



REGIONAL TRANSIT AUTHORITY EXECUTIVE COMMITTEE AGENDA

***** VIA ZOOM WEBINAR*****

Wednesday, February 9, 2022

10:00 a.m. – 11:30 a.m.

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 781-4833. Please note that 48 hours advance notice will be necessary to honor a request.

Important Notice Regarding COVID-19

Due to the continuing increase of Coronavirus (COVID-19) cases and in accordance with AB 361, which amends Government Code §54953 to allow local legislative bodies to hold virtual meetings after September 30, 2021, if certain criteria is met, the RTA Executive Committee meeting on February 9, 2022 will be a virtual meeting held via Zoom webinar.

HOW TO WATCH:

To Watch and Participate in Live Public Comment: To provide public comment during the meeting, use the Zoom webinar link below. Please use the following link to register in advance of the webinar. After registering, you will receive a confirmation email with details about joining the webinar:

https://us02web.zoom.us/webinar/register/WN_hfkFHGO2TSur1DmcCU5sgg

HOW TO COMMENT:

The RTA is accepting general public comments for items on the RTA Executive Committee agenda as well as items of interest not on the agenda within the jurisdiction of the RTA Executive Committee.

Members of the public can submit comments by:

Zoom webinar – Verbal, Live Public Comments

- See details on page 1 of this agenda under ‘How to Watch.’
- Phone – Verbal Public Comments – Call: (805) 781-4833 – State and spell your name, state the agenda item number you are calling about and leave your comment/s. Verbal comments must be received no later than 5:00 p.m. on February 8, 2022 (the day before the meeting) and will be limited to three (3) minutes.

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

Email – Written Public Comments to: info@slorta.org with the subject line “public comment.”

- Include the agenda item number you are referencing or type “general comment,” if it is about an item not on the agenda.
- **Emailed written comments must be submitted no later than 5:00 p.m. on Tuesday, February 8, 2022**

Mail – Written Public Comments

- Mail to:
Clerk of the Board, RTA
253 Elks Lane
San Luis Obispo, CA 93401
- **Mailed written comments must be received by the RTA no later than 5:00 p.m. on Tuesday, February, 8 2022.**

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1. **Call Meeting to Order, Roll Call**
 2. **Public Comment:** The San Luis Obispo Regional Transit Authority Executive Committee reserves this portion of the agenda for members of the public to address 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. **Closed Session:**
It is the intention of the RTA Board to meet in closed session concerning the following item:
Executive Director Performance Evaluation (Govt. Code Section 54957)
 4. **Consent Items**
A-1 Executive Committee Meeting Minutes of December 8, 2021 (Approve)
 5. **Information Items**
B-1 Executive Director’s Report (Verbal, Receive)
B-2 Bus Maintenance Facility Progress Update (Verbal, Receive)
 6. **Action Items:**
C-1 Fiscal Year 2022-23 Budget Assumptions (Approve)
 7. **March 2, 2022 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items for the RTA Portion of the January Board meeting.

Closed Session Item:

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.) It is the intention of the RTA Board to meet in closed session to have a conference with its Real Property Negotiator, Geoff Straw, concerning the following:
Property Description: 179 Cross Street, City of San Luis Obispo.
Parties with Whom Negotiating: LTC/SLO, LTD. L.P., a California limited partnership.
Instructions to Negotiator: Price, Terms and Conditions.

Consent Items

- A-1 Executive Committee Meeting Minutes of December 8, 2021 (Information)
- A-2 Joint SLOCOG and RTA Board Meeting Minutes of January 5, 2022 (Approve)
- A-3 RTA Board Meeting Minutes of January 5, 2022 (Approve)

- A-4 Authorize Executive Director to Submit Application for Transit and Intercity Rail Capital Program (TIRCP) Grant Program Funds (Approve)
- A-5 Authorize Executive Director to procure remaining furniture, fixtures and equipment for new bus maintenance facility (Approve)

Information Items

- B-1 Executive Director's Report (Receive)
- B-2 Bus Maintenance Facility (BMF) Progress and Change Order Update (Receive)
- B-3 Update on BMF Ribbon Cutting Ceremony on March 18, 2022 (Receive)

Action Items

- C-1 Fiscal Year 2022-23 Budget Assumptions (Approve)

8. Adjournment

Next RTA Executive Committee Meeting: **April 13, 2022**

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San Luis Obispo Regional Transit Authority
Executive Committee Meeting
Minutes 12/08/2021
C-1

Members Present: Ed Waage, City of Pismo Beach, **Vice President**
Fred Strong, City of Paso Robles

Members Absent: John Peschong, District 1 Supervisor, **President**

Staff Present: Geoff Straw, Executive Director
Tania Arnold, Deputy Director and CFO
Shelby Walker, Administrative Assistant
Nina Negranti, County Counsel
Pete Rodgers, SLOCOG

Call to Order and Roll Call: Vice Preside Ed Waage called the meeting to order at 1:00 PM and roll call was taken. A quorum was present.

Public Comment: None

1. **Consent Items**

A-1 Executive Committee Meeting Minutes of October 13, 2021 (Approve)

Board Member Fred Strong made a motion to approve consent agenda item A-1 and **Vice President Ed Waage** seconded the motion. The motion passed unanimously via roll call vote.

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JOHN PESCHONG			X
FRED STRONG	X		
ED WAAGE	X		

2. **Information Items**

B-1 Executive Director’s Report (Verbal, Receive)

Mr. Geoff Straw stated that the Bus Maintenance Facility is in the final stages. We are estimated to come in under budget and finish earlier than expected. The last concrete pour happened and we will be able to drive on it in three weeks.

We are still struggling to find bus operators. Union agreed to meet to discuss ideas on recruiting.

Board Member Strong asked if the state order for truck drivers applies for bus operators as well, it is a certain course that they have to take. **Mr. Straw** stated that we have extensive background checks and meet the qualifications for the trainers. We do not have to go to the state for each driver.

Public Comment: None

Vice President Waage stated that the committee will receive and file item B-1.

B-2 Bus Maintenance Facility Progress Update (Verbal, Receive)

Mr. Straw addressed the item in his Executive Director's report. He stated that we will be adding another consent item to this agenda.

Public Comment: None

3. **Action Items** : NONE

1. **January 5, 2022 Draft RTA Board Agenda:** The Executive Committee is asked to review and comment on the proposed agenda items for the RTA Portion of the January Board meeting.

Closed Session Item:

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code, § 54956.8.) It is the intention of the RTA Board to meet in closed session to have a conference with its Real Property Negotiator, Geoff Straw, concerning the following:
Property Description: 179 Cross Street, City of San Luis Obispo.
Parties with Whom Negotiating: LTC/SLO, LTD. L.P., a California limited partnership.
Instructions to Negotiator: Price, Terms and Conditions.
- b. It is the intention of the RTA Board to meet in closed session concerning the following item: Executive Director Performance Evaluation (Govt. Code Section 54957)

Consent Items

- A-1 Executive Committee Meeting Minutes of October 13, 2021 (Information)
- A-2 RTA Board Meeting Minutes of November 3, 2021 (Approve)
- A-3 RTA Board Meeting Minutes of December 8, 2021 (Approve)
- A-4 Paso Robles Bus Parking Yard CEQA Mitigations 3rd Annual Monitoring Report (Receive)
- A-5 Authorize FTA Annual Certifications and Assurances Submittal (Approve)
- A-6 Authorize FTA Section 5311 Grant Application Submittal (Approve)
- A-7 Authorize Administration of FTA Sections 5307, 5539 and CMAQ Grant Programs (Approve)
- A-8 Authorize Rural Transit Funds Grant Application Submittal (Approve)
- A-9 Authorize Executive Director to Submit Application for State of California SB-1 State of Good Report (SGR) Grant Program Funds (Approve)

- A-10 Authorize Executive Director to Submit Application for California Low-Carbon Transit Operations Program (LCTOP) Grant Program Funds (Approve)
- A-11 Declare Surplus Vehicles – Paso Robles Fixed Route (Approve)
- A-12 Issue Purchase Order for Two Battery-Electric Buses (Approve)

Information Items

- B-1 Executive Director’s Report (Receive)
- B-2 Bus Maintenance Facility (BMF) Progress and Change Order Update (Receive)
- B-3 Update on BMF Ribbon Cutting Ceremony on January 20, 2022 (Receive)

Action Items

- C-1 Finalize Funding for 179 Cross Street Decommissioning Project

Public Comment:

Mr. Pete Rodgers would like to just note that before

Board Member Strong made a motion to approve the proposed agenda for January 5, 2022 and **Vice President Waage** seconded the motion. The motion passed unanimously via roll call vote as follows:

<u>BOARD MEMBER</u>	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
JOHN PESCHONG			X
FRED STRONG	X		
ED WAAGE	X		

4. Adjournment

The meeting was adjourned at 1:11 PM.

Next RTA Executive Committee Meeting: **February 9, 2022**

Respectfully Submitted,

Acknowledged by,

Shelby Walker
Administrative Assistant

John Peschong
RTA Board President 2021

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**SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY
EXECUTIVE COMMITTEE
FEBRUARY 9, 2022
STAFF REPORT**

AGENDA ITEM: C-1

TOPIC: Fiscal Year 2022-23 Budget Assumptions

ACTION: Approve FY22-23 Budget Assumptions

PRESENTED BY: Tania Arnold, Deputy Director/CFO

STAFF RECOMMENDATION

FOR EXECUTIVE COMMITTEE: Bring the budget assumptions and budget calendar to the Board so that a detailed work plan and budget may be developed.

BACKGROUND/DISCUSSION:

The following report outlines staff's recommended budget assumptions for the RTA's Fiscal Year 2021-22 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 the 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 Executive Committee's and subsequently 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 14th meeting prior to the final draft budget presentation to the Board in May.

KEY ISSUES

1. Address the operational and financial impacts of the COVID-19 pandemic, both internally and in support of the communities in which the RTA operates. Impacts include:
 - a. Liability costs, which stabilized due to the RTA's good safety record, but the market continues to be extremely volatile.
 - b. Continuing to focus on containment of Runabout costs, especially as productivity during the pandemic has declined (by design), as well as the expected increase in demand as the pandemic abates.
 - c. Address staffing and retention, particularly in the Bus Operator classification.

2. Negotiate a new or extended Collective Bargaining Agreement with Teamsters Local 986, which represents Bus Operators, Technicians and Utility employees. The current CBA expires December 31, 2022.
 3. Continue efforts to implement Zero Emission Bus technologies, including procurement of battery-electric vehicles and start-up of recharging infrastructure.
 4. State Transit Assistance (STA) funds are projected to be higher than in the past few years. As a reminder, starting in FY17-18 the funding to the region was significantly increased due to the Senate Bill 1 – Road Repair and Accountability Act (SB-1) funds, which include augmented STA funds and State of Good Repair funds.
 5. Local Transportation Funds (LTF) used for operating purposes are projected to be higher in the region but the RTA will continue to maximize all other funding sources before determining the need for LTF.
 6. Fuel costs continue to be volatile; this also impacts ridership and fare revenues.
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Mission Statement

The Mission of the 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.
 - a) The RTA received \$829,280 for RTA core services in STA funding in FY21-22. Staff will work with SLOCOG staff to determine a realistic estimate for FY22-23.
 - b) Continue to monitor the results and impacts on ridership and fare based on the overall regular fare structure. The last system-wide fare change was implemented in December 31, 2017, both on RTA Fixed-Route and on the Runabout service, which included the establishment of a Runabout premium service fare.
 - c) The FY21-22 budget adopted in May 2021 included \$3,269,980 in LTF operating revenues, which was subsequently amended to \$2,719,540. At the May 2021 Board meeting, the advisory FY22-23 LTF projection was \$6,114,060, which was revised during FY21-22 down to \$5,448,690. Staff is still developing estimated annual FY21-22 expenses, which impacts the carryover amount that could reasonably be identified for the FY22-23 budget.

- d) Federal Transit Administration (FTA) Sections 5307, 5311 and 5339 operating funding and capital funding for FY22-23 will be presented in the same format as indicated in the most recent budget amendment. Should the actual annual authorizations for FTA programs increase or decrease for any of these programs, staff would adjust these assumptions accordingly in time for the Board's consideration of the budget at its May 2022 meeting. Monies for FTA-funded projects are reimbursed either as progress payments or as full payment at the end of the project and/or fiscal year, which requires focused care by staff to ensure adequate cash flow.
 - e) Detailed miles/hours and span of service for each RTA core Fixed-Route and for 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, South County Transit, and North County Local Services.
 - f) Productivity of each RTA-operated Fixed-Route service during holiday time periods will be presented to the Board as part of the draft budget, specifically associated with the service provided during the weeks of Thanksgiving, Christmas and New Years to determine if service levels should remain at a reduced level similar to 2021.
 - g) Staff will continue to research and evaluate new revenue sources should any potential shortfall in operating revenues arise. If we are unable to secure funding, staff would recommend that the Board consider adjusting the TDA allocation from the RTA jurisdictions and/or adjust service levels.
 - h) Due to changes in self-insured retention requirements, and now that consolidation has been completed, staff is reviewing and will provide recommendations regarding the RTA reserve policy during FY22-23.
- 2) Work with SLOCOG and our transit agency partners in the region to evaluate region-wide service efficiencies.
- a) Transit agencies across the country are highly impacted by the COVID-19 pandemic, which is impacting ridership and farebox revenues. As a result, the State of California has suspended farebox recovery ratio requirements through the end of FY22-23.
 - b) The RTA will work with SLOCOG staff and other transit providers to evaluate efficiencies in the provision of service throughout the county.
 - c) Staff will use the *2018-20 RTA Strategic Business Plan* as well as the *2016 Short Range Transit Plan* to evaluate potential efficiencies, and with Board concurrence, implement efficiencies. Additionally, the RTA will work with our transit agency partners to kick off a Short Range Transit Plan to update the

recently expired 2016 plan as well as address the requirements of the Innovative Clean Transit (ICT) Rollout Plan.

- 3) Evaluate options and provide analysis on the 5-year capital improvement program and methods to fund these needs.
 - a) Staff will continue to work with SLOCOG to prioritize capital projects using the State of Good Repair STA portion of SB-1 funds. These SB-1 funds are an important source of revenues for the RTA and the other transit operators in our region. It directly impacts the RTA need for LTF to fund operations and the local match for capital projects by reducing local match needed for federal funds, and interest when financing for capital projects is needed.
 - b) Other potential new capital projects include AB617 Clean Air Program and Low Carbon Transit Operating Program (LCTOP) funds intended to support our transition to zero emission buses.
- 4) Address projected changes in demand for Runabout service.
 - a) Runabout service hours and miles are still lower than were originally projected for FY21-22 and staff is closely monitoring service needs to determine when service will return to pre-pandemic levels. Staff will seek the Board's direction as demand increases over time.
 - b) Staff suspended in-person Runabout service eligibility assessment during the pandemic. As we emerge from the pandemic, we will re-institute this program to ensure that only those persons truly eligible for Runabout service are initially registered or re-registered as part of the Runabout application process. 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.
 - c) Staff does not foresee needing to move forward with using supplemental taxicab services at this time, but should future service expansions be required or if staffing shortages persist, staff will revisit this option.

Expenses Impacts

- 1) Fuel prices continue to be extremely volatile; diesel fuel will be budgeted at \$4.30 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. Should prices decrease staff will address the change in a budget amendment.

2) Insurance Expenses:

- a) CalTIP liability insurance premiums are projected to increase. The exact amount is not known at this time, as CalTIP actuaries are still working on May 1, 2022 through April 30, 2023 rates. Estimates will be available from CalTIP in time to include in the RTA draft budget presented to the Executive Committee at its April 2022 meeting. Although the number of RTA losses based on mileage has been lower than the statewide pool average, the RTA did experience a large claim in February 2019 that is impacting current and future premiums for a four year period. The pool had experienced significant negative claims development several years ago but those have stabilized due to efforts of all the member agencies to ensure the stability of the pool and ensure equity in costing among all members. This included a recently actuarial study on the application and formulas used in applying and calculating each agencies experience modification factor. More importantly, the California liability market continues to contract, which also increases per-mile costs.
- b) CalTIP vehicle physical damage will increase minimally due to the added asset value of newer vehicles in the fleet.
- c) Our annual Employment Risk Management Authority premium is estimated at \$40,000, with a \$50,000 self-insured retention. This self-insured retention does not currently have a reserve in place to cover it should a loss develop. As noted previously, staff is reviewing and will provide recommendations regarding the RTA reserve policy during the FY22-23.
- d) Workers compensation premiums through the Public Risk Innovation, Solutions, and Management (PRISM) are projected to increase, with the realization that workers compensation for transit services is especially challenging statewide as loss development trends in the state are not favorable. Based on estimates provided in January 2022 from PRISM, the estimate is less than the projection include in May 2021 for FY22-23. 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. Although premiums are expected to rise, a significant portion of that increase is attributable to the increase in wages identified in the collective bargaining agreement that were triggered by the changes in the California minimum wage.
- e) Property insurance will increase due now owning the facility at 253 Elks Lane and due to the significant losses in the property insurance market, namely the wildfires in California.
- f) For budget-making purposes, staff is assuming a 6% annual increase for healthcare costs for each of the next two fiscal years. Staff believes that this estimate is reasonable based on historical price increases.

3) Staffing Expenses:

- a) The current 4-year Collective Bargaining Agreement (CBA) expired on December 31, 2021, and a one year extension was negotiated through December 31, 2022. Staff fully understands the fiscal impacts that the pandemic has had on our agency and its member jurisdictions, and we will seek the Union's assistance in helping us emerge in a fiscally responsible manner.
- b) The number of FY22-23 budgeted full-time equivalent (FTE) positions will remain the same as in FY21-22.
- c) For FY22-23, the overall number of budgeted positions for the non-core services (North County, SoCo Transit, 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.
- d) An annual inflationary wage adjustment based on the December 2020 to December 2021 of 6.6% will be implemented in July 2022. The Operations Supervisor classification CPI increase adjustment would be implemented in January 2023, to coincide with any Bus Operator wage scale adjustments (if any). Employees within the salary range for their position will be eligible for a step merit increase subject to performance assessments and budgetary authority.
- e) The RTA Board of Directors took action at its September 1, 2021 meeting to implement the increase in contribution percentage of 2.16% for the retirement plan with San Luis Obispo County Pension Trust (SLOCPT) in July 2022. Traditionally, when increases have occurred the increase is fully covered by the agency and the budget will assume that pickup will continue. This is related to management, administration and confidential employees.

Proposed Budget Calendar

- February 9 Detailed budget assumptions and revenue forecasts presented to Executive Committee
- March 2 Provide mid-year FY21-22 Budget data to Board and present budget amendment (if needed). Obtain Board concurrence on proposed draft budget assumptions.
- March 31 Based on feedback from Executive Committee, develop FY22-23 Budget
- April 13 Present draft FY22-23 Budget and final budget amendment for FY21-22 to Executive Committee (if needed)

April 21 Present final draft FY22-23 Budget and final budget amendment for FY21-22 to RTAC (if needed)

May 4 Final Board Budget presentation; Board adoption of FY22-23 Budget

Staff Recommendation for Executive Committee:

Recommend staff provide the FY22-23 budget assumptions and budget calendar to the Board for approval at the March 2nd Board meeting, so that a detailed work plan and budget may be developed.

Staff Recommendation for the Board:

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

ⁱ Core services are defined as:

1. Hourly weekday services on RTA Routes 9, 10 and 12;
2. Five trips/day on Saturdays for Routes 9, 10, 12, and Monday-Saturday on Route 15;
3. Three trips/day on Sundays for Routes 9, 10, 12 and 15;
4. Peak period weekday service on Route 14 during open session of Cuesta College;
5. Peak period commuter Express services on Routes 9, 10 and 12; and
6. Runabout service that matches the fixed-route service days operated in each community.

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