreement is needed to extend the life of the Agreement to account for the time that the engine(s)/equipment will be out of service and unable to meet the original Agreement performance obligations. In the event that such an amendment is not possible as a result of regulatory requirements, this Agreement's performance requirements shall be addressed by the Contractor repaying the APCD a portion of the grant amount based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

(b) If the Contractor elects not to have the damaged engine(s)/equipment repaired, then the Contractor shall repay the APCD based on the repayment equation specified in Paragraph 4 ("Performance") of this Agreement.

## **28. ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between Contractor and APCD with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

EXHIBIT A

STATEMENT OF GRANT OBLIGATIONS

General

The SLO APCD promotes voluntary diesel engine emission reduction programs reduce public exposure to ozone precursors and a toxic air contaminant. On May 31, 2006, APCD's Board directed APCD to implement an incentive program designed to reduce emissions from heavy duty diesel vessel engines using \$475,000 from the ConocoPhillips mitigation fund. The APCD solicited qualifying grant proposals for the combined funds. APCD staff evaluated all grant proposals using established evaluation criteria; the Contractor has proposed a project that meets the eligibility criteria of the APCD and that has been approved by the APCD for funding.

Project Description

This project involves the replacement/repower of one diesel-powered transit coach with a gas-hybrid electric drive. The following **baseline (old)** engine/equipment technology will be permanently removed from service as a result of this project:

1. 1983 Tier 0 350 hp diesel Detroit Diesel 50; Usage 40,000 miles/yr; NOx Emission Factor 21.39g/mi; PM Emission Factor 1.249 g/mi

The funding award for this project will not exceed \$50,000. This project will be funded from the APCD's Heavy-duty Vehicle Emission Reduction Program funding.

The following **new** engine/equipment technology will be placed into service as a result of this project. The performance requirements, emission certifications and usage over the life of this Agreement for the new replacement engine/equipment technology shall be as follows:

1. 2006 Tier 3 310 hp gasoline Ford/ISE Triton V10 hybrid electric; Usage 40,000 miles/yr; NOx Emission Factor 1g/mi; PM Emission Factor 0g/mi.

Matching Funds

Costs incurred in excess of \$50,000, will be the responsibility of the Contractor and shall constitute their matching and/or in-kind contribution for the project.

**STATEMENT OF WORK AND PROJECT TIMELINE**

**Installation Deadline:** Tasks 1 to 6 below need to be completed as rapidly as possible but must be completed before June 2008. Should these tasks not be completed by this date, the Agreement shall be deemed terminated, Contractor shall forfeit the funding award and the APCD shall apply the funds to another project.

**Task 1: Agreement and Insurance Documentation:** Contractor shall submit insurance documents (Paragraph 13) and signed Agreement to the APCD. The Contractor shall not commence the project until they have received their copy of the finalized Agreement from the APCD.

**Task 2: Project Expenses and Eligible Reimbursements:** Contractor is responsible to pay for all project expenses. The eligible expenses that can be reimbursed under this Agreement include the full-size transit coach capable of transporting a minimum of 35 passengers. Contractor is responsible to pay for all future repair, maintenance and operation costs for the new engine(s).

The Contractor is relying solely on the Contractor's own investigation and decision for the selection of the new engine(s) and parts, and their installation.

Task 3: APCD pre-inspection of old engine: If not accomplished during the contracting phase, Contractor shall schedule an APCD pre-inspection before the functioning old engine(s) is (are) removed from service.

Task 4: Installation and post-inspection of new engine(s):

- Contractor will take delivery and have the new engine(s) installed by an agent that is authorized by the manufacturer and the APCD. If the Contractor selects an agent which is not on the APCD's list of authorized installers, then the Contractor shall provide the APCD with written authorization from the manufacturer for that agent to perform the installation;
- Contractor shall schedule the post-installation inspection with the APCD.

Task 5: Disposal of original engine(s): The requirement of this task is to ensure that old engine block is never put back into service. Contractor shall dispose of the replaced engine(s) by making it (them) permanently inoperable and selling the block(s) as scrap metal. Acceptable destruction methods include:

- ½ inch holes drilled through two cylinder walls; or
- A hole in the block that is at least 3 inches in diameter.

Contractor may remove and retain ownership of any parts from the replaced engine(s), provided that the engine block(s) is (are) disposed as just described.

Within thirty (30) days of removing the original engine(s), Contractor shall submit to the APCD a completed Engine Disposal Certificate(s) (Exhibit C1) for each engine along with a receipt from a scrap metal agent that demonstrates that it has (they have) been received and scrapped. Photographic documentation of the destroyed engine(s) is also required and shall be provided by the Contractor unless the APCD is available to inspect the destroyed engine(s).

The APCD reserves the right to verify the destruction of the engine(s). If Contractor fails to ensure proper disposal of the original engine(s) as described above, then Contractor shall forfeit the project's funding award.

Task 6: Invoicing Requirements: Within 30 days of completing Task 1 through Task 5, Contractor shall provide the APCD with one Contractor issued invoice for an amount up to but not exceeding the grant award. Supporting documentation for all project expenses must be provided in the form of detailed itemized original invoices.

Task 7: Usage and Maintenance Logs: A usage and maintenance log for the new engine(s) shall be maintained by Contractor and made available to APCD staff upon request.

Task 8: Annual Usage Reports: By January 30<sup>th</sup> of each year after the engine(s) is (are) installed through the term of this Agreement or any amendments to it, Contractor shall provide the APCD with Calendar Year Annual Usage Reports as outlined in Exhibit B using the report form in Exhibit B-1a. Attach copies of the pertinent engine Usage and Maintenance Logs for validation.

Task 9: Annual Insurance Certificates: Annually through the term of this Agreement or its amendments, after the engine(s) is (are) installed, Contractor shall send the APCD updated insurance certificates that list the APCD as additionally insured with respect to the policies listed in Paragraph 13 of this Agreement.

### **Term of Agreement**

For the purposes of this Agreement, the term of the Agreement is defined herein to be Eighteen (18) years from the date of this Agreement. If the total usage of the engine(s) over the term of this Agreement demonstrate(s) underperformance with regards to the Project Description usage stated above, then the APCD shall:

1. Use its discretion to amend the Agreement in order for the project(s) to meet the Agreement's performance requirements; or
2. Require the Contractor repay the APCD the portion of the grant amount that is computed using the equation in Paragraph 4.

EXHIBIT B

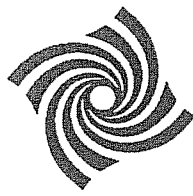
CALENDAR YEAR GRANT STATUS REPORT FORMAT

Contractor shall submit the "Calendar Year Engine Usage Report" form below to the APCD for each new low emission engine. The first report will be for a partial year. The report form will be provided to the APCD annually for Eighteen (18) years after the engine(s) is (are) installed. The purpose of this report form is to provide the APCD with feedback as to Contractor's experience with the new low emissions equipment and to provide a record of the actual usage versus the usage identified in the Contractor's grant application. The report shall include the following items:

1. Name and address of Contractor;
2. Project Agreement number;
3. Make and model of equipment purchased;
4. Usage information for the new equipment:
  - Hours of use of the new equipment over the past 12 months; or
  - Estimated fuel use with the new equipment over the past 12 months;

(Note: The first year's report may represent a partial year's usage. In such cases, please indicate the months the engine was used since the installation).

5. Discussion of any repairs, problems, or benefits with the equipment.



# AIR POLLUTION CONTROL DISTRICT

COUNTY OF SAN LUIS OBISPO

## Exhibit C1: Certificate of Engine Scrap Disposal (Agreement #: COP-06-01)

<b>GRANTEE INFORMATION</b>	
Name	
David Lilly	
Street Address	
1150 Osos Street, Suite 206	
City/State/Zip	Phone
San Luis Obispo/CA/93401	805-781-4465

<b>ENGINE INFORMATION</b>
Engine Make, Model and the Engine Block's Serial Number(s)
Date of Removal from Service

<b>METHOD FOR ENGINE REMOVAL FROM SERVICE</b>
Describe how the engine was rendered unusable.

<b>COMPANY INFORMATION</b>	
Name of Scrap Metal Recycler	
Street Address	
City/State/Zip	Phone

Signature \_\_\_\_\_ Date \_\_\_\_\_

- Contractor shall dispose of each replaced engine by making it permanently inoperable using one of the methods listed in Exhibit A of this Grant Agreement, selling the block as scrap metal and submitting to the APCD a receipt from the scrap metal agent;
- Photographic documentation of the destroyed engine(s) is required and shall be provided by the Contractor unless the APCD is available to inspect the destroyed engine(s);
- Above documentation shall be submitted to APCD within 30 days engine being removed from service; The APCD reserves the right to verify the destruction of the engine(s).



**DRAFT**  
**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**MINUTES OF May 7, 2014**  
**C-6**

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**BOARD MEMBERS PRESENT:**

SHELLY HIGGINBOTHAM, CITY OF PISMO BEACH (*President*)  
ADAM HILL, THIRD DISTRICT, COUNTY OF SAN LUIS OBISPO  
JAMIE IRONS, CITY OF MORRO BAY  
TOM O'MALLEY, CITY OF ATASCADERO  
DEBBIE PETERSON, CITY OF GROVER BEACH  
CAREN RAY (FOURTH DISTRICT, COUNTY OF SAN LUIS OBISPO)  
JAN MARX, CITY OF SAN LUIS OBISPO  
FRED STRONG, CITY OF PASO ROBLES

**BOARD MEMBERS ABSENT:**

DEBBIE ARNOLD, FIFTH DISTRICT, COUNTY OF SAN LUIS OBISPO (*Vice President*)  
FRANK MECHAM, FIRST DISTRICT, COUNTY OF SAN LUIS OBISPO (*Past President*)  
TONY FERRARA, CITY OF ARROYO GRANDE  
BRUCE GIBSON, SECOND DISTRICT, COUNTY OF SAN LUIS OBISPO

**STAFF PRESENT:**

GEOFF STRAW, EXECUTIVE DIRECTOR  
TANIA ARNOLD, CFO & DIRECTOR OF ADMINISTRATION  
TIM MCNULTY, SAN LUIS OBISPO COUNTY COUNSEL  
ANNA MAFORT-LACY, ADMINISTRATIVE ASSISTANT  
OMAR MCPHERSON, GRANTS MANAGER  
TRENA WILSON, ADMINISTRATIVE ASSISTANT  
CARLOS CANDELL, BUS OPERATOR/EMPLOYEE OF THE QUARTER  
PHIL MOORES, OPERATIONS MANAGER  
MICHAEL SEDEN-HANSEN, SPECIAL PROJECTS COORDINATOR  
CARRIE HALL, ACCOUNTING TECHNICIAN

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**CALL TO ORDER AND ROLL CALL:** President Shelly Higginbotham called the meeting to order at 8:30 a.m. A roll call was taken and a quorum was present.

**Public Comments:** **Mr. Ron DeCarli**, San Luis Obispo Council of Governments (SLOCOG), briefly commented on the closed session item about **Executive Director Geoff Straw's** performance evaluation. I've worked with Geoff for a number of years when he was a consultant before coming to RTA. His performance has been excellent and we've had a superior working relationship with him. He is very progressive; works well with everyone and is extremely responsive. The system is working efficiently. And by consolidating transit systems, the member jurisdictions will see savings of several hundred thousand dollars every year.

## **CLOSED SESSION ITEMS**

D-1-1 CONFERENCE WITH LABOR NEGOTIATOR (Govt. Code Section 54957.6)  
Agency representative: Shelly Higginbotham  
Unrepresented employee: Geoff Straw, Executive Director

D-1-2 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  
Under Negotiation/Discussion: Price and Terms of Payment

Properties: 40 Prado Road, San Luis Obispo, CA APN: 053-041-027/034  
Negotiating Party: CAPSLO

RTA went into *Closed Session* at 8:34 a.m. and returned to *Open Session* at 9:25 a.m.

**Open Session:** **Mr. Tim McNulty**, Legal Counsel, reported that the Board met in closed session, no reportable action was taken. Therefore, there is nothing to report.

## **A. INFORMATION AGENDA:**

**A-1 Executive Directors Report:** **Mr. Straw** began his report by introducing the Employee of the Quarter, **Mr. Carlos Candell**. Carlos has been driving for RTA since 2004. He's one of the friendliest people I've ever met. He primarily drives Route 12. **Mr. Phil Moores** said Carlos always has a smile on his face. He has great compassion for his passengers and members of his community. He works from his heart and we are grateful to have him. **Mr. Candell** said he is happy to be part of the RTA team, doing his job, meeting new people and working with the public. He does his best to cooperate with his coworkers and supervisors to help make RTA better and stronger. **Mr. Straw** told a story about his teenage daughter meeting Carlos and how he engaged her at the Morro Bay Transit Center.

RTA executed all consolidation agreements with the Cities of Atascadero and Paso Robles. We finalized plans to hire and train the new Bus Operators who will focus on North County operations. Training began in late April and will be completed in time for the June 1 consolidation date. Bus Operator candidates were selected from current First Transit crew that operates North County transit services. He

reviewed the watermarked schedule for RTA Routes 9, and Paso Express Routes A and B. This is the first time we've included local service with regional service on one schedule. RTA will have a bid meeting on Sunday, May 18 with pizza. This is a great opportunity for the new North County and RTA bus operators to get to know one another.

**Mr. Straw** introduced **Mr. Michael Seden-Hansen** as the new Special Projects Coordinator. He was hired from the City of Paso Robles, where he was a Transit Coordinator. **Mr. Seden-Hansen** said it's great to be part of the RTA team as part of the larger transition. I have been working for Paso Robles for six years in transit. I look forward to continuing to help keep transit services growing and serving the public.

He next welcomed **Ms. Carrie Hall**, the Accounting Technician working in the maintenance department. She began in March, is responsible for accounts payable, and will play a key role in getting the new maintenance software program up and running.

RTA will begin a new Bus Operator training class on June 2 with the goal of hiring 5-7 new drivers. They will start driving routes in mid July.

The Regional Transit Advisory Committee (RTAC) met on April 17<sup>th</sup> to review the budget for FY14-15 and Runabout No-Show policy. Draft minutes from that meeting are included in today's packet.

Buses 148 and 149, which are 1995 Gillig Phantoms, will be surplus in the coming weeks. These two vehicles each have a million miles and have far exceeded their useful life.

**Ms. Aimee Wyatt** took a job with Santa Monica's Big Blue Bus. Her last day was April 18 and we honored her at the quarterly BBQ that day. We are about 2/3 through the fiscal year. The marketing budget is about \$77,000 of the \$92,000 budgeted.

The late-night Cuesta north campus service will begin in August as a flex-fixed deviation model. It will be funded by Cuesta, the County and the Cities of Paso Robles and Atascadero. We will operate the service until 10 p.m., Monday through Thursday during the regular school year. Cuesta is prepaying the fares for students, staff and faculty.

In terms of Finance and Administration, staff developed a draft budget for FY14-15 that will be presented as item B-1. The Reserve Funds policy is item B-2 for final review and consideration. Preliminary financial data for the first eight months of the current fiscal year shows strong numbers. The non-capital expenditures are at 58.6% of the total budget. We are at about 66.7% of the year. The farebox recovery ratio (FRR) increased from 28.8% last year to 32.9% year-to-date. We are in good shape.

Fixed route ridership remains strong, with 514,110 boardings through February 28, up from 483,435 last year. This is an increase of 6.3%. Runabout boardings are up about 18.4% over the previous year. With the increasing Runabout demand, expenses are also going up. A lot of these rides cover long distances and are very inefficient and expensive to provide. Therefore, while fixed route productivity is above goal at 23.5%, Runabout productivity continues to drop and is currently at 1.41. This is 4.3% lower than the prior year. These Runabout trends are financially unsustainable.

Staff continues to work with Community Action Partnership San Luis Obispo (CAPSLO) in order to purchase the land at 40 Prado Road. This issue was discussed in closed session and is also on Item B-4.

Finally, RTA ratified the collective bargaining agreement (CBA) with Teamsters 986 on March 12. This contract is in force through January 2018.

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

**President Higginbotham** opened to Board comment.

**Board Member Fred Strong** said many seniors spoke during public comment in last night's Paso Robles City Council meeting that they feel compelled to ride Runabout because there are no benches for them to sit at the bus stops near the senior centers. Many use canes or walkers and cannot stand for long periods. I would like to look at the cost effectiveness of installing benches at these key locations. **Mr. Straw** said the Short-Range Transit Plan of 2010 identified bus stops with five or more boarding per day should have a bench, and 20 or more should have a shelter. However we can add these amenities under special circumstances.

**Board Member Jan Marx** suggested doing some origin and destination studies on Runabout to better understand where these people are going.

**President Higginbotham** opened public comment.

**Mr. Eric Greening**, Atascadero, complimented everyone involved for helping to find a solution that best works for everyone's needs as part of the North County Transit Consolidation. We need some signage that catches the eye in key places, such as at the Northbound Santa Margarita stops that arrive substantially earlier. In general this is a very healthy change. Also, I always enjoy riding with Carlos. He always makes my day.

**Mr. Gary Rubin**, Cuesta College, thanked the Board for their support of education. He appreciates that five governmental agencies, including Atascadero, Paso Robles, RTA and SLOCOG, came to together quickly in support of the night service for Cuesta North campus. Is there any reason why Cuesta should not go out and market this service? **Mr. Straw** said all participating jurisdictions have signed agreements. It is Consent Agenda Item C-12 and we don't expect controversy on this issue. We should be ready to go.

**President Higginbotham** closed public comment.

**President Higginbotham** closed Board comment.

## **B. ACTION AGENDA:**

**B-1 RTA FY14-15 and FY15-16 Operating Budget and FY14-15 through FY18-19 Capital Budget:** **Mr. Straw** announced the budget for fiscal years 2014-15 and 2015-16. Staff is again developing a two-year operating budget and five-year rolling capital budget. We will be operating the same level of core services. He asked **Ms. Tania Arnold** to present the budget.

**Ms. Arnold** reviewed the objectives, including maintaining services levels, increasing reserves and continuing to work on efficiencies. Route 9 has slight changes, which are addressed in the funding. Staff continues to address overcrowding issues and looks forward to implementing additional service with the CMAQ grant. Additionally, we are presenting a five-year capital program that includes the procurement of eight new 40-foot buses and two over-the-road coaches, as well as five Runabout/Dial-A-Ride vehicles over the next two years.

FY14-15 operating budget is \$8.3M and FY14-15 capital budget is \$5.7M. Also included in the capital budget is \$52,000 for shop equipment for the maintenance department and \$15,000 for facility improvements, such as the ITS software for the on-board camera security systems on our existing and new fleet.

Staff is taking a more conservative approach to STA as those funds have been fluctuating greatly and will be slightly lower overall. We use STA for capital as much as possible and not rely on it for operating. Local Transit Fund (LTF) projections are up about 10% and will be applied toward the operating budget. **Ms. Arnold** announced staff was successful in getting about \$800,000 in Job Access Reverse Commute (JARC) funding for FY14-15 for Route 10 and North Coast. However, this will be the last year and it will create a significant gap in the FY15-16 budget. We are using the funding levels of \$460,000 this year and are allocating the balance next year to help off-set the shortfall.

We have the new CBA included in the budget, as well as delivery of eight vehicles in February or March 2015.

Administration expenses are up just over 5% due to workers compensation insurance. There is also a significant increase in our professional development line-item as staff shows tremendous interest in seeking additional training and cross-training opportunities.

Runabout service hours are expected to increase due to demand. Staff is proposing one additional full-time Bus Operator for Runabout. All other core positions remain unchanged. The positions and other expenses related to the North County Consolidation are listed as a separate and distinct column.

Fuel consumption is budgeted at \$4.15, slightly lower than recent years. The new vehicles use a diesel exhaust fluid (DEF) additive that is used to lower emissions. This is included in the fuel line item.

There are no significant changes related to the operating revenue, other than JARC funding. Page B-1-9 reflects the breakdown of request from each of the cities for LTF funding. This page also lists funding uses for RTA core services.

We used Prop 1B funding to significantly reduce the loan amount for building improvements related to our current facility. The interest expense related this has dropped significantly as a result. Rabobank also reduced the interest rate on this loan.

Page B-1-10 addresses capital revenue for FY14-15 and FY15-16. It's difficult to project funding beyond those fiscal years. We are projecting paying off the loan when our lease expires and adjusted payments accordingly.

Page B-1-11 highlights all expenses for RTA core, North County and SLO County services. It gives detailed information on how the line items break out.

Page B-1-12 outlines Capital expenditures, where we project out needs such as vehicles, office equipment, software, camera systems and other items. She pointed out the need to replace two buses in FY17-18, estimated at \$1.2M. We don't have a funding source identified to replace those two buses.

**Ms. Arnold** reviewed the subsequent pages, which break out the budget by route. Route 9 increased service hours due to service to Cuesta North Campus. Page B-1-16 outlined Runabout expenses, which are significant and indicates the number of service hours are almost equal to that of RTA fixed routes. Page B-1-18 presents the County Services budget, which SLO County has already approved. This service includes the Avila Beach Trolley, Nipomo Dial-A-Ride, senior vans in Cambria and Cayucos, and similar services. Page B-1-19 presents the budget for North County services, which includes Routes A and B, and Paso Robles Dial-A-Ride.

**Ms. Arnold** concluded her report.

**President Higginbotham** asked where staff would find a local match for the CMAQ funded Over-The-Road Coaches that will likely be paid for in FY15-16. **Ms. Arnold** said staff would use State Transit Assistance (STA) funds. **President Higginbotham** inquired about the vehicle ITS project. There seems to be roughly \$400-500,000 set aside each year. **Ms. Arnold** clarified this is actually a carry-over for Prop 1B funds staff is awaiting from the state. We will not go out to bid until we receive the check.

**President Higginbotham** opened to Board comment.

**Board Member Marx** pointed to Facility Improvements under Capital Expenditures on page B-1-12. Are any of these improvements portable? **Ms. Arnold** said a few will be transferable. All are minor improvements.

**Board Member Strong** pointed to North County where there are two cities and four communities in the county. South County has three cities and two county communities. North County is contributing \$748,755 TDA while South County is providing \$484,740. Administrative costs for South County are \$78,760 whereas North County is being charged \$39,720. **Ms. Arnold** said part of the cost is attributed to SCT Board meetings and staff time associated with these activities that are not as time-consuming for North County. TDA contributions are based upon population.

**Board Member Tom O'Malley** reminded the group regarding discussions about establishing an oversight committee for North County. How will that be done? **Mr. Straw** answered that the plan is to provide ridership and performance numbers to the City managers and other staff each month, similar to

how the Executive Director's Report is presented to the Board. We can also use RTAC as part of a formal way of conducting quarterly meetings. **Board Member O'Malley** said he would like to see some sort of review that included the two Supervisors and two Mayors or other city delegates.

**Board Member Debbie Peterson** appreciated the budget break-out by routes and regions. She inquired about the opportunity and/or start-up costs would be by combining the agencies. **Mr. Straw** said this is something the City of Paso Robles has studied. The training, salaries, staff time and other expenses are paid by the North County and do not impact the budget for core services. **Board Member Peterson** pointed to the annual rent expense at the current facility and asked how that will look when RTA is in a facility it owns. **Mr. Straw** said that is a difficult question to answer. We don't currently have funding to build a facility at 40 Prado. We hope to secure grant funds. Right now we are paying rent as well as paying down a loan for facility improvements. We anticipate these costs will drop significantly, even if we have to fully finance the new facility. This will also increase our net assets on the balance sheet. Owning the site will also help us to secure funding.

**President Higginbotham** opened public comment.

**Mr. DeCarli** said SLOCOG will be working with RTA to secure grant funding. We are advocating and tracking the reauthorization bill and how it pertains to smaller agencies. RTA provides equitable service to North County and South County and funding is based upon a formula. There is some additional cost in South County and there are some cost effective options by consolidating. SCT still has separate meetings and reporting. We are advocating for the same kind of consolidation in South County as in North County. SLOCOG believes this is a very prudent budget and recommends approval. We believe there will be a separate funding source through Cap and Trade. On page B-1-12, there is potential to receive the CMAQ over-the-road coach buses six months earlier, around December 2014, if there is a local match. We concur with staff this makes a lot of sense. There is STA funding set aside. We are willing to provide a bridge loan to get these vehicles and new service in place earlier. Staff may want to bring back a budget amendment at the next meeting. We concur the Runabout costs are not sustainable. We want to work with RTA and all of the transit systems to help cut these expenses.

**President Higginbotham** closed public comment.

**President Higginbotham** closed Board comment.

**Board Member Peterson** moved to approve Action Agenda Item B-1 with suggested amendment to tentatively move the CMAQ funding into FY14-15. **Board Member Marx** seconded, and the motion unanimously carried on a roll call vote with **Board Members Debbie Arnold, Frank Mecham, Tony Ferrara and Bruce Gibson** absent.

**B-2 RTA Reserve Funds Policy:** **Mr. Straw** briefly reviewed two reserve funds: Cash Flow Reserve and Capital Projects Reserve, which were previously presented. The policies will provide direction to staff when developing annual budgets and guide decisions in the event of budget shortfalls or windfalls.

RTA will maintain a cash flow reserve amount of 25% of the net operating costs. This is already done for TDA purposes, but this policy codifies the process.

Capital Projects Reserves will be based upon 20% of the five-year annual average capital projects cost and represents the typical local-match required for Federal funding.

SLOCOG already has an Operating Reserve fund through LTF Reserve Fund, so it doesn't make sense to also establish a separate one. This is available to all local transit agencies and jurisdictions.

Staff recommends adopting these two policies as presented.

**Mr. Straw** concluded his report.

**President Higginbotham** opened Board comment.

**Board Member Strong** voiced concerns about an operating reserve funding shortfall that might occur if the economy falters, he doesn't want us to set up a future fight by not taking care of RTA at least to some extent so we have a guaranteed reserve for operating. **Mr. DeCarli** said there is nearly \$6M set aside. Transit is first priority. I am comfortable with the recommendation staff made. **Board Member Strong** suggested formalizing that prioritization. **Mr. DeCarli** said it is already prioritized based upon state law.

**Board Member Jamie Irons** noted if this Reserve Fund Policy has an adverse affect on local jurisdictions, we need to bring this back for future conversation.

**President Higginbotham** opened public comment.

**President Higginbotham** closed public comment.

**President Higginbotham** closed Board comment.

**Board Member O'Malley** moved to approve Action Agenda Item B-2. **Board Member Strong** seconded, and the motion unanimously carried on a voice vote with **Board Members Arnold, Mecham, Ferrara** and **Gibson** absent.

**B-3 Revised Runabout No-Show Policy:** **Mr. Straw** presented the old and new versions of the Runabout No-Show Policy. The first version was adopted in March 2012 and rolled out a year later. The FTA Triennial Review finding cites the current policy is out of compliance, too harsh and doesn't identify a pattern of missed trips.

The revised policy indicates the number of missed trips and no-show penalties, as well as a clear schedule for suspension of service.

**President Higginbotham** opened Board comment.

**President Higginbotham** opened public comment.

**Mr. Greening** said he concurs with this policy. Looking at the broader budget, we must be sure we serve the people who need it. By having the carrot of offering free fixed route service when they don't need

Runabout is important and should be accompanied by the understanding that by using fixed routes when they can, they are helping to preserve both services. I am grateful for the subsidy paid for my rides on the fixed routes. It takes about six of my trips to equal the subsidy of one trip on Runabout. Anything we can do to help publicize this service and make people aware of the cost to operate Runabout will help contain some of these costs.

**President Higginbotham** closed public comment.

**President Higginbotham** closed Board comment.

**Board Member Strong** moved to approve Action Agenda Item B-3. **Board Member Irons** seconded, and the motion carried unanimously on a voice vote with **Board Members Arnold, Mecham, Ferrara and Gibson** absent.

**B-4 Purchase of 40 Prado: Board Member Adam Hill** recused himself. **Mr. Straw** presented the authorization to purchase property in conjunction with another agency, CAPSLO, as was presented in closed session. We have been working on this project for several months. The property is about 9.6 acres, which will be subdivided into two parcels at closing and paid primarily with Prop 1B funds.

**President Higginbotham** opened Board comment.

**Board Member Marx** announced a public meeting at the downtown SLO Library at 9:30-11 a.m. on May 9. This is an open forum by the Foundation for the Homeless. The public is invited to attend.

**President Higginbotham** opened public comment.

**President Higginbotham** closed public comment.

**President Higginbotham** closed Board comment.

**Board Member Marx** moved to approve Action Agenda Item B-4. **Board Member Peterson** seconded, and the motion carried unanimously on a roll call vote with **Board Members Arnold, Mecham, Ferrara, Gibson and Hill** absent.

**C. CONSENT AGENDA:**

**Board Member Caren Ray** pulled Item C-5 for discussion.

- C-1 Executive Committee Meeting Minutes of February 19, 2014
- C-2 Executive Committee Meeting Minutes of March 12, 2014
- C-3 AGP Contract for Fiscal Year 2014-2015
- C-4 Prop 1B Safety and Security: Transit System Safety, Security & Disaster Response Account Program and Authorized Agent Signature Authority
- C-5 Vehicle Procurements: Runabouts, Support Vehicles, Over the Road Coaches
- C-6 Maintenance Software Procurement
- C-7 Bus Stop Improvements
- C-8 RouteMatch Tablets and Backend Software
- C-9 RTAC Meeting Minutes of January 15, 2014
- C-10 RTA Board Meeting Minutes of March 5, 2014
- C-11 RTA Board Meeting Minutes of April 2, 2014
- C-12 RTA Operation of Cuesta North Campus Shuttle
- C-13 RTAC Draft Meeting Minutes of April 17, 2014
- C-14 Cuesta North County Regional Cooperative Transit Agreement

**President Higginbotham** opened Board comment.

**President Higginbotham** opened public comment.

**President Higginbotham** closed public comment.

**Board Member O'Malley** moved to approve Consent Agenda Items with the exception of C-5. **Board Member Strong** seconded, and the motion unanimously carried on a roll call vote with **Board Members Arnold, Mecham, Ferrara, Gibson and Hill** absent.

**Board Member Ray** asked for clarification on whether or not we need to adjust the language given the tentative shift of funds to FY14-15. **Mr. Straw** said this item is to authorize staff to negotiate purchase the buses. However we will not do that until funding is in place.

**President Higginbotham** closed Board comment.

**Board Member Ray** moved to approve Consent Agenda Item C-5. **Board Member Strong** seconded, and the motion unanimously carried on a voice vote with **Board Members Arnold, Mecham, Ferrara, Gibson and Hill** absent.

#### **BOARD MEMBER COMMENTS:**

**Board Member Irons** thanked Mayor Higginbotham for hosting the bicycle ride from Pismo Beach to San Luis Obispo in honor of Supervisor Teixeira.

**Board Member Marx** invited everyone to attend SLO Transit's 40<sup>th</sup> anniversary celebration May 8 from 4-6 p.m. at the Ludwig Community Center.

**Board Member Peterson** announced a Bike to Work day on May 16 that begins at Ramona Garden Park in Grover Beach. Breakfast will be at 7 a.m.

**President Higginbotham** reminded the Board the Amgen tour is coming. It will end one leg in Cambria on May 14 and begin the next day on the Pismo Beach Pier. There will be tacos, tapas and lots of fun beginning at 10 a.m., May 15.

**ADJOURNMENT:** **President Higginbotham** adjourned the RTA meeting at **10:58 a.m.**

Respectfully Submitted,

Anna Mafort-Lacy  
RTA, Administrative Assistant

# **SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**July 9, 2014**

## **STAFF REPORT**

**AGENDA ITEM:** C-7

**TOPIC:** Amended Contract with Cuesta College for North County Campus Evening Service

**ACTION:** Approve

**PRESENTED BY:** Geoff Straw

**STAFF RECOMMENDATION:** Authorize Board President to Execute Agreement

### **BACKGROUND/DISCUSSION:**

As approved in concept at during the May 7, 2014 RTA Board meeting, staff needs to amend the agreement with Cuesta College for North County Campus Evening service detailing the service and funding as noted during the May 7<sup>th</sup> meeting as:

1. Service would operate Monday through Thursday, and would accommodate students, staff and faculty whose classes end at 9:50 PM.
2. The shuttle would be operated during the academic year (or 35 weeks) beginning on Monday August 18, 2014.
3. A deviated fixed-route service would be operated, since it would be more cost-effective than traditional fixed-route and complementary ADA paratransit (Runabout) services.
4. Service would be provided to existing bus stops in Paso Robles, Templeton and Atascadero on-request; riders would inform the Bus Operator of their desired drop-off point as they enter the bus at the campus.
5. Cuesta College would provide funding that would allow fare-free service for its constituents.
6. To meet ADA regulations, the bus would deviate up to  $\frac{3}{4}$ -mile from an existing fixed-route. Those passengers that are Runabout eligible would be provided fare-free service for their route deviation, although non-Runabout eligible passengers would pay \$10.00 for each route deviation.
7. The following evening departures from the campus would be provided:
  - a. The regularly-scheduled RTA Route 9 bus would operate its normal 7:00 PM southbound trip from the campus all the way to San Luis Obispo, with regular service in Paso Robles, Templeton, Atascadero and Santa Margarita.

- b. One 16- or 30-passenger cutaway bus<sup>1</sup> would depart the campus at 7:00 PM and 8:00 PM, serving bus stops in Paso Robles as requested.
- c. One 16- or 30-passenger cutaway bus would depart the campus at 9:00 PM and 10:05 PM, serving bus stops in Paso Robles, Templeton and Atascadero (as far south as the Bordeaux Apartments bus stop on El Camino Real at Viejo Camino).

The financial plan has been developed so that the following agencies would provide funding for this one-year demonstration project:

1. Cuesta College	\$10,000
2. City of Paso Robles	\$30,000
3. City of Atascadero	\$10,000
4. SLO County	\$5,000
5. SLOCOG	\$5,290

In total, \$60,290 is required to operate the service, which would operate from August 18, 2014 through May 22, 2015. Cuesta College's \$10,000 contribution would count as farebox revenue, which will ensure the 17% farebox recovery ratio requirement is met.

The expenditure and funding are included in this agenda as item B-1 for approval. Staff is still awaiting the final contract amendment from Cuesta but does not want to delay approval due to the timing of the upcoming school year.

### **Staff Recommendation**

Authorize the Board President to execute the final Agreement, assuming no material changes are requested by the other parties.

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<sup>1</sup> RTA will initially operate a 30-passenger cutaway bus (similar to the buses currently used on Paso Express Route C) to ensure sufficient passenger capacity. If ridership patterns suggest a smaller 16-passenger cutaway bus is more appropriate, RTA would use the smaller bus to conserve fuel.