



## REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

PLEASE NOTE THE DATE, TIME, AND LOCATION:

**Wednesday April 12, 2017**

**10:00 a.m. – 11:30 a.m.**

**SLOCOG Conference Room**

**1114 Marsh Street**

**San Luis Obispo, California**

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

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

1. **Call Meeting to Order, Roll Call**
2. **Public Comment:** The Committee reserves this portion of the agenda for members of the public to address the San Luis Obispo Regional Transit Authority Executive Committee on any items not on the agenda and within the jurisdiction of the Committee. Comments are limited to three minutes per speaker. The Committee will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.
3. **Information Items**
  - A-1 Executive Director's Report (Receive)
4. **Action Items**
  - B-1 Fiscal Year 2017-18 Operating and Capital Budget (Action)
5. **Consent Items**
  - C-1 Executive Committee Meeting Minutes of February 15, 2017 (Action)
  - C-2 Strategic Business Plan Performance Measures (Receive)
  - C-3 Amended Contract with Executive Director (Approve)

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

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

6. **May 3, 2017 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items.

Information Items

- A-1 Executive Director's Report (Receive)

Action Items

- B-1 Fiscal Year 2017-18 Operating and Capital Budget (Action)

Consent Items

- C-1 Executive Committee Meeting Minutes of February 8, 2017 (Approve)  
C-2 RTA Board Meeting Minutes of March 1, 2017 (Approve)  
C-3 Draft RTAC Minutes of April 19, 2017 (Information)  
C-4 Strategic Business Plan Performance Measures (Receive)  
C-5 Contract with AGP Video Production of Board Meetings (Approve)  
C-5 Youth Ride Free Summer Promotion (Approve)  
C-7 Amended Contract with Executive Director (Approve)  
C-8 FTA Memoranda of Understanding for San Luis Obispo Urbanized Area (Approve)  
C-9 Prop 1B Safety and Security: Authorized Agent Signature Authority (Approve)

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

- D-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization: Teamsters Local 986

7. **Closed Session**

CONFERENCE WITH LEGAL COUNSEL: It is the intention of the Executive Committee to meet in closed session concerning the following items:

- D-1 Conference with Labor Negotiator Geoff Straw concerning the following labor organization: Teamsters Local 986

8. **Adjournment**

Next RTA Executive Committee Meeting: **June 21, 2017**

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**April 12, 2017**

**STAFF REPORT**

**AGENDA ITEM:** A-1

**TOPIC:** Executive Director's Report

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

**STAFF RECOMMENDATION:** Accept as Information

**BACKGROUND/DISCUSSION:**

**Operations:**

Provide an oral update on:

- CEQA/NEPA study progress for Elks Lane long-term garage facility – staff provided comments to consultant on preliminary findings; discussions on floodplain impacts are being led subconsultant Cannon Corporation with on-going involvement with City officials. We expect the public draft be to ready for review at July 12<sup>th</sup> RTA Board meeting.
- Paso Bus Parking Yard design/engineering progress; lease agreement authorized at April 4<sup>th</sup> Board of Supervisors meeting. We are still aiming for a November 2017 move-in.

**Service Planning & Marketing:**

The Santa Barbara County Association of Governments in leading a Santa Maria-San Luis Obispo Transit Connections Study, which kicked-off in mid-February. Staff provided the consultant with data on RTA Route 10, as well as information on South County Transit services. As study products are developed, staff will share findings with the RTA and SCT Boards.

On March 16, staff proposed a new fare program for directly-billed Tri-Counties Regional Center clients to R&D Transportation, which serves as TCRC's broker. The new rates reflect the additional RTA staff time and financing necessary to provide this direct service, and the fare level is more closely-aligned with the per passenger reimbursement provided to Ride-On for its "fixed-route" trips. If fully implemented, this will both reduce the subsidy per passenger-trip and increase the farebox recovery ratio on Runabout.

Staff provided comments on preliminary findings and recommendations from SLOCOG's TDA Performance Audit contractor. We expect the full administrative draft in mid-April,

but we do not expect the full report to be ready for public review at the May 3<sup>rd</sup> RTA Board meeting.

RTA is hosting staff members from two other transit agencies in the region – Monterey-Salinas Transit and Santa Cruz METRO – on May 11. This is the second year that we have met to discuss pressing matters affecting public transit in California and the Central Coast region in particular. It is also a great chance for staff from various parts of our organization to build relationships with their peers and learn firsthand how our policies and procedures can be enhanced.

### **Finance and Administration:**

Staff will present the relatively austere FY17-18 Budget under Agenda Item B-1. Staff is evaluating several service changes necessary to implement the reductions identified in the budget, including consolidating certain fixed route express runs and realigning Runabout Bus Operator shifts to more closely reflect expected demand. Staff is also evaluating possible fare program changes. Staff will present a public outreach schedule that will be presented at the July 12<sup>th</sup> RTA Board meeting.

As mentioned at the March RTA Board meeting, the FTA has certified our new Automated Passenger Counter system for Federal reporting purposes. The APC system more accurately counts every boarding in comparison to the prior system using the electronic fareboxes, which effectively undercounted passenger-boardings. As such, we will report both the APC- and farebox-based fixed-route ridership numbers until a new baseline is established for trend analysis purposes.

As shown in the attached tables, our financial and operating results through the end of February 2017 are varied but mostly positive, as follows:

- In terms of overall non-capital expenses, we are below budget – 60.8% through two-thirds of the fiscal year. Notable large-tickets variances include labor (9.2% below budget), fuel (31.5% below budget), and total vehicle maintenance (12.6% above budget). We expect total expenses to come in under budget at year's end, which helps contribute to a higher than originally planned starting balance for FY17-18. This is reflected in the draft FY17-18 budget.
- Fixed-route ridership totaled 511,306 (437,877 per fareboxes) through the end of February 2017. In comparison, the farebox-based ridership for the same period last year was 476,831. Year-over-year ridership by route was consistently lower in the first few months of FY16-17 – particularly on Routes 9 and 10 serving the US101 corridor. However, it has rebounded on all routes in the last few months and we expect that the recent uptick in fuel prices will continue to result in ridership recovery.

- Runabout ridership totaled 28,634, which is slightly less than the total from the first eight months of the previous year (28,953). It should be noted that the ridership reduction experienced due to negotiated changes to TCRC-funded riders began in February 2017, and the year-over-year numbers show a decline (3,368 in February 2016 vs. 2,795 in February 2017).

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY

A-1-4

		Amended Budget FY 2016-17	January Actual	February Budget	February Actual	February Variance	Year to Date FY 2016-17	Percent of Total Budget FY 2016-17
	Hours	74,430	6,154	6,203	5,661	542	48,900	65.7%
	Miles	1,734,770	139,142	144,564	125,860	18,704	1,078,505	62.2%
<b>Administration:</b>								
Labor	operations cost	815,700	60,409	67,975	61,044	6,931	529,767	64.9%
Labor - Administration Workers Comp	operations cost	71,210	17,166	-	-	-	51,497	72.3%
Office Space Rental	operations cost	504,790	28,088	42,066	49,330	(7,264)	299,890	59.4%
Property Insurance	operations cost	17,420	-	-	-	-	16,340	93.8%
Professional Technical Services	operations cost	79,560	24,644	6,630	-	6,630	60,432	76.0%
Professional Development	operations cost	37,850	2,894	3,154	4,809	(1,655)	28,674	75.8%
Operating Expense	operations cost	255,190	21,444	21,266	15,247	6,019	168,623	66.1%
Marketing and Reproduction	hourly	93,730	6,525	7,811	5,201	2,610	50,832	54.2%
North County Management Contract	operations cost	(40,320)	(3,360)	(3,360)	(3,360)	-	(26,880)	66.7%
County Management Contract	operations cost	(82,110)	(6,843)	(6,843)	(6,843)	-	(54,740)	66.7%
SCT Management Contract	operations cost	(114,900)	(9,575)	(9,575)	(9,575)	-	(76,600)	66.7%
<b>Total Administration</b>		<b>1,638,120</b>	<b>141,391</b>	<b>129,124</b>	<b>115,853</b>	<b>13,271</b>	<b>1,047,835</b>	<b>64.0%</b>
<b>Service Delivery:</b>								
Labor - Operations	hourly	4,100,660	300,622	341,722	296,319	45,402	2,461,527	60.0%
Labor - Operations Workers Comp	hourly	481,790	116,138	-	-	-	348,415	72.3%
Labor - Maintenance	hourly	947,680	74,733	78,973	70,642	8,331	595,467	62.8%
Labor - Maintenance Workers Comp	hourly	141,000	33,989	-	-	-	101,967	72.3%
Fuel	miles	1,164,130	69,916	97,011	64,979	32,032	532,723	45.8%
Insurance	miles	560,160	47,452	46,680	47,452	(772)	382,114	68.2%
Special Transportation (for SLOCAT and Paso)	n/a	57,300	3,500	4,775	2,591	2,184	25,735	44.9%
Avila Trolley	n/a	57,060	-	-	-	-	30,354	53.2%
Maintenance (parts, supplies, materials)	miles	465,050	43,568	38,754	49,014	(10,260)	417,963	89.9%
Maintenance Contract Costs	miles	138,910	12,670	11,576	2,266	9,309	35,514	25.6%
<b>Total Operations</b>		<b>8,113,740</b>	<b>702,588</b>	<b>619,491</b>	<b>533,263</b>	<b>86,228</b>	<b>4,931,779</b>	<b>60.8%</b>
<b>Capital/Studies:</b>								
Computer System Maintenance/Upgrades		62,250	-	6,500	6,288	212	28,000	45.0%
Miscellaneous Capital								
Facility Improvements		57,540	-	-	-	-	-	0.0%
Maintenance Software and Maintenance Equipment		57,690	-	-	-	-	29,103	50.4%
Passenger Protection 1300 buses		8,400	-	-	-	-	4,536	54.0%
Specialized Maintenance Tools		33,500	-	-	-	-	-	0.0%
Desks and Office Equipment		10,760	-	-	-	-	-	-
Vehicle ITS/Camera System		668,090	-	-	-	-	134,709	20.2%
Bus Stop Improvements/Bus Stop Solar Lighting		277,230	-	-	-	-	16,861	6.1%
Bus Rehabilitation		126,000	-	-	-	-	-	0.0%
RouteMatch Call Back System		37,500	-	-	-	-	33,150	88.4%
Vehicles								
Support Vehicles		60,000	-	-	-	-	60,618	101.0%
Trolley Replacement Vehicle		200,000	-	-	-	-	-	0.0%
Runabout Vehicles		163,480	-	-	-	-	2,575	1.6%
<b>Total Capital Outlay</b>		<b>1,762,440</b>	<b>-</b>	<b>6,500</b>	<b>6,288</b>	<b>212</b>	<b>315,121</b>	<b>17.9%</b>
<b>Contingency</b>	hourly	<b>117,020</b>	<b>-</b>	<b>9,752</b>	<b>1,694</b>	<b>8,058</b>	<b>12,592</b>	<b>10.8%</b>
<b>Interest Expense</b>	operations cost	<b>44,590</b>	<b>2,541</b>	<b>3,716</b>	<b>2,295</b>	<b>1,421</b>	<b>21,873</b>	<b>49.1%</b>
<b>Loan Paydown</b>		<b>200,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,298</b>	<b>50.0%</b>
<b>Elks Lane Project</b>		<b>710,480</b>	<b>1,155</b>	<b>35,000</b>	<b>32,601</b>	<b>2,400</b>	<b>33,756</b>	<b>4.8%</b>
<b>Paso Property Improvements</b>		<b>1,000,000</b>	<b>601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,861</b>	<b>0.3%</b>
<b>Management Contracts</b>		<b>237,330</b>	<b>19,778</b>	<b>19,778</b>	<b>19,778</b>	<b>-</b>	<b>158,220</b>	<b>66.7%</b>
<b>TOTAL FUNDING USES</b>		<b>13,824,320</b>	<b>868,053</b>	<b>788,360</b>	<b>711,771</b>	<b>109,189</b>	<b>6,590,578</b>	<b>47.7%</b>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<b>10,150,800</b>	<b>866,298</b>	<b>781,860</b>	<b>672,883</b>	<b>108,977</b>	<b>6,172,299</b>	<b>60.8%</b>

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU FEBRUARY 28, 2017  
CURRENT FISCAL YEAR - 2016/2017**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RT 7 PASO EXPRESS ROUTE A	RT 8 PASO EXPRESS ROUTE B	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	237,266	236,635	176,957	15,957	24,601	691,415	44,051	47,799	91,850	4,709	95,742	883,715
<b>TOTAL ROUTE REVENUES</b>	237,266	236,635	176,957	15,957	24,601	691,415	44,051	47,799	91,850	4,709	95,742	883,715
<b>EXPENDITURES:</b>												
ADMINISTRATION	210,904	191,292	124,698	12,109	47,575	586,579	10,988	11,189	22,177	4,703	487,023	1,100,482
MARKETING	18,093	16,570	10,832	1,067	4,148	50,711	60	62	122	-	-	50,832
OPERATIONS/CONTINGENCY	684,026	631,037	399,204	39,742	154,806	1,908,814	185,515	189,020	374,535	76,596	1,463,531	3,823,476
FUEL	135,729	139,877	74,936	8,207	32,396	391,145	14,498	14,945	29,443	2,337	98,776	521,700
INSURANCE	82,717	85,258	45,689	4,969	19,735	238,368	10,054	10,380	20,435	3,112	111,517	373,431
<b>TOTAL EXPENDITURES</b>	1,131,470	1,064,034	655,359	66,093	258,661	3,175,617	221,115	225,596	446,711	86,747	2,160,847	5,869,922
<b>FAREBOX RATIO</b>	21.0%	22.2%	27.0%	24.1%	9.5%	21.8%	19.9%	21.2%	20.6%	5.4%	4.4%	15.1%
<b>RIDERSHIP</b>	156,947	140,575	114,387	11,746	14,222	437,877	35,367	34,966	70,333	2,155	28,634	538,999
<b>SERVICE MILES</b>	238,930.5	246,155.0	131,755.0	14,518.3	57,160.5	688,519.3	28,962.7	29,880.3	58,843.0	8,971.0	322,171.0	1,078,504.3
<b>SERVICE HOURS</b>	8,606.8	7,771.7	5,058.1	506.6	1,919.3	23,862.5	2,182.1	2,221.0	4,403.2	916.2	19,717.9	48,899.7
<b>RIDERS PER MILE</b>	0.66	0.57	0.89	0.81	0.27	0.64	1.22	1.17	1.20	0.24	0.09	0.50
<b>RIDERS PER HOUR</b>	18.2	18.0	23.2	23.2	7.9	18.3	16.2	15.7	16.0	2.4	1.5	11.0
<b>COST PER PASSENGER</b>	7.21	7.57	5.73	5.63	18.19	7.25	6.25	6.45	6.35	40.25	75.46	10.89
<b>SUBSIDY PER PASSENGER</b>	5.70	5.89	4.18	4.27	16.46	5.67	5.01	5.08	5.05	38.07	72.12	9.25

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
YEAR TO DATE THRU FEBRUARY 28, 2017  
CURRENT FISCAL YEAR - 2016/2017**

	RT 9 P.R., TEMP., ATAS., S.M., CAL POLY, S.L.O.	RT 10 S.M., NIPOMO, A.G., S.L.O.	RT 12 MORRO BAY, CUESTA, SAN LUIS	RT 14 CUESTA, SAN LUIS TRIPPER	RT 15 SAN SIM., CAMBRIA, CAYUCOS, M.B.	TOTAL RTA CORE SERVICES	RT 7 PASO EXPRESS ROUTE A	RT 8 PASO EXPRESS ROUTE B	TOTAL PASO EXPRESS FIXED ROUTE	PASO EXPRESS DIAL A RIDE	RUNABOUT	SYSTEM TOTAL
<b>REVENUES:</b>												
FARES	237,266	236,635	176,957	15,957	24,601	691,415	44,051	47,799	91,850	4,709	95,742	883,715
<b>TOTAL ROUTE REVENUES</b>	237,266	236,635	176,957	15,957	24,601	691,415	44,051	47,799	91,850	4,709	95,742	883,715
<b>EXPENDITURES:</b>												
ADMINISTRATION	210,904	191,292	124,698	12,109	47,575	586,579	10,988	11,189	22,177	4,703	487,023	1,100,482
MARKETING	18,093	16,570	10,832	1,067	4,148	50,711	60	62	122	-	-	50,832
OPERATIONS/CONTINGENCY	684,026	631,037	399,204	39,742	154,806	1,908,814	185,515	189,020	374,535	76,596	1,463,531	3,823,476
FUEL	135,729	139,877	74,936	8,207	32,396	391,145	14,498	14,945	29,443	2,337	98,776	521,700
INSURANCE	82,717	85,258	45,689	4,969	19,735	238,368	10,054	10,380	20,435	3,112	111,517	373,431
<b>TOTAL EXPENDITURES</b>	1,131,470	1,064,034	655,359	66,093	258,661	3,175,617	221,115	225,596	446,711	86,747	2,160,847	5,869,922
<b>FAREBOX RATIO</b>	21.0%	22.2%	27.0%	24.1%	9.5%	21.8%	19.9%	21.2%	20.6%	5.4%	4.4%	15.1%
<b>RIDERSHIP</b>	174,032	166,525	130,237	25,460	15,052	511,306	37,849	38,229	76,078	2,155	28,634	618,173
<b>SERVICE MILES</b>	238,930.5	246,155.0	131,755.0	14,518.3	57,160.5	688,519.3	28,962.7	29,880.3	58,843.0	8,971.0	322,171.0	1,078,504.3
<b>SERVICE HOURS</b>	8,606.8	7,771.7	5,058.1	506.6	1,919.3	23,862.5	2,182.1	2,221.0	4,403.2	916.2	19,717.9	48,899.7
<b>RIDERS PER MILE</b>	0.73	0.67	1.00	1.75	0.28	0.74	1.31	1.28	1.29	0.24	0.09	0.57
<b>RIDERS PER HOUR</b>	20.1	21.2	25.9	50.3	8.2	21.4	17.3	17.2	17.3	2.4	1.5	12.6
<b>COST PER PASSENGER</b>	6.50	6.39	5.03	2.60	17.18	6.21	5.84	5.90	5.87	40.25	75.46	9.50
<b>SUBSIDY PER PASSENGER</b>	5.14	4.97	3.67	1.97	15.55	4.86	4.68	4.65	4.66	38.07	72.12	8.07

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**April 12, 2017**

**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2017-18 and 2018-19 Operating Budget, and Fiscal Year 2017-18 through 2021-22 Capital Budget

**PRESENTED BY:** Tania Arnold

**STAFF RECOMMENDATION:** Adopt Fiscal Year 2017-18 Budget as Presented

**RTAC RECOMMENDATION:**

**BACKGROUND/DISCUSSION:**

We are pleased to present a fiscally-constrained fiscal year 2017-18 operating budget, and an advisory fiscal year 2018-19 operating budget. In addition, we are presenting a five-year capital program.

We appreciate the Board's support and leadership in these financially constrained times. This year presented staff with a continued challenge due to declines or stagnation in the various local revenue sources used to operate core RTA services.

The budget presentation assumes the same core levels of service miles and hours for fixed route services that are currently being operated. The hours and miles for FY17-18 for fixed route services are now calculated using the ITS system which has resulted in the hours and miles appearing higher than prior year but no service increases are included.

Runabout hours and miles are assumed to decline slightly, as discussed in the budget assumptions adopted by the Board March 1, 2017. Staff will continue to monitor the Runabout service, and should service demands change a budget amendment will be presented to the Board for consideration.

Route 14 service will continue to operate during peak academic year travel periods between downtown San Luis Obispo and the main Cuesta College campus, our highest trip generators in the regional system. The Route 15 service will continue to operate as a deviated fixed route service to conserve limited resources.

In May of 2014 RTA adopted a reserve policy – one for cash flow purposes and one for capital projects. During prior fiscal years RTA came in under the adopted budget, and the fund balance increased more than original budget projections. In addition, during FY13-14 and FY14-15, RTA has replaced the vast majority of the fleet, which has

resulted in a reduction in the amount of capital reserves needed in the ensuing years. The result of the savings, as well as a decrease in fuel prices, has resulted in staff is projecting a strong fund balance at the beginning of FY17-18. Staff will review this policy during the coming fiscal year to determine an appropriate reserve amount for the \$50,000 self-insured retention requirement for the new employment practices coverage provided by the Employment Risk Management Authority (ERMA). Coverage had previously been provided by CalTIP and had first dollar coverage (i.e., no “deductible”), but effective July 1, 2017 CalTIP is no longer providing that line of coverage.

No Local Transit Fund (LTF) is required for local match for any of the proposed capital projects. The FY17-18 RTA operating budget is proposed at \$9,171,540 and the capital budget is proposed at \$914,740.

It should be noted that staff continues to present separate columns in the revenue and expense tables for Paso Robles Express fixed route and dial-a-ride services, as well as for the County-funded (SLOCAT) transit services. This separation is presented so that readers can easily distinguish between core RTA services and those operated under contract for our partner agencies.

In summary, RTA staff has done a tremendous job of holding the line on expenses. The major increases in this year’s operating budget are costs for vehicle liability insurance, workers compensation insurance, the wage adjustments programmed and projected in the Collective Bargaining Agreement for covered employees, and costs associated with our health plan. Recent declines in fuel costs have provided a welcome financial relief despite associated ridership declines, although we do not expect fuel costs to remain static into the future.

The budget packet for the Board will contain the following items:

- Our Vision and Mission statements,
- Budget Assumptions adopted by the Board at its March 1, 2017 meeting,
- Fiscally-constrained FY17-18 operating and capital budgets,
- Fiscally-unconstrained FY18-19 operating budget, and
- Fiscally-unconstrained FY18-19 through FY21-22 capital budgets.

Lastly, we have broken each fixed route service into weekday, Saturday and Sunday sections to better understand the financial commitment necessary to operate these distinct services should service reductions become necessary due to funding or other constraints.

### **Revised Revenue Assumptions**

We are predicating the revenue stream for the FY17-18 budget on the latest information that we have available on Local Transportation Funds (LTF) and State Transit Assistance (STA) funding for the region. SLOCOG’s current countywide LTF projection is unchanged in FY17-18 in comparison to final FY16-17 amounts. The original advisory FY17-18 budget presented in May 2016 included an estimated LTF request of \$5,190,030, which has been reduced to \$4,633,250. Although it is a significant increase

over recent years, the graph presented at the March 2017 Board meeting demonstrates that is similar to the trend over the past ten years. Staff concurs and applauds the principles laid out in the SLOCOG staff report that any future funding formulas include incentive funding for Vehicle Miles Traveled (VMT) and regional integration of the jurisdictional operations with the regional system as part of the regional funding formula. This budget assumes a 5% overall fixed route fare increases for beginning in January 2018.

### **Administration and Operations Expenses**

The overall Administration Expense for RTA core services is relatively flat compared to last fiscal year. Increases to workers compensation and professional technical services are offset by the proposed decreases in office space rental due to the move to the new North County park-out location by the end of the 2017 calendar year.

On the operating side, we have maintained current fixed route service levels, although Runabout costs are expected to decline slightly due to lower demand from Tri-Counties Regional Center clients. The proposed service delivery cost is up by roughly 6% from what was identified in the FY16-17 budget. The primary reasons for this increase are described below.

As included in the budget assumptions that your Board accepted in March 2017, the Collective Bargaining Agreement (CBA) identifies annual increases based upon longevity for Bus Operators, Mechanics and Utility Workers. It should be noted that RTA ratified a new CBA in February 2014, which runs through January 31, 2018. For budgetary planning purposes, the FY17-18 operating budget assumes increases after January 31, 2018 to be similar to those provided during the current CBA period. Non-CBA employees within the salary range for their position will be eligible for a step merit increase subject to performance evaluations. It should be noted that the California Legislature's recent minimum wage hike to \$15.00 per hour by 2021 will result in wage compression issues; RTA's current average hourly wage for Bus Operators is \$16.26 per hour.

Staff has included preliminary numbers for the CalTIP general liability and auto physical damage renewal, as well as the addition of employment practices liability coverage through ERMA. Although final numbers are not available for the Executive Committee meeting, they will be available for the RTA Board on May 3<sup>rd</sup>. Staff will also be evaluating options for consolidating insurance coverage between RTA and SCT, which would reduce duplicative administrative charges.

Workers compensation insurance provided by CSAC Excess Insurance Authority continues to increase, with the realization that worker's compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. CSAC-EIA staff has provided a worst case estimate including their uncertainty with regarding to moving forward with a renewal with a carrier or if they will self-insure for a portion of the primary workers compensation layer. We continue to work with our employee committee that has evaluated workplace safety and has initiated a

proactive program to address the number of claims and severity of the claims. It should be noted that this FY17-18 increase is lower than we originally projected in May 2016. Staff will also investigate any cost-savings that might be accrued if the RTA and SCT payrolls were to be consolidated.

Finally, due to the unrest in North Africa and the Middle East, fuel prices have continued to swing wildly over the past few years. Staff has tried to budget fuel somewhat conservatively, but we may need to adjust it if fuel prices change significantly during the fiscal year. Due to our limited infrastructure, we are unable to purchase fuel in bulk to realize economies of scale. It should be noted that diesel-powered buses manufactured after 2009 also require the use of Diesel Exhaust Fluid (DEF) to meet emissions requirements. DEF costs more than diesel fuel, and it is used at a roughly 5% ratio DEF to diesel; its use is included in the fuel line item.

### **Fixed Route Ridership Patterns**

The draft Short Range Transit Plan includes a number of service improvements to meet current and projected future demand for regional transit services. In particular, new mid-day express runs on Routes 9 and 10, as well as later evening services, are recommended beginning in FY17-18. However, those improvements cannot be implemented without significant new funding and will remain financially-unconstrained until or unless new operating funds can be secured.

### **Runabout Ridership Declining and Runabout Eligibility Procedure**

Pursuant to the monthly ridership reports as of February 2017, Runabout ridership is down. In the Spring of 2016 staff implemented a functional assessment as part of the eligibility process to ensure that the service is being provided to those who truly need it. Staff will also conduct fixed route travel training with those Runabout applicants that might be capable of using fixed route services when feasible. These measures, in conjunction with the Ride-On and Tri-Counties Regional Center coordination, have resulted in declines in costly Runabout demand – which is a welcome relief in comparison to recent years when Runabout demand burgeoned.

### **Capital Program**

The focus of our capital program will continue to be development and implementation the new bus maintenance facility. We have also programmed the following minor capital projects:

- \$34,730 for specialized maintenance equipment to improve efficiencies;
- The back end support system for the on-board camera system;
- Bus stop improvements, including solar lighting; and
- Miscellaneous computer equipment, including a server replacement.

It should be noted that a portion of the FY16-17 capital funds for fully funded projects, such as the ITS improvements, Paso park-out yard improvements, and the Elks Lane yard will need to be carried over to FY17-18. However, due to the timing of the projects and in order to provide a clear picture of what is new and what has been previously

programmed, staff is recommending that the Board consider a budget amendment in September to address carryover items. The carryover will have no financial impact to local jurisdictions.

Also included is a projected five-year capital improvement program as part of the budget plan. While only the first year is financially constrained, the projects identified in the ensuing four years provide a snapshot of future capital needs and potential cost levels. It should be noted that staff has only identified replacement projects and easily identifiable on-going projects (i.e., computer needs and bus stop improvements) in the capital improvement program. No expansion vehicles are included. As the Board provides direction to staff regarding possible expansion vehicles and/or facilities the capital improvement program will be updated.

Staff has adjusted the pay-down schedule for the existing loan for the 179 Cross Street building improvements project that began in 2006. Given the recent LTF financial constraints presented above and the revised lease agreement through 2022, staff has extended principal payments out to FY18-19, which is the end of the current loan period. The loan would still be paid off prior to the extended lease termination date, but this delay will provide more funding for operations during these tight financial times.

#### **Conclusion and Staff Recommendation**

Fiscal Year 2017-18 will be another challenging year, including financial barriers and the need to implement long-planned facility related capital projects. We look forward to working with our customers, the Board and other stakeholders in providing the highest quality of transportation services to residents of and visitors to our community. We believe that this budget reflects the path set by your Board in previous years and, although we would like to do more, we believe that this budget provides the optimum levels of service within the confines of existing limited resources.

The Staff recommends that the Board adopt the FY17-18 budget as presented.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**  
**March 1, 2017**  
**STAFF REPORT**

**AGENDA ITEM:** B-1

**TOPIC:** Fiscal Year 2017-18 Budget Assumptions

**ACTION:** Approve Budget Assumptions

**PRESENTED BY:** Tania Arnold, Deputy Director/CFO

**STAFF RECOMMENDATION:** Approve Budget Assumptions to Enable Staff to Begin Development of FY17-18 & FY18-19 Operating and Capital Budgets

**BACKGROUND/DISCUSSION:**

The following report outlines staff's recommended budget assumptions for RTA's Fiscal Year 17-18 Operating and Capital Budget, and it is the first step in the development of our operating budget and operating program. It should be noted that RTA is again developing a two-year operating budget and five-year capital budget. As in past years, only the first year would be financially-constrained, while the out-years should be considered advisory. Upon the Board's guidance and approval of these assumptions, staff will prepare a detailed report along with preliminary budget numbers for presentation to the Executive Committee at their April 12<sup>th</sup> meeting prior to the final draft budget presentation to the Board in May.

**KEY ISSUES**

1. STA funds used for capital projects are projected to be down approximately 20%
2. LTF used for operating purposes is projected to be flat
3. Liability costs continue to escalate, despite RTA's good safety record
4. We continue to focus on Runabout costs, which have escalated in the past 5 years
5. Fuel costs continue to remain low; this also results in declining ridership & fares
6. A fare program increase should be considered to help cover increasing costs

**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.

## Objectives and Revenue Impacts

1. Maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities through the effective and efficient delivery of RTA Fixed Route and Runabout core services.
  - SLOCOG is working on State Transit Assistance (STA) funding projections for FY17-18. Preliminary indications note that STA is down by 20%, which would reduce STA used for capital to \$410,000 in FY17-18. The original FY16-17 budget assumed \$487,000 in STA capital funds.
  - Staff is recommending a review of the fare program to address inflation since the last fare program change (cash fares increased in 2011 and the multi-ride pass prices increased in 2013). Any recommended changes would be implemented in January 2018. Fare revenue is projected to be \$1,300,000 (farebox and advertising revenue) at existing fare levels. The contribution from Cuesta College is estimated to increase slightly to \$104,000 for services to the main campus and North County campus.
  - The FY16-17 budget adopted in May 2016 included \$3,764,950 LTF operating revenues. At that same meeting, the advisory FY17-18 LTF amount was \$5,190,030. Staff is still developing estimated annual FY16-17 expenses, which impacts the carryover amount that could reasonably be identified for the FY17-18 budget.
  - Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding for FY17-18, and capital funding for FY17-18 and FY18-19 will be presented as previously presented in May 2016, taking into account preliminary projected revenues identified in the Fixing America's Surface Transportation (FAST) Act. Should the actual annual authorizations for federal transportation programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly.
  - FTA Section 5307 operating funding from the Santa Maria Urbanized Area for Route 10 will be budgeted based on previous commitments with Santa Barbara County Association of Governments and the City of Santa Maria. Staff is confident in continued Santa Maria UZA funding for Route 10 operations.
  - Detailed miles/hours and span of service for each RTA core fixed route and Runabout will be provided with the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services.
2. Work with the SLOCOG in evaluating region-wide service efficiencies.
  - Transit agencies across the country have experienced ridership declines due to the relatively low price of fuel.

- Review the tasks and financial impacts included in the South County Transit contract for administrative, financial, marketing, maintenance and dispatch services, and evaluate efficiencies with RTA.
  - Staff will continue to explore new revenue resources at the Federal, State, and local levels.
  - RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
  - Staff will use the 2015-17 RTA Strategic Business Plan as well as the 2016 Short Range Transit Plan to evaluate potential efficiencies, and with Board concurrence, implement efficiencies.
3. Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
  4. Address duplicative and/or low producing Fixed Route runs due to decreasing ridership.
    - Additional express trips on the Routes 9 and 10 began in September 2015. Service levels, the total number of revenue service hours, miles and span of service for RTA Fixed Route services will be budgeted at annualized levels assumed in FY16-17 with revenue and cost information for duplicative and/or low producing Fixed Route runs provided for potential service reduction options. If any additional service adjustments becomes necessary, staff would seek a budget amendment to address those service demands during the fiscal year.
    - Reduce service levels around holidays to a Sunday schedule (instead of a Saturday schedule) based on usage and productivity standards.
  5. Address projected changes in demand for Runabout service.
    - As of February 1, 2017, nine (9) regular Runabout riders, who have their rides funded by Tri-Counties Regional Center, transferred from Runabout to Ride-On with no additional cost to any of the agencies involved. At this time the cost savings to Runabout is too early to estimate but staff will monitor and include in the final budget presentation.
    - Other than the change with Tri-Counties Regional Center Riders, Runabout service hours and miles are projected to remain flat based on recent demand trends. This reflects a change from prior years, with the first six months of FY16-17 mileage down 11% and hours down 19% from FY13-14. In FY13-14, the burgeoning demand would have required significant Runabout service level



increases but, with a variety of measures implemented at the Board's direction, demand has remained relatively flat since FY14-15.

- To ensure that only those persons truly eligible for Runabout service are initially registered or re-registered, staff will continue to conduct functional assessments as part of the Runabout application process. This process was added in early 2016. Staff will also provide mobility training for disabled persons who are able to use Fixed Route services for some or all of their travel needs.
  - Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required staff will revisit this option.
6. Implement RTA's strategy to develop a long-term administrative, operations and maintenance facility.

### **Expenses Impacts**

1. Fuel consumption and price will be budgeted conservatively; diesel fuel will be budgeted at \$3.50 per gallon. Included in the fuel line item will be diesel exhaust fluid (DEF), used to lower diesel exhaust emissions on the newer Fixed Route vehicles.
2. Insurance Expenses:
  - CalTIP liability insurance premiums are projected to increase by up to 28%. The exact amount is not known at this time as CalTIP actuaries are still working on May 1, 2017 through April 30, 2018 rates. Estimates should be received from CalTIP in time to include in the RTA April 2017 draft budget. Although the number of RTA losses based on mileage has been lower than the pool average, the pool has experienced significant negative claims development and is working to ensure the stability of the pool and ensure equity between all members.
  - CalTIP vehicle physical damage will increase by approximately 5% due to the added asset value of new vehicles in the fleet.
  - As of July 1, 2017 CalTIP will no longer provide employment practices liability insurance coverage as part of the premiums paid for general liability coverage. RTA is working on joining the Employment Risk Management Authority (ERMA) to obtain coverage. The annual premium is estimated at \$22,000 with a \$50,000 self-insured retention.
  - Workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase 20%, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends for the state are not favorable. Staff will obtain a more

refined estimate in early March. We continue to work with our employee committee that has evaluated workplace safety and has initiated a proactive program to address the number of claims and severity of the claims. It should be noted that this FY17-18 increase is lower than we originally projected in May 2016.

- Property insurance will increase minimally.
- For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years.

### 3. Staffing Expenses:

- The current Collective Bargaining Agreement (CBA) expires January 31, 2018 and the FY17-18 will include significant assumptions regarding the potential fiscal impacts of a new CBA. The effects of the recent changes to the California minimum wage program – including the fact that the new \$10.50/hour minimum exceeds the current Training Wage identified in the CBA – will likely result in longer-term upward pressure on Bus Operator, Mechanic and Utility wages in the region.
- For FY17-18 core RTA services, the number of budgeted positions will remain the same as FY16-17.
- For FY17-18, the overall number of budgeted positions for the North County and SLO County services will remain the same. It should be noted that the marginal costs and revenues the services will be treated in the budget the same way as prior years: as separate and distinct columns.
- An annual inflationary adjustment based on the December 2015 to December 2016 Consumer Price Index (CPI) for non-union employees of 2% will be implemented. Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

### **Proposed Budget Calendar**

February 8	Detailed budget assumptions and revenue forecast to Executive Committee
March 1	Obtain Board concurrence on proposed draft budget assumptions
March 1	Provide mid-year FY16-17 Budget data to Board (no additional budget amendments are being requested)
March 31	Based on feedback from Executive Committee draft FY17-18 Budget Draft complete.

April 12 Draft FY17-18 Budget presentation to Executive Committee

April 19 Formal FY17-18 Budget presentation to RTAC

May 3 Final Board Budget presentation; Board adoption of FY17-18 Budget

**Staff Recommendation**

Approve the budget assumptions and budget calendar so that a detailed work plan and budget may be developed.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
PROPOSED OPERATING REVENUE BUDGET FOR 2017/2018**

	2015/2016 COMBINED ACTUAL	2016/2017 ADOPTED OPERATING BUDGET	2016/2017 ADOPTED SLOCAT BUDGET	2016/2017 ADOPTED N. COUNTY BUDGET	2017/2018 PROPOSED OPERATING BUDGET	2017/2018 PROPOSED SLOCAT BUDGET	2017/2018 PROPOSED N. COUNTY BUDGET	2018/2019 PROJECTED OPERATING BUDGET	2018/2019 PROJECTED SLOCAT BUDGET	2018/2019 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
GENERAL RESERVES	3,518,448	2,253,090	699,820	200,390	<b>1,931,090</b>	<b>245,580</b>	<b>180,800</b>	1,508,320	96,710	178,210
1. ESTIMATED FUND BALANCE	3,518,448	2,253,090	699,820	200,390	<b>1,931,090</b>	<b>245,580</b>	<b>180,800</b>	1,508,320	96,710	178,210
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
CASH FLOW REQUIREMENTS PER TDA	1,349,520	1,389,870	276,470	180,800	<b>1,508,320</b>	<b>96,710</b>	<b>178,210</b>	1,629,320	104,080	189,060
TOTAL	1,349,520	1,389,870	276,470	180,800	<b>1,508,320</b>	<b>96,710</b>	<b>178,210</b>	1,629,320	104,080	189,060
3. FUND BALANCE AVAILABLE	2,168,928	863,220	423,350	19,590	<b>422,770</b>	<b>148,870</b>	<b>2,590</b>	(121,000)	(7,370)	(10,850)
<b>NON TDA SOURCES</b>										
FARES	1,422,568	1,190,290	37,610	102,100	<b>1,210,730</b>	<b>40,910</b>	<b>102,100</b>	1,283,370	40,910	107,210
SCT MANAGEMENT CONTRACT	79,830	114,900	-	-	<b>119,270</b>	-	-	126,130	-	-
COUNTY MANAGEMENT CONTRACT	80,500	82,110	-	-	<b>85,230</b>	-	-	90,130	-	-
NORTH COUNTY MANAGEMENT CONTRACT	39,720	40,320	-	-	<b>41,850</b>	-	-	44,260	-	-
INTEREST	9,864	8,330	1,180	-	<b>8,860</b>	<b>650</b>	-	8,860	-	-
STATE TRANSIT ASSISTANCE (STA)	32,882	-	89,490	36,190	-	-	-	-	-	-
RURAL TRANSIT FUND (Administration)	30,000	30,000	-	-	<b>30,000</b>	-	-	30,000	-	-
RURAL TRANSIT FUND (Operating Funds)	200,000	300,000	-	-	<b>300,000</b>	-	-	300,000	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	496,130	520,940	-	-	<b>546,990</b>	-	-	574,340	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311) - Operating	626,735	524,930	-	-	<b>498,210</b>	-	-	498,210	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-N. County) - Operatin	981,165	801,380	-	226,340	<b>838,950</b>	-	<b>237,660</b>	878,400	-	249,540
FEDERAL TRANSIT ADM (FTA) (Section 5307-SM) - Operating	317,000	332,850	-	-	<b>349,490</b>	-	-	366,960	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - S. County Operatin	470,000	491,000	-	-	<b>513,050</b>	-	-	536,200	-	-
CUESTA CONTRIBUTION ROUTE 12	54,370	60,450	-	-	<b>71,100</b>	-	-	79,480	-	-
CUESTA CONTRIBUTION NORTH COUNTY	40,580	-	-	40,580	-	-	<b>40,580</b>	-	-	40,580
CMAQ OPERATING FUNDS	-	-	-	-	-	-	-	-	-	-
SPECIAL EVENTS REVENUE/OTHER	43,264	-	-	-	-	-	-	-	-	-
4. SUB TOTAL	4,924,608	4,497,500	128,280	405,210	<b>4,613,730</b>	<b>41,560</b>	<b>380,340</b>	4,816,340	40,910	397,330
5. TOTAL FUND BALANCE & NON TDA FUNDING	7,093,536	5,360,720	551,630	424,800	<b>5,036,500</b>	<b>190,430</b>	<b>382,930</b>	4,695,340	33,540	386,480

B-1-12

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

	2015/2016 COMBINED ACTUAL	2016/2017 ADOPTED OPERATING BUDGET	2016/2017 ADOPTED SLOCAT BUDGET	2016/2017 ADOPTED N. COUNTY BUDGET	2017/2018 PROPOSED OPERATING BUDGET	2017/2018 PROPOSED SLOCAT BUDGET	2017/2018 PROPOSED N. COUNTY BUDGET	2018/2019 PROJECTED OPERATING BUDGET	2018/2019 PROJECTED SLOCAT BUDGET	2018/2019 PROJECTED N. COUNTY BUDGET
CITY OF ARROYO GRANDE	198,830	200,014	-	-	241,392	-	-	292,810	-	-
CITY OF ATASCADERO	328,917	334,761	-	-	420,390	-	-	509,936	-	-
CITY OF GROVER BEACH	150,872	150,848	-	-	182,388	-	-	221,238	-	-
CITY OF MORRO BAY	117,871	118,025	-	-	145,970	-	-	177,063	-	-
CITY OF PASO ROBLES	952,615	350,289	-	573,630	427,456	-	585,960	518,507	-	632,840
CITY OF PISMO BEACH	88,380	88,496	-	-	111,377	-	-	135,101	-	-
CITY OF SAN LUIS OBISPO	673,290	677,691	-	-	833,985	-	-	1,011,631	-	-
COUNTY OF SAN LUIS OBISPO	1,832,844	1,844,826	-	-	2,270,293	353,940	-	2,753,883	546,680	-
TDA REQUIREMENTS BEFORE 5311 EXCHANGE	4,343,619	3,764,950	-	573,630	4,633,250	353,940	585,960	5,620,170	546,680	632,840
LESS: RURAL TRANSIT FUND/5311 EXCHANGE	(626,735)	(524,930)	-	-	(498,210)	-	-	(498,210)	-	-
6. NET TDA REQUIREMENTS	3,716,884	3,240,020	-	573,630	4,135,040	353,940	585,960	5,121,960	546,680	632,840
7. TOTAL FUNDING SOURCES	10,810,420	8,600,740	551,630	998,430	9,171,540	544,370	968,890	9,817,300	580,220	1,019,320
8. FUNDING USES:										
ADMINISTRATION	1,350,714	1,550,260	10,000	77,860	1,619,120	10,000	57,050	1,694,500	10,000	55,550
INTEREST EXPENSE	42,592	44,590	-	-	30,490	-	-	22,870	-	-
MANAGEMENT CONTRACTS	200,050	114,900	82,110	40,320	119,270	85,230	41,850	126,130	90,130	44,260
SERVICE DELIVERY	6,958,863	6,810,210	437,640	865,890	7,315,110	427,750	855,520	7,880,140	457,210	904,030
CONTINGENCY	364	80,780	21,880	14,360	87,550	21,390	14,470	93,660	22,880	15,480
9. TOTAL FUNDING USES	8,552,583	8,600,740	551,630	998,430	9,171,540	544,370	968,890	9,817,300	580,220	1,019,320

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY  
PROPOSED CAPITAL REVENUE BUDGET FOR 2017/2018**

	2015/2016 COMBINED ACTUAL	2016/2017 AMENDED CAPITAL BUDGET	2016/2017 ADOPTED SLOCAT BUDGET	2016/2017 ADOPTED N. COUNTY BUDGET	2017/2018 PROPOSED CAPITAL BUDGET	2017/2018 PROPOSED SLOCAT BUDGET	2017/2018 PROPOSED N. COUNTY BUDGET	2018/2019 PROJECTED CAPITAL BUDGET	2018/2019 PROJECTED SLOCAT BUDGET	2018/2019 PROJECTED N. COUNTY BUDGET
FUNDING SOURCES:										
	525,119	499,850	48,690	4,170	<b>547,363</b>	<b>8,690</b>	<b>40,330</b>	621,400	80,280	98,210
1. ESTIMATED FUND BALANCE	525,119	499,850	48,690	4,170	<b>547,363</b>	<b>8,690</b>	<b>40,330</b>	621,400	80,280	98,210
2. LESS REQUIRED RESERVES FOR FISCAL YEAR										
	552,710	346,790	8,690	40,330	<b>598,173</b>	<b>80,280</b>	<b>98,210</b>	530,800	151,870	156,090
	552,710	346,790	8,690	40,330	<b>598,173</b>	<b>80,280</b>	<b>98,210</b>	530,800	151,870	156,090
3. FUND BALANCE AVAILABLE	(27,591)	153,060	40,000	(36,160)	<b>(50,810)</b>	<b>(71,590)</b>	<b>(57,880)</b>	90,600	(71,590)	(57,880)
<b>NON TDA SOURCES</b>										
STATE TRANSIT ASSISTANCE (STA)	752,174	486,530	-	36,160	<b>410,000</b>	<b>71,590</b>	<b>57,880</b>	410,000	71,590	57,880
LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)	-	291,300	-	-	-	-	-	-	-	-
PROPOSITION 1B FUNDING - SAFETY & SECURITY	271,262	765,240	-	-	<b>100,000</b>	-	-	-	-	-
PROPOSITION 1B FUNDING - ELKS LANE	-	-	-	-	-	-	-	-	-	-
PROPOSITION 1B FUNDING - BUS REPLACEMENT	-	-	-	-	-	-	-	330,730	-	-
CONGESTION MITIGATION AND AIR QUALITY (CMAQ)	-	-	-	-	-	-	-	396,000	-	-
RURAL TRANSIT FUND (Capital)	-	55,990	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307) - San Luis Obispo	115,047	229,650	-	-	<b>133,330</b>	-	-	339,970	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5309) - State of Good Repair	52,457	-	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5339) - Bus and Bus Facilities	44,180	96,190	-	-	-	-	-	873,210	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5311f)	-	-	-	-	-	-	-	-	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-North County)	115,047	731,410	-	-	<b>188,890</b>	-	-	398,310	-	-
FEDERAL TRANSIT ADM (FTA) (Section 5307-South County)	115,047	664,150	160,000	-	<b>133,330</b>	-	-	339,970	-	-
4. SUB TOTAL	1,465,214	3,320,460	160,000	36,160	<b>965,550</b>	<b>71,590</b>	<b>57,880</b>	3,088,190	71,590	57,880
5. TOTAL FUND BALANCE & NON TDA FUNDING	1,437,623	3,473,520	200,000	-	<b>914,740</b>	-	-	3,178,790	-	-
6. NET TDA REQUIREMENTS	-	-	-	-	-	-	-	-	-	-
7. TOTAL FUNDING SOURCES	1,437,623	3,473,520	200,000	-	<b>914,740</b>	-	-	3,178,790	-	-
8. FUNDING USES:										
	1,237,027	3,272,920	200,000	-	<b>714,140</b>	-	-	2,967,120	-	-
CAPITAL	1,237,027	3,272,920	200,000	-	<b>714,140</b>	-	-	2,967,120	-	-
LOAN PAYDOWN	200,596	200,600	-	-	<b>200,600</b>	-	-	211,670	-	-
9. TOTAL FUNDING USES	1,437,623	3,473,520	200,000	-	<b>914,740</b>	-	-	3,178,790	-	-

B-1-14

		<b>Actual Combined FY 2015-16</b>	<b>Adopted Operating Budget FY 2016-17</b>	<b>Proposed Operating Budget FY 2017-18</b>	<b>Projected Operating Budget FY 2018-19</b>
<b>Administration and Service Delivery Totals</b>					
	Hours	69,399	74,430	<b>77,750</b>	77,750
	Miles	1,552,674	1,734,770	<b>1,722,730</b>	1,722,730
<b>Administration:</b>					
Labor	operations cost	660,486	815,700	<b>855,390</b>	904,610
Labor - Administration Workers Comp	operations cost	55,720	71,210	<b>83,170</b>	95,650
Office Space Rental	operations cost	437,933	504,790	<b>477,880</b>	479,030
Property Insurance	operations cost	16,127	17,420	<b>17,240</b>	18,960
Professional Technical Services	operations cost	50,925	79,560	<b>99,990</b>	105,740
Professional Development	operations cost	19,076	37,850	<b>37,670</b>	39,840
Operating Expense	operations cost	239,157	255,190	<b>270,460</b>	286,020
Marketing and Reproduction	hourly	71,340	93,730	<b>90,720</b>	90,720
North County Management Contract	operations cost	(39,720)	(40,320)	<b>(41,850)</b>	(44,260)
County Management Contract	operations cost	(80,500)	(82,110)	<b>(85,230)</b>	(90,130)
SCT Management Contract	operations cost	(79,830)	(114,900)	<b>(119,270)</b>	(126,130)
<b>Total Administration</b>		<b>1,350,714</b>	<b>1,638,120</b>	<b>1,686,170</b>	<b>1,760,050</b>
<b>Service Delivery:</b>					
Labor - Operations	hourly	3,569,509	4,100,660	<b>4,157,720</b>	4,396,960
Labor - Operations Workers Comp	hourly	376,970	481,790	<b>562,730</b>	647,140
Labor - Maintenance	hourly	863,556	947,680	<b>971,020</b>	1,026,890
Labor - Maintenance Workers Comp	hourly	110,324	141,000	<b>164,690</b>	189,390
Fuel	miles	786,228	1,164,130	<b>1,160,530</b>	1,209,010
Insurance (Liability, Physical Damage, Employment Practices)	miles	475,680	560,160	<b>739,180</b>	850,060
Special Transportation (for SLOCAT)	n/a	53,781	57,300	<b>43,900</b>	46,430
Avila Trolley	n/a	46,885	57,060	<b>69,900</b>	73,920
Maintenance (parts, supplies, materials)	miles	550,712	465,050	<b>636,610</b>	700,270
Maintenance Contract Costs	miles	125,218	138,910	<b>92,100</b>	101,310
<b>Total Operations</b>		<b>6,958,863</b>	<b>8,113,740</b>	<b>8,598,380</b>	<b>9,241,380</b>
<b>Contingency</b>	hourly	364	117,020	<b>123,410</b>	132,020
<b>Interest Expense</b>	operations cost	42,592	44,590	<b>30,490</b>	22,870
<b>Management Contracts</b>		200,050	237,330	<b>246,350</b>	260,520
<b>TOTAL FUNDING USES</b>		<b>8,552,583</b>	<b>10,150,800</b>	<b>10,684,800</b>	<b>11,416,840</b>

B-1-16

	Actual Capital Expenditures FY 2015-16	Amended Capital Budget FY 2016-17	Projected Capital Budget FY 2017-18	Projected Capital Budget FY 2018-19	Projected Capital Budget FY 2019-20	Projected Capital Budget FY 2020-21	Projected Capital Budget FY 2021-22
<b>Capital Expenditures</b>							
<b>Capital/Studies:</b>							
<b>Computer System Maintenance/Upgrades</b>	31,964	62,250	<b>52,220</b>	31,830	33,420	35,090	36,840
Miscellaneous Capital							
<b>Facility Improvements</b>	17,678	57,540	-	17,250	-	19,840	-
<b>Maintenance Equipment</b>		57,690	<b>34,730</b>	-	-	-	-
Rotary Lift/Wireless Lift		-	-	-	-	-	-
Passenger Protection 1300 buses		8,400	-	-	-	-	-
Specialized Maintenance Tools		33,500	-	34,340	36,060	-	-
<b>Desks and Office Equipment</b>		10,760	<b>6,600</b>	-	-	-	-
Radios	4,653	-	-	-	-	6,600	-
<b>Vehicle ITS/Camera System</b>	383,370	668,090	<b>85,870</b>	-	-	-	-
<b>Bus Stop Improvements/Bus Stop Solar Lighting</b>	111,067	277,230	<b>34,730</b>	36,470	38,290	40,200	42,210
Bus Rehabilitation		126,000	-	-	-	-	-
RouteMatch Dispatching Software/Call Back System		37,500	-	-	-	-	-
Vehicles							
Support Vehicles		60,000	-	18,000	-	56,700	63,000
40' Coaches		-	-	1,599,940	1,805,000	631,800	1,326,700
Trolley replacement vehicles		200,000	-	-	-	-	-
Cutaway and Dial A Ride Vehicles	244,352	-	-	-	880,700	-	-
Runabout Vehicles	406,314	163,480	-	729,300	555,200	261,300	316,600
<b>Total Capital Outlay</b>	1,199,398	1,762,440	<b>214,150</b>	2,467,130	3,348,670	1,051,530	1,785,350
<b>Loan Pay down</b>	200,596	200,600	<b>200,600</b>	211,670	-	-	-
<b>Elks Lane Project</b>	37,629	710,480	<b>499,990</b>	499,990	499,990	499,990	499,990
<b>Paso Property Improvements</b>	-	1,000,000	-	-	-	-	-
<b>TOTAL FUNDING USES</b>	1,437,623	3,673,520	<b>914,740</b>	3,178,790	3,848,660	1,551,520	2,285,340



B-1-17

		<b>Total Adopted Budget FY 2016-17</b>	<b>Weekday Proposed Budget FY 2017-18</b>	<b>Saturday Proposed Budget FY 2017-18</b>	<b>Sunday Proposed Budget FY 2017-18</b>	<b>Total Proposed Budget FY 2017-18</b>	<b>Projected Budget FY 2018-19</b>
<b>Route 9</b>							
	Hours	10,640	<b>13,200</b>	<b>670</b>	<b>450</b>	<b>14,320</b>	14,320
	Miles	329,760	<b>355,260</b>	<b>18,950</b>	<b>12,540</b>	<b>386,750</b>	386,750
<b>Administration:</b>							
<b>Total Administration (Net of Contracts)</b>		254,730	<b>297,560</b>	<b>15,380</b>	<b>10,270</b>	<b>323,210</b>	338,230
<b>Service Delivery:</b>							
Labor - Operations	hourly	550,420	<b>662,500</b>	<b>33,630</b>	<b>22,590</b>	<b>718,720</b>	760,070
Labor - Operations Workers Comp	hourly	65,150	<b>89,670</b>	<b>4,550</b>	<b>3,060</b>	<b>97,280</b>	111,870
Labor - Maintenance	hourly	126,890	<b>154,730</b>	<b>7,850</b>	<b>5,270</b>	<b>167,850</b>	177,510
Labor - Maintenance Workers Comp	hourly	18,970	<b>26,240</b>	<b>1,330</b>	<b>890</b>	<b>28,460</b>	32,740
Fuel	miles	211,320	<b>233,560</b>	<b>12,460</b>	<b>8,240</b>	<b>254,260</b>	264,890
Insurance	miles	104,430	<b>149,370</b>	<b>7,970</b>	<b>5,270</b>	<b>162,610</b>	190,300
Maintenance (parts, supplies, materials)	miles	83,640	<b>124,770</b>	<b>6,660</b>	<b>4,400</b>	<b>135,830</b>	149,420
Maintenance Contract Costs	miles	25,500	<b>18,050</b>	<b>960</b>	<b>640</b>	<b>19,650</b>	21,620
<b>Total Operations</b>		1,186,320	<b>1,458,890</b>	<b>75,410</b>	<b>50,360</b>	<b>1,584,660</b>	1,708,420
<b>Capital/Studies:</b>							
<b>Total Capital Outlay</b>		654,770	<b>295,840</b>	<b>15,290</b>	<b>10,210</b>	<b>321,340</b>	1,133,680
<b>Contingency</b>	hourly	13,330	<b>16,610</b>	<b>840</b>	<b>570</b>	<b>18,020</b>	19,270
<b>Interest Expense</b>	operations cost	7,360	<b>5,780</b>	<b>290</b>	<b>200</b>	<b>6,270</b>	4,710
<b>TOTAL FUNDING USES</b>		2,116,510	<b>2,074,680</b>	<b>107,210</b>	<b>71,610</b>	<b>2,253,500</b>	3,204,310
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		1,461,740	<b>1,778,840</b>	<b>91,920</b>	<b>61,400</b>	<b>1,932,160</b>	2,070,630

B-1-18

		<b>Total Adopted Budget FY 2016-17</b>	<b>Weekday Proposed Budget FY 2017-18</b>	<b>Saturday Proposed Budget FY 2017-18</b>	<b>Sunday Proposed Budget FY 2017-18</b>	<b>Total Proposed Budget FY 2017-18</b>	<b>Projected Budget FY 2018-19</b>
<b>Route 10</b>							
	Hours	10,610	<b>11,600</b>	<b>610</b>	<b>350</b>	<b>12,560</b>	12,560
	Miles	351,560	<b>363,520</b>	<b>19,540</b>	<b>11,150</b>	<b>394,210</b>	394,210
<b>Administration:</b>							
<b>Total Administration (Net of Contracts)</b>		260,310	<b>276,990</b>	<b>14,690</b>	<b>8,420</b>	<b>300,100</b>	314,290
<b>Service Delivery:</b>							
Labor - Operations	hourly	548,860	<b>582,200</b>	<b>30,620</b>	<b>17,570</b>	<b>630,390</b>	666,650
Labor - Operations Workers Comp	hourly	64,980	<b>78,800</b>	<b>4,140</b>	<b>2,380</b>	<b>85,320</b>	98,120
Labor - Maintenance	hourly	126,520	<b>135,970</b>	<b>7,150</b>	<b>4,100</b>	<b>147,220</b>	155,700
Labor - Maintenance Workers Comp	hourly	18,920	<b>23,060</b>	<b>1,210</b>	<b>700</b>	<b>24,970</b>	28,720
Fuel	miles	225,290	<b>239,000</b>	<b>12,850</b>	<b>7,330</b>	<b>259,180</b>	270,000
Insurance	miles	111,330	<b>152,840</b>	<b>8,220</b>	<b>4,690</b>	<b>165,750</b>	193,970
Maintenance (parts, supplies, materials)	miles	89,170	<b>127,680</b>	<b>6,860</b>	<b>3,920</b>	<b>138,460</b>	152,300
Maintenance Contract Costs	miles	27,180	<b>18,470</b>	<b>990</b>	<b>570</b>	<b>20,030</b>	22,030
<b>Total Operations</b>		1,212,250	<b>1,358,020</b>	<b>72,040</b>	<b>41,260</b>	<b>1,471,320</b>	1,587,490
<b>Capital/Studies:</b>							
<b>Total Capital Outlay</b>		669,090	<b>275,390</b>	<b>14,610</b>	<b>8,370</b>	<b>298,370</b>	1,053,430
<b>Contingency</b>	hourly	13,290	<b>14,590</b>	<b>770</b>	<b>440</b>	<b>15,800</b>	16,900
<b>Interest Expense</b>	operations cost	7,340	<b>5,080</b>	<b>270</b>	<b>150</b>	<b>5,500</b>	4,130
<b>TOTAL FUNDING USES</b>		2,162,280	<b>1,930,070</b>	<b>102,380</b>	<b>58,640</b>	<b>2,091,090</b>	2,976,240
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		1,493,190	<b>1,654,680</b>	<b>87,770</b>	<b>50,270</b>	<b>1,792,720</b>	1,922,810

B-1-19

		<b>Total Adopted Budget FY 2016-17</b>	<b>Weekday Proposed Budget FY 2017-18</b>	<b>Saturday Proposed Budget FY 2017-18</b>	<b>Sunday Proposed Budget FY 2017-18</b>	<b>Total Proposed Budget FY 2017-18</b>	<b>Projected Budget FY 2018-19</b>
<b>Route 12, 14 and 15</b>							
	Hours	10,880	<b>10,340</b>	<b>980</b>	<b>680</b>	<b>12,000</b>	12,000
	Miles	333,010	<b>283,230</b>	<b>28,960</b>	<b>19,430</b>	<b>331,620</b>	331,620
<b>Administration:</b>							
<b>Total Administration (Net of Contracts)</b>		259,320	<b>234,590</b>	<b>22,870</b>	<b>15,670</b>	<b>273,130</b>	285,850
<b>Service Delivery:</b>							
Labor - Operations	hourly	562,830	<b>518,960</b>	<b>49,190</b>	<b>34,130</b>	<b>602,280</b>	636,930
Labor - Operations Workers Comp	hourly	66,630	<b>70,240</b>	<b>6,660</b>	<b>4,620</b>	<b>81,520</b>	93,740
Labor - Maintenance	hourly	129,750	<b>121,200</b>	<b>11,490</b>	<b>7,970</b>	<b>140,660</b>	148,750
Labor - Maintenance Workers Comp	hourly	19,400	<b>20,560</b>	<b>1,950</b>	<b>1,350</b>	<b>23,860</b>	27,430
Fuel	miles	213,400	<b>186,210</b>	<b>19,040</b>	<b>12,770</b>	<b>218,020</b>	227,130
Insurance	miles	105,460	<b>119,080</b>	<b>12,180</b>	<b>8,170</b>	<b>139,430</b>	163,170
Maintenance (parts, supplies, materials)	miles	84,460	<b>99,480</b>	<b>10,170</b>	<b>6,820</b>	<b>116,470</b>	128,120
Maintenance Contract Costs	miles	25,750	<b>14,390</b>	<b>1,470</b>	<b>990</b>	<b>16,850</b>	18,540
<b>Total Operations</b>		1,207,680	<b>1,150,120</b>	<b>112,150</b>	<b>76,820</b>	<b>1,339,090</b>	1,443,810
<b>Capital/Studies:</b>							
<b>Total Capital Outlay</b>		666,560	<b>233,230</b>	<b>22,740</b>	<b>15,580</b>	<b>271,550</b>	958,090
<b>Contingency</b>	hourly	13,620	<b>13,010</b>	<b>1,230</b>	<b>860</b>	<b>15,100</b>	16,150
<b>Interest Expense</b>	operations cost	7,530	<b>4,530</b>	<b>430</b>	<b>300</b>	<b>5,260</b>	3,940
<b>TOTAL FUNDING USES</b>		2,154,710	<b>1,635,480</b>	<b>159,420</b>	<b>109,230</b>	<b>1,904,130</b>	2,707,840
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		1,488,150	<b>1,402,250</b>	<b>136,680</b>	<b>93,650</b>	<b>1,632,580</b>	1,749,750

		<b>Total Adopted Budget FY 2016-17</b>	<b>Total Proposed Budget FY 2017-18</b>	<b>Projected Budget FY 2018-19</b>
<b>Runabout</b>				
	Hours	32,360	<b>30,710</b>	30,710
	Miles	564,530	<b>506,180</b>	506,180
<b>Administration:</b>				
<b>Total Administration (Net of Contracts)</b>		653,460	<b>595,590</b>	621,740
<b>Service Delivery:</b>				
Labor - Operations	hourly	1,674,010	<b>1,541,320</b>	1,630,010
Labor - Operations Workers Comp	hourly	198,170	<b>208,610</b>	239,910
Labor - Maintenance	hourly	385,910	<b>359,970</b>	380,690
Labor - Maintenance Workers Comp	hourly	57,720	<b>61,050</b>	70,210
Fuel	miles	361,760	<b>332,790</b>	346,690
Insurance	miles	178,780	<b>212,820</b>	249,060
Maintenance (parts, supplies, materials)	miles	143,190	<b>177,780</b>	195,560
Maintenance Contract Costs	miles	43,650	<b>25,720</b>	28,290
<b>Total Operations</b>		3,043,190	<b>2,920,060</b>	3,140,420
<b>Capital/Studies:</b>				
<b>Total Capital Outlay</b>		388,920	<b>23,480</b>	33,600
<b>Contingency</b>	hourly	40,530	<b>38,640</b>	41,330
<b>Interest Expense</b>	operations cost	22,370	<b>13,460</b>	10,090
<b>TOTAL FUNDING USES</b>		4,148,470	<b>3,591,230</b>	3,847,180
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		3,759,550	<b>3,567,750</b>	3,813,580

		<b>Adopted Budget FY 2016-17</b>	<b>Total Proposed Budget FY 2017-18</b>	<b>Projected Budget FY 2018-19</b>
<b>County Services</b>				
<b>Administration:</b>				
	<b>Total Administration (Net of Contracts)</b>	92,110	<b>95,230</b>	100,130
<b>Service Delivery:</b>				
	Labor - Operations	187,150	<b>177,500</b>	187,710
	Labor - Operations Workers Comp	21,990	<b>24,020</b>	27,620
	Labor - Maintenance	43,250	<b>41,450</b>	43,830
	Labor - Maintenance Workers Comp	6,440	<b>7,030</b>	8,080
	Fuel	24,790	<b>21,740</b>	22,650
	Insurance	12,100	<b>11,090</b>	12,750
	Special Transit (Senior Vans, Incentives, etc)	57,300	<b>43,900</b>	46,430
	Avila Trolley	57,060	<b>69,900</b>	73,920
	Maintenance (parts, supplies, materials)	21,220	<b>27,180</b>	29,900
	Maintenance Contract Costs	6,340	<b>3,930</b>	4,320
	<b>Total Operations</b>	<u>437,640</u>	<u><b>427,740</b></u>	<u>457,210</u>
<b>Capital/Studies:</b>				
	<b>Total Capital Outlay</b>	200,000	-	-
<b>Contingency</b>				
		21,880	<b>21,390</b>	22,880
<b>Interest Expense</b>				
	operations cost	-	-	-
<b>TOTAL FUNDING USES</b>		<u>751,630</u>	<u><b>544,360</b></u>	<u>580,220</u>
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		<u>551,630</u>	<u><b>544,360</b></u>	<u>580,220</u>

		Adopted Total Budget FY 2016-17	Proposed Route A & B Budget FY 2017-18	Proposed Paso DAR Budget FY 2017-18	Total Proposed Budget FY 2017-18	Projected Budget FY 2018-19
<b>North County Services</b>						
	Hours	8,390	6,670	1,490	8,160	8,160
	Miles	106,070	89,370	14,600	103,970	103,970
<b>Administration:</b>						
<b>Total Administration (Net of Contracts)</b>		118,180	81,660	17,240	98,900	99,810
<b>Service Delivery:</b>						
Labor - Operations	hourly	497,190	398,510	89,020	487,530	515,580
Labor - Operations Workers Comp	hourly	55,370	53,940	12,050	65,990	75,880
Labor - Maintenance	hourly	119,170	93,070	20,790	113,860	120,410
Labor - Maintenance Workers Comp	hourly	17,120	15,790	3,530	19,320	22,210
Fuel	miles	100,890	64,070	10,470	74,540	77,650
Insurance	miles	34,880	40,810	6,670	47,480	40,810
Maintenance (parts, supplies, materials)	miles	32,890	35,150	5,740	40,890	44,980
Maintenance Contract Costs	miles	8,380	5,080	830	5,910	6,510
<b>Total Operations</b>		865,890	706,420	149,100	855,520	904,030
<b>Capital/Studies:</b>						
<b>Total Capital Outlay</b>		-	-	-	-	-
<b>Contingency</b>						
	hourly	14,360	11,830	2,640	14,470	15,480
<b>Interest Expense</b>						
	operations cost	-	-	-	-	-
<b>TOTAL FUNDING USES</b>		998,430	799,910	168,980	968,890	1,019,320
<b>TOTAL NON-CAPITAL EXPENDITURES</b>		998,430	799,910	168,980	968,890	1,019,320



## San Luis Obispo Regional Transit Authority

### Executive Committee Meeting

Draft Minutes 2/8/2017

C-1

Members Present: Lynn Compton, President  
Jamie Irons, Vice President  
Tom O'Malley, Past President

Members Absent: None

Staff Present: Geoff Straw, Executive Director  
Tania Arnold, Deputy Director and CFO  
Shelby Walker, Administrative Assistant  
Tim McNulty, County Counsel

Also Present: Pete Rodgers, SLOCOG  
Ron Di Carli, SLOCOG  
Eric Greening, Atascadero

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

**President Lynn Compton** 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, stated he has been assured by the professionalism of the drivers during this rainy season. He feels safe in their hands. He said that riders are still experiencing some issues dealing with weather and lack of proper shelters, the Cuesta College stop in particular. **President Compton** asked if an awning could be implemented. **Board Member Tom O'Malley** said rain gutters may help. **Mr. Geoff Straw** stated that we will be adding a bus stop improvement plan to the next agenda. **Board Member Jamie Irons** asked if we get any feedback from riders about "creature comforts". **Mr. Straw** stated that we do ask riders about comfort in our surveys.

### 3. Information Items

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

**Mr. Straw** showed the most recent plans for the Elks Lane long-term garage facility and explained where RTA is at in the environmental review process. **President Compton** asked if the noise will affect CAPSLO. **Mr. Straw** stated that the noise will be going to the opposite direction. **Mr. Straw** then showed the current plans for the improvements of the government center transit center. He stated that there are some unique aspects to it. Currently, staff is getting feedback from operations and the city of San Luis Obispo. He stated that procuring shelters and contractors for installment of them will be on the March Board meeting consent agenda. We do already have grant money for some of the project. **Board Member O'Malley** stated that there are often times little fixes become more expensive later. He said staff should look into options to address items early on in the development of the Elks Lane facility. **Mr. Straw** stated that whatever we can do, we will get it done early on. **Board Member O'Malley** asked if there was a chance that any of the habitants of CAPSLO could wander over into the facility. **Mr. Straw** stated that there will be a fence all around the perimeter for security. **Mr. Tim McNulty** stated that even after environmental review, we may be able to play around with the footprint of this site. Further discussion ensued about the government center improvement project and Elks Lane project.

**Mr. Straw** continued his report by stating that Runabout fares would be increasing in June 2017 due to the proposed increase in SLO Transit fares. The Runabout fares will automatically adjust to twice the new fixed rout cash fare with a maximum of \$10.00 per one-way trip. He stated that Runabout costs will decrease slightly because of the number of riders from TCRC-funded has gone down. Some riders have been reallocated to Ride-On.

**Mr. Straw** concluded his report.

**President Compton** opened public and board comment.

**Mr. Greening** stated the plans for the government center improvements look good. He likes the mix of backed and non-backed benches. His main concern is the arched shelters and if they will provide enough cover from rain.

**Mr. Pete Rodgers** stated that SLOCOG, RTA, and Ride-On continue to work on the contract with TCRC. He thanked **Mr. Straw** and **Ms. Tania Arnold** for getting into the process of this contract for Ride-On. He stated that we need to hold TCRC accountable for the trips provided to their clients. After a meeting yesterday, he stated that Ride-On should be seeing better reimbursements for the trips provided. He mentioned that **Ms. Stephanie Hicks**, SLOCOG, has been doing a good job working on this contract.

**President Compton** closed public and board comment.



#### 4. Action Items

##### B-1 FY17-18 Budget Assumptions

Before **Ms. Arnold** began her report, **Board Member O'Malley** thanked her for all her work and diligence. **Ms. Arnold** stated that we spent 45% of our operating budget through December 31, 2016, which is under budget (50% of the fiscal year). We are projecting some savings to carry over to FY17-18, which will help lower the amount requested of LTF for FY17-18. STA funds, the sales tax on diesel, used for capital projects are projected to be down approximately 20%. LTF used for operating purposes is projected to be flat for the region. We continue to focus on Runabout costs, which have escalated in the past years. Currently it is pretty much flat and we may even see some decrease, which is a welcomed relief. Fuel costs continue to remain low; this also results in declining ridership & fares. A fare program increase will be proposed to help cover increasing costs; it would start in January 2018. **Board Member O'Malley** asked if there are any rules regarding the information given to the Board and the public. **Ms. Arnold** stated that there is a policy in place regarding fare changes, including public workshops and public hearings. Information will be given to the Board and public.

She continued by stating that RTA will be striving to maintain service levels and hours of service that meet the standards of productivity and demand of our customers and communities.

Fare revenue is projected to be \$1,300,000 (farebox and advertising revenue) at existing fare levels. We have been receiving advertising revenue from the exterior bus ads. **Board Member O'Malley** asked if there is a media packet that gets sent out to business. **Ms. Arnold** said yes, there is one and that she could send it to him. **President Compton** also asked to receive the media packet. **Ms. Arnold** continued by stating the contribution from Cuesta College is estimated to increase slightly to \$104,000 for services to the main campus and North County campus. **Board Member O'Malley** asked if Cuesta College had a representative on any Board. **Mr. Straw** stated that they have representative on the RTAC Board but have not had much participation from that appointee.

**Ms. Arnold** stated the FY16-17 budget that was adopted in May 2016 included \$3,764,950 LTF operating revenues with advisory FY17-18 LTF amount at \$5,190,030. The city finance directors got a reminder in January that the advisory number will come down some but wanted to give them a heads up on what will be requested.

Federal Transit Administration (FTA) Section 5307, 5311 and 5339 operating funding for FY17-18 and FY18-19, and capital funding for five years will be presented. Currently, the federal funding bill is funded through April 2017. Staff is confident FTA Section 5307 operating funding from the Santa Maria Urbanized Area will continue for RTA Route 10.

Staff will continue to provide detailed miles/hours and span of service for each RTA core fixed route and Runabout in the draft budget. For context, detailed budgets based on miles/hours and span of service will also be provided separately for SLO County Services and North County Local Services.

Staff continues to work with SLOCOG to evaluate region-wide service efficiencies. Across the country, transit agencies have been experiencing ridership decline due to low fuel prices. Staff will be reviewing the tasks and financial impacts included in the South County Transit contract for administrative, financial, marketing, maintenance, and dispatch services, and evaluate efficiencies with RTA. **Mr. Straw** stated that one way to look at efficiencies will be to cross services between RTA and SCT and combine routes possibly. For example, the Arroyo Grande High School tripper run could be done using RTA buses and then continue as an RTA express run. **Ms. Arnold** said we will be addressing the duplicative and low producing fixed route runs due to decreasing ridership. Part of that will be reduced service levels on holidays to a Sunday schedule because of low productivity and difficulty in staffing.

She stated that Runabout services are projected to remain essentially status quo. The new evaluation process and the travel training that is provided has helped keep the status quo. Staff does not foresee needing to move forward with using supplemental taxicab services, but should future service expansions be required we will revisit the option. **Board Member O'Malley** stated that it would nice to review the information about taxicab services to meet some unmet transit needs. **Mr. Straw** stated that the Board can adopt a supplemental services policy to help with some of those unmet needs.

**Ms. Arnold** then went over the insurance expenses of the budget assumptions. She stated that workers compensation premiums through the CSAC Excess Insurance Authority are projected to increase 20%, which is lower than originally projected in May 2016. Our safety resource committee has helped reduce accidents. As of July 1, 2017 CalTIP will no longer provide employment practices liability insurance coverage as part of the premiums paid for general liability coverage. RTA is working on joining the Employment Risk Management Authority (ERMA) risk pool to obtain coverage. The annual premium is estimated at \$22,000 with a \$50,000 self-insured retention. **Board Member O'Malley** asked if the \$50,000 would come from general reserves or separate reserves. **Ms. Arnold** stated that it would likely come from contingency. **Board Member Irons** asked if it would be a \$50,000 separate line item all together. **Ms. Arnold** stated there is no policy currently for it. **Board Member Irons** asked if the \$50,000 was written into the policy or that was it just a selected option. **Ms. Arnold** stated that we looked into going to a commercial market when it came to selecting the policy best for RTA; the \$50,000 level is the minimum available to us. She continued noting that CalTIP vehicle physical damage will increase by approximately 5% due to the added asset value of new replacement Runabout vehicles. CalTIP liability insurance premiums are projected to increase by up to 28%. The pool has experienced significant negative claims development and is working to ensure the stability of the pool and

ensure equity between all members. We did look at the commercial market prices. For budget-making purposes, staff is assuming an 8% annual increase for healthcare costs for each of the next two fiscal years. **Mr. Straw** stated that CalTIP is looking for tort reform so the rate increases could be more effectively addressed.

**Ms. Arnold** stated that the current Collective Bargaining Agreement expires on January 31, 2018. There will be a closed session at the May Board meeting to discuss the negotiations that will take place in summer of 2017. It could have a significant impact on future budgets. The overall number of budgeted positions for the North County and SLO County services will remain the same. An annual inflationary adjustment based on the California CPI for non-union employees will be implemented. Also, employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments.

**Ms. Arnold** went over the proposed budget calendar and then concluded her report.

**President Compton** opened public and board comment.

**Mr. Greening** stated that he is glad that RTA is willing to hold the line for evening and weekend services. He asked if the fixed route fares increased, does the Runabout cap rises automatically or is it something that would go to the Board. **Mr. Straw** stated that it would be adjusted automatically, and the maximum is dependent on the approval of any changes to the Regional Day Pass.

**Mr. Ron Di Carli** complimented RTA staff on the hard work for the budget. We will assume that TDA, LTF, and STA will go down if the Federal Transit funding goes up. The cost savings with Runabout will help and thanked RTA staff and SLOCOG for their work. SLOCOG concurs with the efficiencies savings between RTA and SCT and encourage consolidation as another saving option. The CBA with flat TDA funding it will not be resolved in June 2017.

**President Compton** closed public and board comment.

**Board Member O'Malley** moved approval of action item B-1 and seconded by **Board Member Irons**. The motion carried on a voice vote.

##### 5. Consent Agenda Items

C-1 Executive Committee Meeting Minutes of December 14, 2016

**Board Member O'Malley** moved approval of action item C-1 and seconded by **President Compton**. The motion carried on a voice vote.

6. **Agenda Review:**

**Mr. Straw** briefly reviewed RTA Board Agenda items for the March 1<sup>st</sup> meeting, he stated that he will be adding two items to the consent agenda for that meeting.

7. **Adjournment: President Compton** adjourned RTA Executive Committee meeting at 11:09 a.m.

Respectfully Submitted,

Acknowledged by,

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Shelby Walker  
Administrative Assistant

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Lynn Compton  
RTA President 2017

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

### 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 vehicle service hour will be 22 or greater.  
*Measurement:* Objective.

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

RTA is at 19.1 riders per hour for the year, which is below our goal of 22. Lower fuel prices are considered the primary reason for the decline as some passengers appear to have chosen to use their private automobile in lieu of riding RTA fixed route buses.

Productivity									
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	YTD
RTA	25.0	26.9	23.7	23.1	23.2	18.6	19.8	21.9	22.6
Route 15	9.0	7.3	7.9	7.5	7.6	8.5	7.9	7.0	7.8
Paso Express	15.5	16.2	20.3	19.7	18.0	15.7	15.4	18.0	17.3

**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.

As long as a scheduled fixed route bus trip is delivered ahead of the next scheduled bus trip, then service is considered “delivered” (but that late trip will still be reported under the on-time performance measure discussed below). The service delivery goal is 99% or greater. RTA delivers about 2,644 trips per month, and missed six scheduled trips YTD, or a service delivery achievement of 99.99%. Paso Express delivers about 634 trips per month, and missed 2 trips YTD for a similar performance of 99.99%.

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

*Measurement:* Objective.

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

Fixed route service is considered on-time if at no point the bus is six or more minutes late. The goal is 95% or greater. The onboard Intelligent Transportation System (ITS) is providing more reporting accuracy making the goal of 95% out of reach. During the development of the next

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

Strategic Business Plan, the RTA Board should consider a revised goal that would represent a more achievable target.

<b>FY 2017</b>								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
RTA	86%	86%	86%	87%	87%	87%	89%	88%
Paso Express	88%	84%	83%	86%	82%	87%	89%	86%
Route 15	66%	67%	65%	65%	67%	55%	64%	67%

**Standard 4:** Runabout On-Time Performance shall be 95% or greater.

*Measurement:* Objective.

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

Runabout service is considered on-time if the van arrives within 30 minutes of the appointed pick-up time. The goal is 95% or greater, and through February Runabout has surpassed this goal in each month of FY 2017, achieving an OTP result of better than 98%. Staff will continue to monitor Runabout’s OTP to ensure we continue to achieve this strong result.

**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. Below are some interim findings:
  1. The Short Range Transit Plan adopted in September 2016 recommended that staff evaluate the Route 12 in an effort to improve service between Los Osos and San Luis Obispo. Currently, there are Bus Operator breaks scheduled at the Morro Bay transit center during non-peak travel periods, which results in a relatively long total trip time for some passengers. A plan to move all break time to Government Center is under consideration. If the plan is feasible, it will be implemented in the August seasonal service change in 2017.
  2. Budget challenges and a loss of Runabout passengers necessitated a look at service levels. In response to the challenge, two express trips are scheduled to be merged with other service and eliminated in May. Also, as much as 40 weekly Runabout hours are scheduled to be cut in May.

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

*Measurement:* Objective.

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

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

There are currently no trips exceeding this metric. However, with APC data we can define a new standard that will be very customer experience centered. Staff will suggest a revised goal during discussions up updating the Strategic Business Plan in 2017.

### 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.

**Fiscal Year 2012 Result: Operating Costs were 95% of the adopted budget**

**Fiscal Year 2013 Result: Operating Costs were 93% of the adopted budget**

**Fiscal Year 2014 Result: Operating Costs were 90% of the adopted budget**

**Fiscal Year 2015 Result: Operating Costs were 88% of the adopted budget**

**Fiscal Year 2016 Result: Operating Costs were 90% of the adopted budget**

**Fiscal Year 2016 Result: Operating Costs are 60.8% of the adopted budget (as of February 2017, 66.7% into the fiscal year)**

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

**Standard 2:** Fixed Route Farebox Recovery Ratio (FRR) shall be greater than 25%.

*Measurement:* Objective.

- Based upon monthly Route Productivity/Performance Report.

**Fiscal Year 2012 Result: 28.81%**

**Fiscal Year 2013 Result: 30.82%**

**Fiscal Year 2014 Result: 31.50%**

**Fiscal Year 2015 Result: 26.40% (including Paso Express)**

**Fiscal Year 2016 Result: 25.74% (including Paso Express)**

**Fiscal Year 2016 Result: 21.6% (including Paso Express through February 28, 2017)**

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

RTA consistently meets or exceeds this FRR goal, and ridership remains high. Staff will continue to closely monitor our FRR performance, particularly as the economy continues to improve, and gas prices continue to remain low.

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

*Measurement:* Objective.

- Finance and Administration will report negative audit findings (if any).

RTA consistently achieves positive annual fiscal and compliance reports with no significant financial audit findings. Staff strives for improved transparency and continues to implement procedures that exceed the auditors' expectations.

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

*Measurement:* Subjective.

- Evaluated through bi-annual customer perception survey, feedback from communities and review of the annual capital program by staff and the Board.

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

### **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.



## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

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

- Rate shall be reported by Safety and Training.

Preventable Collision Rate		RTA FY17		
Month	Goal (1.0)	FY2017	Collisions	Miles
JUL	1	0.00	0	121,435
AUG	1	1.46	2	136,718
SEP	1	0.72	1	139,188
OCT	1	0.00	0	141,399
NOV	1	0.00	0	134,636
DEC	1	0.70	1	142,528
JAN	1	0.72	1	139,142
FEB	1	0.79	1	127,103
YTD		0.55	6	1,082,149

In January 2014, the RTA Board tightened the standard from 2.0 collisions per 100,000 miles to only 1.0. For the first time since this revision to the standard, RTA is achieving this more challenging goal with a collision rate of 0.55 per 100,000 miles. Staff will continue to provide training and raise safety awareness in order to achieve positive results.

**Standard 2:** Address all safety hazards identified by the Safety Resource Committee.  
*Measurement:* Objective.

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

Since July 2016, the committee has received 25 new agenda items and has closed 12, with four ongoing open items. The four open items include the Heart-TA health awareness program, posting Safety Committee meeting minutes for all employees to see, posting quarterly Collision Statistics, and maintaining the days without a preventable collision counter poster. In FY15-16, the committee started with ten open items and ended with four open items. The committee resolved 39 employee suggestions over the course of last fiscal year.

**Standard 3:** Preventable workers compensation lost-time claims will not exceed 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.

**Fiscal Year 2010-11 Result: 10**

**Fiscal Year 2011-12 Result: 16 (includes 7 medical only)**

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

**Fiscal Year 2012-13 Result: 11**

**Fiscal Year 2013-14 Result: 9 (includes 5 medical only)**

**Fiscal Year 2014-15 Result: 10 (includes 5 medical only, 5 have been closed)**

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

**Fiscal Year 2016-17 Result: 4 lost-time claims (2 medical only) as of February 28, 2017**

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

*Measurement:* Objective.

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

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the joint Short Range Transit Plan effort in March 2015; the results of this effort is included in the final SRTP report and customer satisfaction remained high for RTA and Runabout. RTA plans to conduct a follow-up survey in 2017.

**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.

**Fiscal Year 2011 Result: 5.1% of total operating costs**

**Fiscal Year 2012 Result: 7.5% of total operating costs**

**Fiscal Year 2013 Result: 7.6% of total operating costs**

**Fiscal Year 2014 Result: 8.2% of total operating costs**

**Fiscal Year 2015 Result: 8.7% of total operating costs**

**Fiscal Year 2016 Result: 10.65 of total operating costs**

We achieved the goal during Fiscal Years 2010-11 to 2013-14. Fiscal Years 2014-15 and ensuing year results are higher as a result of significant development in liability and workers compensation claims, as well as generally higher liability costs in the public transit market. This includes property, workers compensation, liability, and auto physical damage insurance costs. Due to the tightening market in California, staff expects these costs to continue to escalate unless tort reform or other adjustments are made by the Legislature that could reduce transit agencies' exposure to frivolous lawsuits. If our exposure could be reduced, it would likely increase competition in the market and reduce our risk management costs. Staff is closely monitoring this issue and report developments back to the Board as information is collected.

### **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

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

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

*Measurement:* Subjective.

- Annual assessment by Executive Director and Department Heads.

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

**2010 – 24%**

**2011 – 33%**

**2012 – 20%**

**2013 – 12%**

**2014 – 19%**

**2015 – 18%**

**2016 – 14%**

**2017 – 6%**

**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: 30 Hours per technician annually.
- Operations Supervisors: 24 Hours annually.
- Bus Operators: 8 Hours Annually
- Finance and Administration: 16 Hours per employee annually.

RTA is very fortunate to have had a relatively robust training budget over the last two years as we have emerged from the economic recession. It should be noted that this ongoing training is essential to what staff at RTA does on a daily basis to help both the organization and staff grow.

- Maintenance: As of February 28, 2017 the Technicians averaged 29 hours of training per person. During FY15-16 they averaged 43.75, and in FY14-15 they averaged 108.5. It should be noted that Technicians were provided an unusually high number of vendor-provided hours as part of the Gillig low-floor bus procurements that were completed in 2013 and early 2015.
- Operations Supervisors (24 Hours annually): Supervisors averaged 35 annual training hours per person year to date.
- Bus Operators training includes:
  - State-mandated minimum of 8 hours of *Verification of Transit Training* annually.
  - Six-month refresher for new Bus Operators.
  - Focused and customized training designed specifically for 2 year drivers.

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

- Finance and Administration: these training hours are used by each employee in various ways based on their responsibilities and in consultation with their direct supervisor. Staff believes that this standard has been met for the majority of finance and administration employees are on track to meet this standard in FY16-17.

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

*Measurement:* Subjective.

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

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

*Measurement:* Objective.

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

RTA currently completes formal annual evaluations for administration and management staff. Bus Operators are evaluated based on the requirements of the Collective Bargaining Agreement (CBA). Both Technicians and Bus Operators are evaluated as part of the RTA Safety Awards program on their individual anniversary dates.

### 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 100% of all revenue vehicles 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.

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

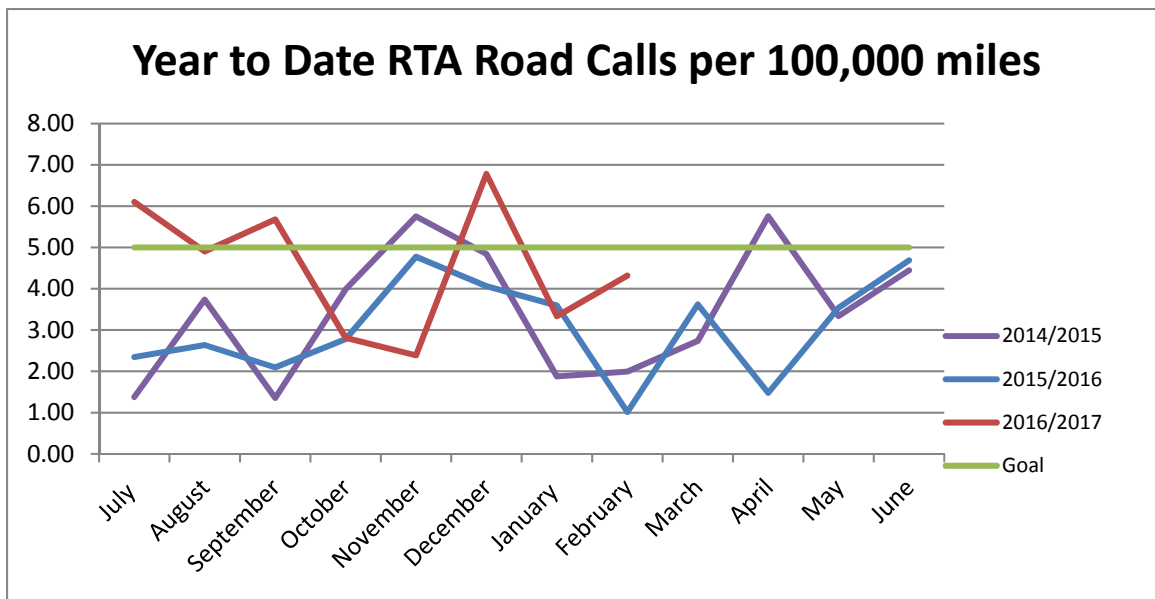
As of February 28, 2017 the average RTA fixed route vehicle age (including Paso Express fixed route vehicles) is just over 5 1/2 years with an average of 272,500 miles. The design life of a fixed route bus is 12 years/500,000 miles. The average demand response vehicle age (including Runabout and other Dial-A-Ride vans) is just under 3 years with an average of 75,000 miles. The design life of a demand response van is 4-years/100,000 miles, so we are currently within RTA's standard. Our capital program was updated as part of the SRTP update, which was adopted by the RTA Board in July 2016, and a five-year capital program is included in each annual budget document.

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

This standard has been achieved in all but five months over the past three fiscal years. The year-end average was 3.17 in FY13-14, 3.31 in FY14-15, 3.05 in FY15-16, and 4.54 so far in FY16-17. RTA's reporting matches the definition as used in the National Transit Database. We will closely track this standard as our fleet ages and/or if breakdowns appear to be happening more frequently.



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

*Measurement:* Subjective.

- As measured by employee and customer feedback.

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the Short Range Transit Plan in March 2015; the results were positive as part of the 2016 SRTP, too. Overall, passengers appear to be satisfied with the cleanliness of RTA vehicles and facilities.

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

*Measurement:* Objective.

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

The first comprehensive Customer Perception Survey was completed in 2013. We completed passenger and stakeholder surveys as part of the Short Range Transit Plan in March 2015; the results were positive in the 2016 SRTP report, too. Overall, passengers appear to be satisfied with the state of RTA bus stops.

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

*Measurement:* Objective.

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

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

### 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.

Staff believes that we have maintained strong relationships with most local, state and federal agencies. Staff regularly meets with (in-person or teleconference) with our funding partners, and our Grants Manager is recognized by state and federal officials as a "go-to person" to help other transit agencies with developing good oversight practices.

## Mid-Year Report on RTA Performance Standards

July 2016 through February 2017

**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.

The Executive Director and other senior staff attend City Council and other policy board meetings throughout the county, as well as civic group meetings, as appropriate. RTA will host our regional partners at MST and Santa Cruz METRO on May 11 to enhance networking opportunities for our respective management groups.

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

*Measure:* Subjective.

- To be evaluated by Executive Director.

This is area of organizational culture than can never be fully “completed” but is something that we continually strive to improve. We strive to include one RTA Bus Operator and one SCT Supervisor to our bi-weekly staff meetings to ensure the strategic issues we discuss include input from both the driver group and our SCT partners. We are planning a “tune-up” session in June for the Team Strengthening session we conducted in February 2016. The Executive Director and the three senior managers are currently working on a Succession Plan that focuses on the attributes and traits necessary for critical positions in the organization.

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

*Measurement:* Subjective.

- To be evaluated by Executive Director and RTA Board.

The Executive Director attends each bimonthly SLO Transit Mass Transit Committee meeting to ensure open communications between our two agencies. To ensure that each JPA jurisdiction’s policy board is informed about regional transit issues, the Executive Director occasionally attends City Council meetings or as requested. A recent example is his involvement with the City of Arroyo Grande’s Halcyon Corridor planning project to ensure RTA and SCT needs are addressed. The RTA Executive Director also attends County Supervisor agenda review meetings with the SLOCOG Executive Director to ensure we understand and support each other’s efforts. Finally, RTA staff provides comments to City and County planning departments to ensure that transit amenities are considered in planning documents and development proposals.

**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY**

**April 12, 2017**

**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 3<sup>rd</sup> day of May 2017 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 3<sup>rd</sup> day of May 2017 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, and all subsequent amendments thereto.

**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 \$132,778 per year, consisting of a 1.5% merit increase over the existing contract, payable in increments compatible with SLORTA’s payment of other employees. The effective date of this salary shall be January 1, 2017. A salary adjustment shall be determined by the SLORTA Board of Directors 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. In addition, SLORTA will pay \$800.00 at the beginning of each year for Employee to use toward the purchase of an additional life insurance policy.

**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. 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

\_\_\_\_\_  
LYNN COMPTON, President

\_\_\_\_\_  
SHELBY WALKER, Recording Secretary

APPROVED AS TO FORM AND LEGAL EFFECT

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

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